

The logo for Money Wise UK is a blue, brush-stroke style horizontal bar with irregular, torn edges. The text "Money Wise UK" is written in white, sans-serif font across the bar, with a registered trademark symbol (®) at the end.

Money Wise UK®

Growing together, with integrity and respect

Money Wise UK® – Compliance Summary for Financial Planning Firms

March 2026

This month's update covers developments across targeted support, pensions and technology, consumer investments, digital pension tools, AI governance, client disclosures, product disclosures, and wider FCA regulatory priorities.

It also highlights three important FCA publications on Consumer Understanding, Non-Financial Misconduct and the Advice Review, which should be read as standalone documents.

The aim of this update is to highlight key regulatory developments that may affect financial planning firms and support internal governance and compliance discussions.

Important note

This document highlights selected regulatory developments and technical updates. It is not regulatory or legal advice. Each firm should consider whether these developments apply to its own business model, permissions and client base and seek compliance or legal advice where required.

1. Three FCA papers – important standalone reading

What has happened

The FCA has recently published three significant papers:

- Consumer Understanding – Good practice and areas for improvement
- Non-Financial Misconduct
- Advice Guidance Boundary / Advice Review developments

Money Wise UK thoughts

These are not minor updates. They are core to the FCA's direction of travel.

- Consumer Understanding reinforces that firms must evidence that clients genuinely understand key information, not simply that it has been provided
- Non-Financial Misconduct highlights increasing expectations around culture, behaviour and governance beyond technical advice
- Advice Review / Targeted Support signals structural change in how advice can be delivered across different client segments

Taken together, these papers move the focus towards:

- real client understanding
- firm culture and accountability
- more flexible, accessible advice models

Practical actions for firms

Ensure these papers are reviewed at board or senior management level.

Consider how Consumer Understanding is evidenced in practice.

Review internal culture, governance and behavioural expectations.

Assess how future advice models may evolve alongside targeted support and simplified advice.

2. Advice Guidance Boundary – targeted support implementation

What has happened

Targeted support is now moving into implementation, with firms able to apply for permissions via Connect and access pre-application support.

The FCA continues to promote a broader framework including:

- guidance
- targeted support
- simplified advice
- full advice

Money Wise UK thoughts

This reflects a shift away from a single advice model.

The FCA is acknowledging that many consumers need support that sits between guidance and full advice. This creates opportunity, but also introduces expectations around structure, segmentation and governance.

Practical actions for firms

Consider whether targeted support is relevant to your client base.

Review how different client segments are currently served.

Monitor further developments around simplified advice.

3. Technology and pensions – increasing consumer engagement

What has happened

The FCA has highlighted how pensions dashboards and digital tools will increase visibility of pension savings.

This is expected to lead to:

- increased engagement
- more transfer and consolidation activity
- greater demand for support

Money Wise UK thoughts

More visibility does not automatically lead to better outcomes.

Consumers may act on information without fully understanding long-term consequences. This increases the importance of advice as interpretation rather than information.

Practical actions for firms

Review how retirement planning is communicated.

Prepare for increased client engagement driven by dashboards.

Ensure advice remains focused on long-term outcomes.

4. Consumer investments – building trust and confidence

What has happened

The FCA has outlined priorities to:

- build a stronger investment culture
- strengthen trust
- deliver good outcomes
- improve financial crime controls

There is a continued focus on improving how risk and return are communicated.

Money Wise UK thoughts

The FCA is moving towards a model where consumers are supported to take informed risk, rather than being protected from it.

Clear, balanced communication is central to this.

Practical actions for firms

Review investment communications for clarity and balance.

Ensure risk explanations support understanding, not just disclosure.

Avoid over-reliance on standardised warnings.

5. Digital pension tools and transfer processes (CP25/39)

What has happened

The FCA has proposed:

- a new framework for digital pension tools
- a structured process for non-advised transfers
- mandatory comparison information before transfers proceed

Money Wise UK thoughts

The FCA is focusing on how decisions are made in digital environments.

Tools must support understanding and avoid unintentionally creating the impression of advice.

Practical actions for firms

Review any digital tools used within the business.

Ensure outputs are clear, balanced and not misleading.

Monitor final rules and implementation timelines.

6. AI governance and client disclosure

What has happened

The FCA continues to assess AI through the Mills Review.

Alongside this, updated templates now include references to AI within privacy notices and client disclosures.

Money Wise UK thoughts

AI is now a governance and disclosure issue, not just a technology topic.

Firms must understand how AI is used and ensure clients are informed where relevant.

Practical actions for firms

Review how AI is used within the business.

Ensure disclosures are up to date.

Maintain human oversight of client communications.

7. Client disclosure and ongoing service agreements

What has happened

Updated templates include:

- terms of business
- fee agreements
- privacy notices
- consent forms

here is a clear emphasis on evidencing:

- what was agreed
- what was delivered

Money Wise UK thoughts

Clear documentation is central to Consumer Duty.

Poorly defined agreements often lead to issues around fees, service delivery and complaints.

Practical actions for firms

Review client agreements and fee structures.

Ensure ongoing services are clearly defined.

Check disclosures remain clear and up to date.

8. Product disclosure – Consumer Composite Investments (CCI)

What has happened

The FCA has confirmed a new product disclosure regime, introducing:

- product summary documents
- enhanced distributor responsibilities
- clearer decision-focused information

Money Wise UK thoughts

Disclosure is moving towards clarity and usability.

Firms will need to ensure product information is presented in a way that supports understanding.

Practical actions for firms

Familiarise teams with the new disclosure format.

Review how product information is used in client communications.

Monitor provider adoption during the transition period.

9. Client categorisation and conflicts of interest

What has happened

The FCA has proposed:

- changes to client categorisation rules
- simplification of conflicts of interest requirements

Money Wise UK thoughts

These changes are designed to improve usability rather than reduce expectations.

Firms must continue to ensure robust processes and clear documentation.

Practical actions for firms

Review client categorisation procedures.

Ensure conflicts registers reflect actual business risks.

Monitor consultation outcomes.

10. FCA regulatory priorities and initiatives

What has happened

The FCA has introduced new Regulatory Priorities Reports and continues to update the Regulatory Initiatives Grid.

These outline key areas of supervisory focus across the sector.

Money Wise UK thoughts

Regulation is becoming more structured and forward-looking.

Firms are expected to identify relevant developments and reflect them in governance and planning.

Practical actions for firms

Use regulatory updates within quarterly governance discussions.

Document relevance and actions taken.

Avoid treating horizon scanning as a tick-box exercise.

Final thoughts

Across all updates, three themes continue to emerge:

- Consumer understanding over information
- Engagement driven by technology
- Governance and accountability

For financial planning firms, the focus remains on:

- clear communication
- strong documentation
- proportionate governance

Regulation is increasingly aligned to how consumers behave.

Firms that respond early and thoughtfully will be best placed to adapt.