GUIDANCE FOR FINANCIAL PLANNING FIRMS

Growing together, with integrity and respect

# Compliance Summary
## August 2026

GROWTH, GOVERNANCE AND THE EVIDENCE OF DELIVERY

EXECUTIVE SUMMARY

# Growth needs evidence, not just ambition

August brought together several themes that financial planning firms should not consider in isolation. The FCA's work on high-growth firms, its 2026 wealth-management survey and its continuing focus on ongoing advice all point in the same direction: growth is welcome, but service, governance and controls must keep pace.

The strongest firms are not simply adding clients, acquiring businesses or introducing technology. They can show that responsibilities remain clear, management information is current, risks are challenged, resources are sufficient and customers continue to receive the service and outcomes promised.

> **Growth does not reduce the need for good governance. It increases the importance of knowing whether the business is still working as intended.**

This matters particularly in advice and wealth management. The FCA's new survey shows a more concentrated market, increased interest in acquisition, widespread outsourcing and growing use of artificial intelligence. These developments can improve efficiency and access, but they also create dependencies and make oversight more important.

Ongoing advice remains a clear supervisory priority. The FCA's published 2025 review asked all advice firms to consider whether they had delivered the services promised and whether a remedy was required. Information supplied for this update indicates that selected firms are now being asked to evidence how they completed that work, identified affected clients, treated disengagement and assessed remediation. This should be treated as a supervisory signal rather than a new published rule.

From 1 September 2026, new rules and guidance on serious non-financial misconduct are in force. Firms should have updated relevant conduct, fitness and propriety, investigation, reporting and reference processes, while avoiding the assumption that every workplace dispute becomes a regulatory matter.

The FCA is also looking closely at technology from both sides of the customer journey. Its research found substantial use of general-purpose AI by younger investors but widespread misunderstanding about regulation and protection. For firms, the opportunity is to use technology well while retaining source-checking, human judgement, data protection and clear accountability.

## The main themes this month

- Governance, risk management and resources should evolve as the business grows or changes.
- Wealth-management data highlights concentration, outsourcing, AI adoption, financial-crime gaps, vulnerability and fair-value risks.
- Ongoing services should be evidenced against the actual promise made to each client, not reduced to whether a meeting occurred.
- Disengaged clients require a documented decision about service, value, contact attempts and whether fees should continue.
- The non-financial misconduct changes now apply; implementation should be fair, proportionate and properly recorded.
- Bereavement should be treated as a vulnerable-client journey with clear ownership, timescales, communications and fee oversight.
- AI can improve efficiency, but it can also increase misunderstanding, cyber risk and the consequences of weak controls.

KEY THEME 1

# Governance and controls must keep pace with growth

The FCA reviewed 15 high-growth firms across asset management, wealth management and payments. Its central message was straightforward: expansion can benefit consumers and markets, but prioritising growth ahead of governance, risk management and controls increases the risk of harm.

The review is relevant not only to firms growing rapidly through sales. It also applies where a business is newly established, acquiring firms or client banks, introducing new services, changing ownership, outsourcing more activity or making greater use of automation and AI.

## What stronger firms did

- Maintained clear board and committee structures, responsibilities and escalation routes.
- Used current, reliable management information and properly recorded challenge, decisions and actions.
- Reviewed risk appetite, key risk indicators and controls as the firm, client base and target market changed.
- Reduced dependence on key individuals through cross-training, succession planning and knowledge sharing.
- Invested in operational, compliance and oversight capacity before weaknesses became embedded.
- Applied structured governance to cyber security, data, third parties, platform change, automation and AI.
- Kept financial resilience and wind-down planning practical, current and proportionate.
- Actively reviewed products, portfolios, platforms, fair value and customer outcomes.

## Where weaknesses appeared

The weaker examples were often familiar rather than dramatic: outdated minutes, unclear ownership, policies that no longer reflected the business, management information referring to superseded documents, concentrated decision-making, insufficient resource and wind-down plans that had not moved with the firm.

The FCA also highlighted controls that had not kept pace with new technology or changing client populations. That is an important point. A control may have worked when a firm was smaller, used fewer platforms or served a narrower target market. It does not follow that the same control remains effective after the business changes.

## Money Wise UK thoughts

Many financial planning firms want to grow. The risk is not growth itself; it is assuming that a process that worked for 100 households will automatically work for 300. The pressure often appears first in annual reviews, administration backlogs, client communications, supervision and the quality of management information.

A useful growth plan should therefore include a governance plan. Before adding clients or services, the firm should identify which activities will become harder, what early-warning indicators will be used and what capacity or control trigger would require action.

> **A growth target tells the firm where it wants to go. A governance framework helps it arrive without weakening the service clients already receive.**

**SOURCES** High-growth firms: good and poor practice

KEY THEME 2

# The FCA's 2026 wealth-management survey

The FCA's August survey draws on information from around 400 wealth-management firms, supported by regulatory returns and other data. Although the report focuses on discretionary portfolio management, it has direct relevance to advice firms that select discretionary managers, operate centralised propositions or belong to wider wealth groups.

## Scale and concentration

- Firms in the FCA's wealth-management portfolio support more than 5.5 million retail clients and manage almost £1 trillion.
- Portfolio-management client numbers reached 1.3 million, an increase of 20% since 2022.
- The ten largest firms by client numbers now serve 89% of discretionary clients among firms participating across the surveys.
- 41% of respondents plan to acquire a firm, grow revenue or increase client numbers by more than 25% over the next two years.
- 18% are considering winding down or selling all or part of their client base.

These figures reinforce the connection between consolidation and governance. Greater scale can support investment in systems and expertise, but the FCA warns that poorly managed growth can lead to inconsistent service, weak continuity and disorderly failure.

## Technology, AI and outsourcing

- 13% of firms reported using in-house or third-party AI tools; this rises to 45% when firms considering use within the following 12 months are included.
- More than 92% outsource part of their business, most commonly technology, trade execution, assurance or oversight.
- The FCA's message is that outsourcing can improve capability, but responsibility for the service and customer outcome remains with the firm.

## Financial crime, vulnerability and fair value

- 26% did not collect expected transaction frequency, 13% did not record expected investment amounts and around 10% did not verify source of wealth.
- Around 6% did not check whether clients were politically exposed persons and around 7% did not carry out sanctions screening.
- 83% of portfolio-management firms identified at least one client with characteristics of vulnerability in 2024/25, up from 68% in the first survey.
- Around 36% of identified vulnerable clients had their service adjusted, such as receiving tailored communications.
- 17% of adults with at least £100,000 of investible assets who used a named wealth manager were concerned that fees were high, hidden or complex.

## Money Wise UK thoughts

Advice firms should not read this only as a report about discretionary managers. Where a firm recommends an MPS, platform or outsourced service, the data gives useful questions for due diligence: how is the provider growing, what is outsourced, how is AI governed, what financial-crime controls sit at each point in the chain and how are vulnerable clients supported?

The report also supports a broader view of fair value. Portfolio activity, service design, client understanding and the impact of fixed or percentage charges on different client groups matter alongside headline cost.

KEY THEME 3

# Ongoing advice: the evidence of delivery matters

The FCA's published review of ongoing financial advice services remains the starting point. In its sample, suitability reviews were delivered in around 83% of cases; in a further 15%, clients declined or did not respond. Fewer than 2% involved no attempt to deliver the review, which the FCA said was likely to require redress.

The regulator asked all advice firms to consider whether they had delivered the services required by their contracts and the rules, whether customers should be contacted and whether a remedy was needed. It said proactive reviews should look back to 2018.

## The August supervisory signal

Information supplied for this update indicates that the FCA is following up with selected firms through a detailed supervisory exercise. The reported information request asks firms to evidence their historical service-delivery assessment, how they identified possible harm, their approach to remediation, senior accountability, treatment of disengaged clients and complaints or claims activity.

> This follow-up exercise has been reported through compliance-provider material supplied for this paper. It is not presented here as a new published FCA rule or a market-wide information request. The published FCA findings and existing rules remain the primary source.

## What firms should be able to show

- The exact services promised in each relevant agreement, including their frequency and timing.
- Evidence that the firm was ready, willing and able to deliver those services.
- A reliable record of reviews completed, reviews offered, client responses and unsuccessful contact attempts.
- How cases were categorised and why a particular cohort required no action, further contact, a service change, fee cessation or remediation.
- Root-cause analysis where delivery failed and changes made to prevent recurrence.
- How senior management challenged the methodology, assumptions, progress and outcomes.
- Whether completed actions were tested to confirm that the risk of harm had reduced.

## Disengagement is not a single category

A client who consciously declines one annual meeting is not the same as a client who has not responded for several years. Nor is a failed meeting the same as a failure to provide every part of the ongoing service. Firms should avoid broad assumptions and assess the promise, contact history, services actually delivered, fees paid, client circumstances and foreseeable harm.

## Money Wise UK thoughts

This is an area where a clean audit trail matters. A firm should be able to move from the client agreement to the service evidence, from the evidence to a cohort decision and from that decision to any contact, fee change or remedy. If the rationale exists only in someone's memory, it will be difficult to demonstrate consistent treatment.

> **The question is not simply whether a review date appears in the diary. It is whether the firm delivered the service it promised and acted appropriately when it could not.**

KEY THEME 4

# Non-financial misconduct: the changes are now in force

The FCA's new rules and guidance on non-financial misconduct took effect on 1 September 2026. The changes clarify how serious behaviour such as bullying, harassment and violence can be considered through the existing Conduct Rules and fitness and propriety framework.

## What changed

- A new COCON rule extends the scope of the Conduct Rules in non-banks to certain bullying, harassment or violence against colleagues where there is a sufficient work-related link.
- The FIT guidance explains how a broader range of relevant misconduct, including conduct outside work, may be considered in fitness and propriety assessments.
- COCON and FIT operate separately. Conduct can be relevant to fitness and propriety without necessarily amounting to a Conduct Rules breach.
- The guidance covers the boundary between work and private life, reasonable steps for managers, social media and the treatment of allegations that have not been proven.

## What firms should have reviewed

- Staff conduct, disciplinary, whistleblowing and investigation policies.
- Conduct Rules breach assessment and reporting processes.
- Annual and event-driven fitness and propriety assessments.
- Regulatory reference procedures and record keeping.
- Training for staff, line managers, senior managers and those conducting investigations.
- How privacy, employment law and regulatory responsibilities interact.

## What the FCA says firms do not need to do

- Reopen past Conduct Rules decisions solely because the new rule is now in force.
- Revise past fitness and propriety assessments.
- Monitor employees' private lives or social-media accounts.
- Investigate trivial, implausible or irrelevant private-life allegations.
- Act in a way that conflicts with privacy, employment or other relevant law.

## Money Wise UK thoughts

The practical risk is inconsistency. Firms should not treat every difficult workplace interaction as a regulatory breach, but neither should serious allegations be left solely within an HR file without considering Conduct Rules, fitness and propriety, references and notification duties.

A proportionate assessment template can help decision-makers record the facts, work-related link, seriousness, evidence, relevant regulatory route and reasons for the conclusion. Access should remain appropriately restricted because the information may be highly sensitive.

**SOURCES** Non-financial misconduct in financial services • PS25/23: Tackling non-financial misconduct in financial services

KEY THEME 5

# Bereavement: process, compassion and evidence

Compliance-provider material supplied for this paper indicates that the FCA is reviewing how investment platforms, advisers and wealth managers treat bereaved customers and representatives. The FCA has not yet published findings from this reported work, so firms should treat it as an emerging area of supervisory attention rather than a new set of rules.

The direction is consistent with established FCA expectations. Bereavement is a life event that can create vulnerability, and a good service should make it reasonably easy to notify a death, understand what happens next, provide documents, obtain updates and complete necessary transfers or changes.

## Areas firms should consider

- The routes available to notify the firm and whether staff recognise the need for sensitive handling.
- The information and documents requested, including whether requests are proportionate and explained.
- Clear ownership, service standards, escalation and prioritisation for delayed or complex cases.
- How vulnerability is identified and what support or communication adjustments are offered.
- Coordination with platforms, product providers, discretionary managers, executors and attorneys.
- How ongoing advice, platform and investment-management fees are treated after death.
- Complaints, longest-running cases, service-standard breaches, root causes and remedial action.
- Management information that describes outcomes, not simply volumes of open and closed cases.

## Money Wise UK thoughts

Bereavement brings together vulnerability, consumer support, operational resilience, third-party oversight and fair value. A policy is useful, but the evidence lies in the journey: how quickly the family received clear information, whether unnecessary friction was removed and whether delays or charges were challenged.

Smaller firms may handle relatively few cases. That can make each experience more dependent on individual knowledge. A short process map, named owner, standard communication and case log can improve consistency without removing the personal approach that matters at a difficult time.

> **Compassion is not separate from compliance. In a bereavement journey, clarity, reasonable timescales and ownership are part of the customer outcome.**

Source note: the current review described above is based on third-party compliance intelligence supplied for this update. Money Wise UK will revisit this theme when the FCA publishes formal findings.

KEY THEME 6

# AI: opportunity, trust and misunderstanding

The FCA published research on how less-experienced investors aged 18 to 40 use general-purpose AI tools. Four in five respondents had used AI for help with investing, and 56% said they trusted AI tools - more than television, radio, the press or social-media influencers.

The protection gap is more important than the popularity figure. The FCA found that 44% mistakenly believed AI-generated financial information was regulated, 38% thought it was acceptable to make an investment decision solely from an AI output and 32% expected access to the Financial Services Compensation Scheme or Financial Ombudsman Service if AI guidance went wrong.

The FCA distinguishes general-purpose chatbots, which are not regulated simply because they discuss investments, from tools specifically set up to provide financial advice, which would be likely to fall within its remit.

## Implications for financial planning firms

- Clients may arrive with AI-generated assumptions, projections, product comparisons or tax statements that appear confident but are incomplete or wrong.
- Firms should explain the difference between regulated advice, education, research and unregulated general-purpose AI output.
- Client communications may need to address source-checking, limitations, compensation protection and the danger of acting on a single output.
- Where firms use AI internally, governance should cover approved use cases, client data, access permissions, source validation, human review, record keeping, testing and incident escalation.
- Automation should not weaken the clarity of responsibility. A named person should remain accountable for the final advice, communication or decision.

## Money Wise UK thoughts

AI can be extremely useful. I use it within my own work and have been helping firms explore practical applications. The benefit comes from combining speed with a sound process: reliable source material, clear instructions, human judgement and testing.

For financial planning firms, AI may reduce administrative time and help structure information. It should create more time for the parts of planning that require listening, judgement and understanding the client - not create a new layer of unchecked text.

> **The aim should not be to remove people from the process. It should be to use technology so people can focus on the decisions and conversations that matter.**

**SOURCES** Young investors trust AI more than TV or celebrities • Wealth management survey report - 2026

REGULATORY UPDATE

# The FCA Handbook becomes machine-readable

On 6 August, the FCA opened access to Handbook data through an Application Programming Interface (API). This enables software to retrieve structured, current and future Handbook content directly rather than relying only on webpages, downloads or manually maintained rule libraries.

## Potential uses

- Mapping rules to products, services, permissions and customer journeys.
- Comparing current and future rule versions and flagging changes.
- Supporting regulatory-change tools and more reliable compliance workflows.
- Providing authoritative data to AI and RegTech systems.

## Money Wise UK thoughts

This is an important development, but access to rules is not the same as interpretation. An API can improve the quality and currency of source material; it cannot decide how a rule applies to a firm's specific facts, permissions, clients and processes.

Firms considering automated compliance tools should understand where the regulatory data comes from, how updates are captured, what human review occurs and how the system records its reasoning and sources. It is also important to distinguish between the Handbook, FCA guidance, speeches, supervisory publications and third-party commentary.

**SOURCES** Making compliance simpler: opening up the FCA Handbook through our new API

TECHNICAL UPDATE

# Normal minimum pension age transitional provisions

HMRC published draft regulations linked to the increase in the normal minimum pension age from 55 to 57 on 6 April 2028. The consultation closes at 11:59pm on 28 September 2026.

The government recognises that some people aged 55 or 56 immediately before the increase may already have become entitled to benefits or taken steps to access them. Without transitional provisions, payments made after 5 April 2028 could fail conditions linked to the new minimum age even though the member met the rules in force at the time.

The draft regulations would, in specified circumstances, treat members who were aged 55 or 56 on 5 April 2028 as having reached age 57 immediately before certain payments are made. The draft covers specified pension income payments, stand-alone lump sums, pension commencement lump sums, pension commencement excess lump sums and trivial commutation lump sums. It also preserves access to certain later trivial commutation payments where a qualifying payment was made before 6 April 2028.

## What firms should do now

- Treat the provisions as draft until the consultation is complete and final legislation is made.
- Identify clients likely to be aged 55 or 56 on 5 April 2028 who are already drawing benefits or planning access around the change.
- Record whether any scheme-specific protected pension age may apply rather than assuming the general transitional provision is the only route.
- Review cashflow plans and communications where retirement or pension access is scheduled close to April 2028.
- Check provider processes once the final regulations are known.

## Money Wise UK thoughts

The proposals appear intended to prevent a technical tax problem for people who began accessing benefits under the old age threshold. They do not remove the wider need to check scheme rules, protected ages, access dates and the tax consequences of each payment.

**SOURCES** Normal Minimum Pension Age Transitional Provisions Regulations

OPERATIONAL UPDATE

# T+1 settlement: ask the right questions early

The UK is due to move to a T+1 securities settlement cycle on 11 October 2027. The FCA's August update says most market participants it engaged with were progressing, but some remained materially behind.

The most direct work sits with market participants, platforms, custodians, investment managers and service providers. Advice firms are unlikely to own the settlement infrastructure, but they can still be affected through dealing cut-offs, model changes, client cash movements, transfers, documentation and service communications.

## Questions for advice and investment committees

- Have platforms, discretionary managers and fund groups explained their implementation and testing plans?
- Are any operational changes expected for model rebalancing, client instructions, withdrawals or transfers?
- Could mismatches between securities settling at T+1 and funds settling later create cash or failed-settlement risks?
- Are changes required to service standards, client communications, procedures or business-continuity plans?
- Who will monitor provider readiness and escalate gaps?

The FCA notes an industry recommendation for funds to move to T+2 on or before the broader move to T+1. It also expects affected market participants to have project plans, implementation progress and testing strategies that can be evidenced.

**SOURCES** T+1 Settlement: are firms ready for 2027?

REGULATORY DIARY

# Dates to keep in view

| Date | Development | Why it matters |
|---|---|---|
| 1 September 2026 | Non-financial misconduct rules and guidance in force | Updated conduct, FIT, investigation, reporting and reference processes should now be operating. |
| 9 September 2026 | Autumn Budget representations portal closes | Relevant professional or trade bodies may submit representations before the Budget. |
| 18 September 2026 | CP26/23 Consumer Duty scope and proportionality closes | Firms should continue working to existing requirements while monitoring the final outcome. |
| 28 September 2026 | NMPA transitional provisions consultation closes | Draft regulations address specified payments for some people aged 55 or 56 immediately before 6 April 2028. |
| 28 October 2026 | Autumn Budget and OBR forecast | Review announcements only after the speech and supporting documents are published. |
| 31 December 2026 | Several T+1 implementation milestones | Affected providers and market participants should be progressing system, confirmation and settlement-instruction work. |
| 11 October 2027 | UK T+1 securities settlement | Operational changes may affect platforms, managers, funds and client servicing. |
| 6 April 2028 | Normal minimum pension age rises to 57 | Planning, communications and provider processes should reflect final law and any protected ages. |

Dates and proposals can change. Firms should check the latest FCA, HMRC and government publications before acting.

**SOURCES** Chancellor letter to the Treasury Select Committee - Budget 2026 date • Normal Minimum Pension Age Transitional Provisions Regulations • T+1 Settlement: are firms ready for 2027?

# Broad gains do not remove the need for discipline

J.P. Morgan Asset Management reported that global equities regained momentum in August against a backdrop of economic resilience and strong second-quarter earnings. Developed-market equities rose 2.6% and emerging markets 3.4% in US-dollar terms. Growth and value both returned 2.6%, while small companies also performed strongly.

The S&P 500 rose 2.7% in local-currency terms and Japan's TOPIX gained 3.9%. Technology momentum resumed, but returns within the largest AI-related companies remained mixed. Commodity prices generally rose, government-bond returns varied and high-yield credit spreads narrowed.

## Broadening remains an important question

ClearBridge's August Anatomy of a Recession update remained constructive. It reported no change to its green US Recession Risk Dashboard and pointed to stronger industrial indicators, resilient consumption and earnings growth extending beyond a small group of market leaders.

The manager highlighted that the equal-weighted S&P 500 had outperformed the capitalisation-weighted index by 3.1% during the first seven months of 2026. It also noted consensus expectations that 2027 earnings growth for the wider S&P 493 could exceed that of the Magnificent Seven, although forecasts are uncertain and can change materially.

## Money Wise UK thoughts

The message for investment committees is not to trade on a single month or forecast. It is to test whether the proposition remains suitable if leadership broadens, inflation stays firmer, bond yields remain volatile or the AI investment cycle disappoints.

A blended approach can remain valuable. Low-cost market exposure provides broad participation, while carefully selected active strategies may offer a different pattern of risk, exposure or downside behaviour. The role of each holding should be understood before short-term performance is judged.

> **A constructive outlook is not a reason to relax the process. It is a reason to check that optimism has not quietly changed the portfolio's risk.**

**SOURCES** Review of markets over August 2026 • AOR Update: A Broader Market Is Finding its Footing

PRACTICAL ACTIONS

# What financial planning firms should consider

1. Complete a short growth-and-change assessment covering governance, risk, people, systems, resilience and customer outcomes.
2. Check whether board and committee minutes record the challenge, rationale, owner, deadline and effectiveness of material actions.
3. Review management information for outdated measures, superseded documents and activity data that does not explain outcomes.
4. Map every ongoing service promise to reliable delivery evidence, including services beyond the annual meeting.
5. Separate one-off declined reviews from persistent disengagement and record why the service and fee remain appropriate.
6. Confirm the historical ongoing-service review methodology, cohorts, exclusions, remediation rationale and senior approval are clearly documented.
7. Check that non-financial misconduct policies, training, FIT assessments, regulatory references and breach-reporting processes reflect the changes effective from 1 September.
8. Test the bereavement journey from notification to completion, including communications, third parties, delays, vulnerability and fees.
9. Create or refresh an AI register covering use case, owner, data, provider, risks, human review, testing and incident escalation.
10. Use the wealth-management survey to challenge due diligence on outsourced investment partners, particularly growth, AI, cyber, financial crime, vulnerability and fair value.
11. Ask relevant providers for their T+1 implementation and testing plans and record any expected client or operational impact.
12. Identify clients potentially affected by the April 2028 pension-age change, while waiting for the final transitional regulations before changing advice processes.

FINAL THOUGHTS

# The control environment should move with the firm

The regulatory themes this month are connected by change. Firms are growing, consolidating, outsourcing more activity and experimenting with AI. Clients are using new tools and expecting faster service. At the same time, the FCA is asking firms to provide clearer evidence that services were delivered and outcomes improved.

It is easy to respond by adding another policy, dashboard or committee paper. Sometimes that is necessary. But the stronger response is to understand where the business has changed and whether the control environment still matches it.

For a smaller financial planning firm, this need not become a large exercise. A limited number of well-chosen questions may be enough:

- What has changed in the firm, its clients, services or dependencies?
- Where could that change create foreseeable harm or weaken delivery?
- What evidence would show the risk is increasing?
- Who owns the decision and what will trigger action?
- How will the firm know that the action worked?

> **Good governance is not the paperwork around a decision. It is the discipline of noticing change, asking the right question and following the answer through.**

APPENDIX A

# Growth and governance diagnostic

This diagnostic can be used when a firm is growing, acquiring clients, changing ownership, launching a new service, adding a platform, increasing outsourcing or introducing significant technology.

| Area | Questions for management | Possible evidence |
|---|---|---|
| Governance | Are responsibilities, committees and escalation routes still clear? Is there sufficient independent challenge? | Terms of reference; responsibilities map; minutes; action log; conflicts register. |
| Risk management | Has the risk universe changed? Are risk appetite and indicators still relevant? | Risk register; risk appetite; KRIs; incident trends; root-cause reviews. |
| People and capacity | Can the team deliver current commitments during growth, absence or turnover? | Capacity data; review pipeline; training; succession and cross-training records. |
| Systems and data | Are systems scalable, secure and able to produce reliable MI? | Change control; access reviews; cyber testing; data-quality checks; MI definitions. |
| Third parties | Have dependencies increased and are providers keeping pace? | Due diligence; service levels; incidents; resilience tests; exit plans. |
| Financial resilience | Can the firm absorb stress and wind down without avoidable harm? | Cashflow stress tests; capital monitoring; insurance; current wind-down plan. |
| Customer outcomes | Are service, suitability, value and support consistent as the firm changes? | File checks; review delivery; complaints; feedback; vulnerability and fair-value MI. |

## Suggested trigger questions

- Has client or revenue growth exceeded the assumptions used in the last capacity plan?
- Has a key-person dependency become more significant?
- Are missed reviews, service delays, complaints or rework increasing?
- Has the target market changed in practice even if the written statement has not?
- Has the firm added technology or automation without a clear owner and control framework?
- Is management information arriving too late to influence decisions?
- Are provider incidents or service failures increasing?
- Has the wind-down plan been updated for the current client base, staffing and cost structure?

## Simple RAG approach

| Rating | Meaning | Expected response |
|---|---|---|
| Green | Arrangements remain suitable and evidence is current. | Continue monitoring; record the review date and rationale. |
| Amber | A gap or trend could weaken control or outcomes if growth continues. | Name an owner, define the action and set a target date and success measure. |
| Red | The firm cannot evidence effective control or there is a material risk of harm. | Escalate promptly; consider pausing the relevant change or growth until the risk is controlled. |

The diagnostic is a prompt, not a substitute for a firm-specific compliance, legal, prudential or operational assessment.

APPENDIX B

# Wealth-management survey: data for challenge

| Measure | FCA finding | Question for advice firms |
|---|---|---|
| Scale | >5.5m retail clients; almost £1tn managed | How important is each selected provider to the firm's clients and operational resilience? |
| Client growth | Portfolio-management clients up 20% since 2022 | Have service and control resources grown at the same rate? |
| Concentration | Top ten firms serve 89% of discretionary clients in the relevant survey cohort | Would consolidation or failure at a major provider create concentration risk? |
| Growth plans | 41% expect acquisition or >25% growth in revenue or clients | How will the provider maintain service, oversight and financial resilience? |
| AI | 13% use AI; 45% use or were considering it | Which decisions or communications use AI, and what human and data controls apply? |
| Outsourcing | >92% outsource part of the business | Which critical services are outsourced and how are they monitored and exited? |
| Source of wealth | Around 10% did not verify it | Does due diligence cover financial-crime controls and not only investment performance? |
| Sanctions | Around 7% did not screen | What screening and trigger-event controls operate across the client journey? |
| Vulnerability | 83% identified at least one vulnerable client | How does the provider identify changing needs and share relevant information lawfully? |
| Service adjustment | 36% of identified vulnerable clients received an adjustment | What adjustments are available and how is effectiveness monitored? |
| Fee concern | 17% concerned fees were high, hidden or complex | Can the total cost and benefit be explained clearly across advice, platform and investment layers? |

## Investment-committee application

The survey can support annual due diligence and product-governance discussions. It should not be used to infer that a specific provider is weak simply because an industry percentage is concerning. The purpose is to identify questions, obtain provider-specific evidence and decide whether the response is satisfactory.

- Record which findings are relevant to the firm's proposition and why.
- Ask consistent questions across providers where comparison is useful.
- Distinguish an assurance statement from evidence of how a control works in practice.
- Track unanswered questions, incidents and promised improvements to completion.
- Connect due diligence to client outcomes, not only provider risk and performance.

**SOURCES** Wealth management survey report - 2026

APPENDIX C

# Ongoing-service evidence and remediation framework

## 1. Define the promise

Group agreements only where the wording, service and timing are genuinely comparable. Record all material service components, not only the periodic suitability review.

| Service component | Promise | Acceptable evidence | Failure indicator |
|---|---|---|---|
| Suitability review | Frequency, scope and output | Meeting record; updated facts; assessment; recommendation or outcome letter | No offer, insufficient assessment or no recorded outcome |
| Planning update | Cashflow or goals review where promised | Updated plan; assumptions; client discussion; agreed actions | No update despite material change or contractual promise |
| Investment review | Performance, risk, charges and suitability | Portfolio review; risk comparison; cost disclosure; recommendation | Generic commentary without client-specific assessment |
| Tax planning | Defined review or planning support | Recorded analysis, referral or action within scope | Marketing promise not reflected in delivery |
| Administration/support | Access, implementation and ongoing help | Case records; instructions; completion; service-level data | Persistent delay, unresolved request or avoidable friction |

## 2. Build evidence-led cohorts

| Cohort | Typical position | Consider |
|---|---|---|
| Delivered | All promised material elements evidenced | Quality check; no remediation unless another harm is identified. |
| Client declined | Clear, informed decline for the relevant period | Was the firm ready and able? Is continued service still in the client's interests? |
| No response | Reasonable attempts made but engagement not achieved | Quality and timing of contact; vulnerability; persistence; fee and service decision. |
| Partially delivered | Some services evidenced; others absent | Value of services delivered; harm; proportionate remediation; root cause. |
| Not offered | No reasonable attempt to deliver a promised service | Proactive contact, harm assessment, redress and control failure. |
| Evidence gap | Delivery may have occurred but cannot be shown | Further retrieval; fair assumptions; consistency; legal and insurer input where needed. |

### 3. Assess harm and remedy

- What service was not delivered and over what period?
- What fees were paid for the overall service and what benefits were still received?
- Could a missed assessment have affected suitability, withdrawals, tax, risk, costs or another decision?
- Was the client vulnerable or was there information indicating a need for additional support?
- Should fees be refunded in full or in part, interest added, losses assessed or the service changed?
- Does the issue trigger proactive contact, complaint handling, insurer engagement or regulatory notification?

### 4. Governance and effectiveness

- Approve the methodology, data limitations, assumptions and exclusions.
- Record the senior owner and the individuals carrying out and checking the review.
- Use quality assurance across each cohort, especially no-action decisions.
- Track client contact, remediation and unresolved cases.
- Complete root-cause analysis and update systems, contracts, capacity or controls.
- Re-test after implementation to confirm the issue is not recurring.

> Firms should take specialist compliance, legal, accounting and professional-indemnity advice where appropriate. The correct remedy depends on the facts, contractual terms, rules and harm in each case.

**SOURCES** Ongoing financial advice services

APPENDIX D

# Market research and investment-committee notes

## August market snapshot

| Area | August observation | Committee relevance |
|---|---|---|
| Global equities | Developed +2.6%; emerging markets +3.4% in USD terms | Check regional diversification and currency assumptions rather than extrapolating one month. |
| Styles | Growth and value both +2.6% | Avoid treating a short period of balance as proof of a lasting regime change. |
| Smaller companies | +2.9% | Review whether exposure is intentional and consistent with risk and liquidity expectations. |
| US equities | S&P 500 +2.7% in local currency | Concentration and AI-related capital expenditure remain important scenario risks. |
| Japan | TOPIX +3.9% in local currency | Separate local-market returns from sterling outcomes and currency effects. |
| Bonds | Global Aggregate +0.5% in USD; government returns mixed | Duration can diversify equity risk but remains sensitive to inflation and policy. |
| Credit | High-yield spreads narrowed | Strong returns can reduce the margin of safety; monitor quality and liquidity. |
| Commodities | Broad rise; energy mixed | Consider inflation sensitivity and whether any allocation has a defined portfolio role. |

## Questions for the committee

1. Would the proposition behave acceptably if equity leadership broadens beyond the largest US technology companies?
2. What would cause the committee to conclude that concentration risk has materially increased or reduced?
3. Does each active and passive allocation have a clear role and a reasonable evaluation period?
4. Are client return expectations anchored to the unusually strong recent period for capitalisation-weighted US equities?
5. How would higher-for-longer bond yields affect growth assets, income assets and withdrawal sustainability?
6. Does the retirement proposition hold sufficient liquidity and lower-risk assets to avoid forced sales after a fall?
7. Which indicators are watch-list items and which would justify a change?

## A note on research

The J.P. Morgan and ClearBridge publications are useful perspectives, not forecasts that the committee must adopt. Manager research can help identify scenarios and questions. The committee should combine it with portfolio data, valuations, client objectives, product due diligence and its agreed governance process.

> **A watch list is not a trading signal. It is a way of ensuring that a known risk is reviewed consistently rather than rediscovered after markets move.**

**SOURCES** Review of markets over August 2026 • AOR Update: A Broader Market Is Finding its Footing

HOW WE HELP

# Turning regulation into practical governance

Money Wise UK helps financial planning firms turn regulatory change into practical, evidenced processes that support both the business and its clients.

- Consumer Duty management information and quarterly outcome reporting.
- Fair-value assessments and service-proposition reviews.
- Ongoing-service, disengagement and review-delivery oversight.
- Centralised Investment Proposition and investment-committee governance.
- Centralised Retirement Proposition - CRP® frameworks, templates and tools.
- Vulnerability, bereavement, client understanding and consumer-support journeys.
- Compliance, operations, marketing, AI workflow and client-communication support.

# Let's talk through your compliance needs.

Money Wise UK helps financial planning firms translate regulation into clear governance, client journeys and evidence. We focus on practical controls that support good client outcomes and a sustainable advice proposition.


| GEORGE LADDS | MONEY-WISE.UK |
|---|---|
| Strategic support for financial planning firms | Compliance · Retirement · Investment |


## IMPORTANT INFORMATION