



Growing together, with integrity and respect

Money Wise UK® – Compliance Summary for Financial Planning Firms

December 2025

This month's regulatory landscape includes several important FCA developments across mortgages, crypto regulation, investment communications, Consumer Duty manufacturing chains, durable medium reforms, targeted support, financial crime tools, and selected reporting/fees consultations. The update below is designed for firm governance meetings, board packs, and Consumer Duty MI.

Risk warning / important note: This document highlights key announcements in December 2025 only. It is not advice and does not replace reviewing FCA/HMRC publications in full. Each firm should assess whether these updates apply to its own permissions, business model, target markets, distribution chains, and client communications (and take compliance/legal advice where appropriate).

1) FCA mortgage market reforms – “mortgage market of the future”

Key message: The FCA is signalling a reform agenda designed to widen access, support later-life borrowing, and modernise disclosure and advice journeys, with consultation from early 2026 and first rule changes targeted for later 2026.

The FCA will focus on 4 areas

1. **First-time buyers & underserved consumers**

Simplifying rules to allow more flexible products that better reflect variable incomes and working patterns.

2. **Later-life lending**

Reviewing retirement interest-only (RIO) requirements and launching a focused market study on how the lifetime mortgage market can meet future customer needs (terms of reference expected Q1 2026).

3. **Innovation & disclosure**

Encouraging the use of data/technology (including AI) to support faster, better advice while retaining a “human touch”; exploring simplification of advertising/disclosure rules for online understanding.

4. **Protecting vulnerable consumers**

Work on financial abuse and use of mortgages for debt management/consolidation.

Actions for firms (where relevant)

- Mortgage advice firms: begin horizon-scanning for consultation outputs; consider how product governance and suitability processes may evolve.
- Later-life specialists: watch the RIO review and later-life market study closely, including how “fair value” and consumer understanding are evidenced.

2. FCA seeks feedback on proposals for UK crypto rules

Key change: The FCA has moved the crypto roadmap forward with consultations covering core market structure topics, aiming for a regime that protects consumers, supports innovation, and promotes trust.

What the FCA is consulting on (selected)

- **Admissions & disclosures** (listing standards and investor information)
- **Market abuse** (insider trading/manipulation controls)
- **Trading platforms / exchanges** (standards for reliable markets)
- **Intermediaries** (responsible conduct requirements)
- **Staking** (clearer risk disclosure)
- **Lending/borrowing** (protections for both sides)
- **DeFi** (whether traditional rules should apply)
- **Prudential requirements** (financial safeguards)

Deadline: consultation responses open until 12 February 2026.

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Even where firms do not directly advise on crypto, client demand and marketing exposure can pull firms into crypto conversations. The direction of travel remains clear: higher expectations on disclosures, governance, and consumer outcomes.

Actions for firms

- Confirm who “owns” crypto enquiries in your business (advice team, compliance, marketing).
- Review financial promotions controls if you mention crypto or respond to client enquiries (even indirectly).
- Consider training needs and record-keeping expectations (especially around consumer understanding).

3. FCA clarifies expectations for mainstream investment risk warnings

Key message: The FCA has challenged several misconceptions around risk warnings for mainstream investments (i.e., products not subject to high-risk marketing restrictions), and emphasised outcomes under Consumer Duty.

Common misconceptions the FCA has flagged

Some firms incorrectly believe they must:

- Always use the phrase “capital at risk”
- Put risk warnings separately from the main body of a promotion
- Repeat generic warnings on every page
- Present risks before benefits in a set format
- Include risk information in brand advertising
- Avoid certain words (e.g., “but”) to prevent “diminishing” information

FCA expectations (practical summary)

- Consumer Duty applies: communications must support customer understanding and be clear, fair and not misleading.
- The FCA does not prescribe a standard mainstream risk warning; generic “capital at risk” can be ineffective without context.
- Risk information should be prominent and balanced with benefits; unnecessary generic warnings can confuse or distract.
- Structure is not mandated, but the overall promotion must give a fair description of product/service.

Actions for firms

- Review marketing templates and approval checklists: are risks contextual and meaningful, or overly generic?
- Evidence the “balanced” nature of promotions, including how key risks are not disguised/diminished/obscured.
- If comparing cash vs investments, ensure the features/risks of both sides are explained fairly.

4. FCA statement on firms “working together” to manufacture products or services

Key message: The FCA has acknowledged “misconceptions” in how firms interpret Consumer Duty expectations when multiple parties are involved in manufacture (often referred to as “co-manufacturing”), and is likely to consult further in 2026.

What the FCA is looking for now

- Firms correctly identify which parties have a role in manufacture of the product/service ultimately provided to retail customers.
- Where more than one firm is involved, there is a written agreement allocating responsibilities that reflects the actual roles of each party.

Examples of misinterpretation the FCA highlighted

- **Decision-making:** firms do not necessarily need joint decision-making where roles are distinct.
- **Allocation of responsibility:** responsibility does not need to be “even” if reality is asymmetric.

Money Wise UK Commentary

This is a strong signal that the FCA wants clarity and auditability in distribution chains. Where firms collaborate (platforms, DFM, model portfolios, outsourced solutions), the key is that the firm can evidence: who does what, why, and how outcomes are monitored.

Actions for firms

- Map manufacture/distribution chains for key services.
- Confirm written agreements exist and reflect reality (not generic templates).
- Document rationale for role allocation and how you evidence Consumer Duty outcomes across the chain.

5. New definition of “durable medium” – investment business digital default

Key change: For investment business (MiFID-related communications), electronic communications can become the default durable medium (subject to conditions).

Firms must

- Inform clients of the right to receive paper instead.
- Provide paper free of charge if requested.
- Maintain durable medium principles (accessible, storable, retrievable, not easily alterable).

Actions for firms

- Update TOB/onboarding wording and client communication preference capture.
- Review portal/CRM workflows for delivery and storage of key documents.
- Ensure you can evidence paper provision where requested (and that it remains free).

6. FCA launches “Firm Checker” to fight financial crime

Key message: The FCA is pushing harder on scam prevention and impersonation fraud, including a consumer-facing tool designed to help people verify authorisation and permissions.

Actions for firms

- Consider adding simple client education: “how to verify we are the real firm” (especially for email, phone calls, WhatsApp/social media impersonation risk).
- Ensure your own website/contact details align precisely with FCA register details where relevant.

7. Targeted Support – FCA moves from concept to implementation

Key message: The FCA's Targeted Support framework aims to allow firms to give more people practical help with investments and pensions decisions (without full regulated advice), underpinned by Consumer Duty.

Key practical point: The gateway is expected to open March 2026 (and wider legislative steps are required before full go-live).

Money Wise UK Commentary

Targeted Support is likely to become a meaningful “middle lane” between generic guidance and full advice. Firms should begin mapping where it sits within:

- service segmentation and triage
- accumulation/decumulation journeys
- Consumer Duty fair value and communications governance

Actions for firms

- Identify candidate use-cases (e.g., cash-to-invest decision points; pension contribution nudges; decumulation prompts).
- Consider governance and suitability controls, escalation routes, MI and complaint handling.

8. FCA “landmark package” to boost UK investment culture

Key message: The FCA set out a suite of measures to improve retail investment engagement and modernise how consumers receive investment information (including retail disclosures reform and work on consumer access).

Actions for firms

- Track developments on retail disclosure evolution and the practical knock-on for client materials, suitability letters, and online journeys.
- Keep an eye on professional/retail categorisation boundary work if your firm interacts with “opt-up” or HNW segmentation.

9. FCA consultations / other consultations referenced this month (selected)

Regulatory reporting requirements (CP25/35)

Proposals include decommissioning some returns, reducing FIN073 frequency for eligible firms, and reducing late return admin fees (consultation ends **19 January 2026**).

FCA fees proposals for 2026/27 (CP25/33)

Includes proposals for fee-blocks for targeted support firms and approaches to crypto-related application fees (once within remit), plus levy collection changes.

Actions for firms

- Ensure someone owns horizon scanning for consultations and logs deadlines/actions.
- Avoid changing reporting behaviour until final rules are confirmed (unless the FCA explicitly states otherwise for a specific return).

Money Wise UK® – Recommended Firm Actions (December 2025)

Immediate (next 4–8 weeks)

- Review marketing templates against FCA mainstream risk warning clarifications (Consumer Duty alignment).
- Identify any manufacturing-chain gaps: role mapping + written agreements where multiple parties are involved.
- Prepare for durable medium changes effective **12 January 2026** (investment business).
- Consider adding a “how to verify we’re genuine” scam-awareness note using FCA Firm Checker messaging.

Next 3–6 months

- Monitor mortgage consultation outputs (especially later-life/RIO and market study terms of reference).
- Review crypto stance, enquiry handling, and financial promotions oversight; consider consultation response if relevant.
- Map potential Targeted Support use-cases and governance requirements ahead of the gateway opening.

Ongoing

- Maintain a consultation log and evidence-based decisions (including “no change” rationales).
- Continue to embed Consumer Duty communications discipline: clarity, prominence, and balanced disclosure.