GUIDANCE FOR
FINANCIAL PLANNING FIRMS

Money Wise UK®

A Money Wise UK Compliance Paper

Compliance Summary July 2026

CONSUMER DUTY MOVES FROM IMPLEMENTATION TO EVIDENCE

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EXECUTIVE SUMMARY

From implementation to evidence

July's regulatory developments provide one of the clearest indications yet of where Consumer Duty is heading. The FCA has published further work on outcomes monitoring, products and services, consumer support and proportionality. Taken together, these publications suggest that supervision is moving beyond whether firms have implemented the Duty and towards whether they can demonstrate that it is improving customer outcomes.

The strongest firms are not necessarily collecting more data. They are using the information they already hold to understand the customer journey, identify harm earlier, challenge performance, take action and then test whether that action worked.

> ***The question is no longer simply: "What did we do?" It is increasingly: "What happened as a result?"***

Alongside Consumer Duty, the FCA has consulted on simplifying investment cost disclosures, clarifying the scope and proportionality of the Duty and strengthening standards in the SIPP market. HMRC has also published draft Regulations for the ISA reforms taking effect from April 2027.

The Fair Value Benchmarking Survey adds useful context. Initial and ongoing charges have continued to reduce, but the data also shows greater attention being paid to missed reviews, service suitability and remediation. This supports an important distinction: fair value is not the same as the lowest price. It is the relationship between the total cost and the benefits, service and outcomes received.

From an investment perspective, research from ClearBridge Investments and J.P. Morgan Asset Management provides a useful counterweight to short-term headlines. Their central scenarios remain relatively constructive, but both emphasise the importance of risk management, diversification and recognising that markets rarely move in a straight line.

The main themes this month

- Outcomes monitoring should lead to decisions and measurable improvements, not simply more reporting.
- Product and service governance should reflect the needs of the target market throughout the customer journey.
- Consumer support should allow customers to realise the benefits of the service without unreasonable friction.
- Proportionality should reduce unnecessary complexity, but it does not remove the need to evidence good outcomes.
- Cost disclosures are likely to become simpler in format but more closely connected to Consumer Duty and actual customer understanding.

- Fair value benchmarking is useful supporting evidence, but it should not replace a firm-specific assessment.
- ISA changes from April 2027 require firms to identify affected cash holdings and prepare communications well before implementation.

KEY THEME 1

Outcomes monitoring: data should lead to action

The FCA's July blog and good and poor practice publication on outcomes monitoring go to the heart of Consumer Duty. The regulator's message is that monitoring is not an end in itself. It should help a firm understand the actual experience of its customers, identify emerging risks and act before harm becomes established.

The strongest approaches were structured and evidence-based. Firms defined what a good outcome looked like at different stages of the customer journey, translated this into measurable indicators and showed a clear connection between the information collected, the decisions made and the actions taken.

The FCA highlighted several characteristics of stronger monitoring frameworks:

- Clear definitions of the outcomes the firm expects customers to receive.
- A risk-based set of indicators and tolerances rather than large volumes of unstructured data.
- A combination of quantitative and qualitative information.
- Root-cause analysis where poor or inconsistent outcomes are identified.
- Clear audit trails showing challenge, decisions, owners and timescales.
- Testing whether interventions have actually reduced harm or friction.
- Relevant information from third parties and distribution partners where this is needed to understand the complete customer experience.

The FCA also gave proportionate examples from smaller firms. These firms did not need complex systems or large teams. They focused on a limited number of points where customers were most likely to experience harm and used existing indicators to assess whether good outcomes were being achieved.

Money Wise UK thoughts

Over the last year, I have spent a considerable amount of time helping firms bring Consumer Duty data together. Most firms now have information covering reviews, vulnerability, complaints, investment outcomes, disengagement, client feedback and service delivery.

The next question is what the information tells us. A dashboard becomes valuable when it helps management understand a trend, ask a better question or make a decision.

For example, the number of annual reviews completed is useful. However, the outcome is not the meeting itself. The outcome may be improved understanding, a change to the financial plan, an identified vulnerability, a more sustainable retirement income strategy or confirmation that the service remains appropriate.

The same applies to vulnerability. Counting customers with additional needs is not enough. Firms should understand whether those customers received the support they needed and whether their outcomes were comparable with the wider client base.

Data remains king, but data without interpretation, challenge and action has limited value.

Source: *Outcomes monitoring: why understanding the consumer experience matters and where firms should focus*

Source: *Outcomes monitoring: good practice and areas for improvement*

KEY THEME 2

Product design and consumer support remain connected

The FCA also published further examples of good practice and areas for improvement under the products and services outcome. These examples do not create new rules, but they provide a clearer picture of what the FCA expects firms to consider when designing, distributing and reviewing products and services.

The main messages include:

- The target market should be sufficiently clear to support appropriate design and distribution.
- The needs, characteristics and objectives of customers should shape the product or service rather than being considered after it has been designed.
- Monitoring should consider whether the product or service is being used as intended and whether customers are receiving the expected outcomes.
- Firms should understand their role in the distribution chain and obtain relevant information where another party affects the customer outcome.
- Governance should identify where a product, service or distribution approach needs to change.

The FCA also updated its consumer support examples with additional insight for smaller firms. Consumer support should enable customers to realise the benefits of the products and services they have bought and pursue their financial objectives. This requires more than answering a telephone promptly. It includes accessibility, vulnerable customer support, avoiding unreasonable barriers and monitoring the experience customers receive.

Money Wise UK thoughts

Advice firms may not manufacture the underlying investment product, but they do design their own service, client journey and centralised propositions. This means product and service governance remains directly relevant.

A Centralised Investment Proposition should not be assessed only by reference to performance and cost. Firms should also consider who it is designed for, how it is explained, how it interacts with the advice process and whether it continues to deliver the outcomes expected.

The same applies to retirement. A Centralised Retirement Proposition should reflect the needs of clients taking income, including sustainability, sequencing risk, flexibility, vulnerability, changing expenditure and ongoing support. It should not simply be an accumulation proposition with withdrawals attached.

Consumer support is part of the proposition. A technically suitable solution can still deliver a poor outcome if the client cannot understand it, access support or make changes when their circumstances evolve.

Source: *Products and services: good practice and areas for improvement*

Source: *Why getting product design right really matters to consumers*

Source: *Consumer support outcome: good practices and areas for improvement*

KEY THEME 3

Consumer Duty scope and proportionality

CP26/23 proposes targeted changes intended to give firms greater certainty about where Consumer Duty applies and how it should be applied proportionately. The consultation is particularly relevant to firms operating through complex distribution chains, wholesale firms with a role in retail products and businesses serving non-UK customers.

The FCA is consulting on changes that would:

- Remove business with non-UK customers from the scope of the Duty.
- Clarify where the Duty applies and where it does not.
- Explain when and how firms can rely on other firms within a distribution chain.
- Clarify how the Duty can be applied proportionately according to a firm's role.
- Explain the interaction between Consumer Duty and other product governance requirements.

The consultation closes on 18 September 2026. The FCA expects to publish a Policy Statement and any new rules in the first quarter of 2027.

Money Wise UK thoughts

The consultation is welcome because some firms have interpreted Consumer Duty as requiring the same level of process and documentation regardless of their size, role or influence over the customer journey.

Proportionality should not mean lower standards. It should mean focusing time and evidence on the areas where the firm can influence outcomes and where the risk of harm is greatest.

A smaller financial planning firm does not need a bank-sized data function. It should, however, be able to explain what good outcomes look like for its clients, how it monitors the main risks and what it has done when the information identifies a concern.

As this remains a consultation, firms should understand the proposals but avoid removing existing controls until the final rules and guidance are known.

Source: *CP26/23 Consumer Duty: scope and proportionality*

KEY THEME 4

Fair value: benchmarking should support judgement

The 2026 Fair Value Benchmarking Survey provides a useful external reference point for firms reviewing their propositions and charging structures. The survey covers 241 firms and defines the distribution chain as the total cost paid by the client, including platform, product, fund, advice and discretionary management charges where relevant.

The results suggest that fair value work is becoming more embedded. Fewer firms are making wholesale proposition changes, while more are reviewing ongoing service suitability and taking action where annual reviews are missed.

Headline findings include:

- The average ongoing charge across the distribution chain reduced from 1.45% in 2025 to 1.42% in 2026.
- The average initial charge reduced more sharply, from 1.87% to 1.69%.
- 93.9% of firms reported delivering annual suitability reviews on time.
- 48.4% said they would not offer a refund, partial refund or service adjustment where an annual review was missed, down from 64% in 2025.
- 94% had reviewed the suitability of ongoing services and moved clients where appropriate.
- 34.7% had adjusted their proposition following a fair value assessment, compared with 39% in 2025.
- 98.34% offered an initial meeting at the firm's own cost, compared with 80% in 2025.

Money Wise UK thoughts

Benchmarking is valuable, but it should never become a race to the lowest fee. Consumer Duty does not require every firm to charge the same amount. It requires each firm to demonstrate that the total price paid is reasonable in relation to the benefits and service received.

A higher fee may represent fair value where the advice is complex, the service is consistently delivered and the outcomes are strong. Equally, a low fee does not automatically represent value if the firm cannot sustainably deliver the service promised.

The most useful comparison is not simply with the market average. It is between the fee charged, the service promised, the service delivered and the outcome achieved.

Appendix A provides a fuller analysis, including retirement accumulation and decumulation charges, hourly rates and practical questions for the next fair value assessment.

Source: *The survey has been used as the primary source for Appendix A. The full survey is only available to clients of threesixty Compliance Services.*

KEY THEME 5

Simplifying consumer investment disclosures

CP26/24 proposes one of the most significant changes to investment cost disclosure since MiFID II. The FCA wants to consolidate overlapping MiFID, Insurance Distribution Directive and non-MiFID requirements into a new COBS 6A framework aligned with Consumer Duty and the Consumer Composite Investments regime.

The proposals include:

- Presenting the total ongoing product and service costs before sale, while showing one-off costs and transaction costs separately.
- Describing performance fees and carried interest rather than estimating and aggregating them before sale.
- Disclosing the ongoing costs of closed-ended investment funds separately because they are borne indirectly through the fund's net asset value.
- Removing the mandatory cumulative effect of costs illustration and replacing it with post-sale information showing how actual costs affected performance.
- Allowing greater flexibility, including layering and more dynamic presentation, where this improves consumer understanding.
- Introducing clearer rules for interest and fees on cash holdings, including codifying the prohibition on charging for cash while also retaining the interest earned on it.
- Reducing many prescriptive requirements for professional clients while retaining core transparency obligations.

The FCA intends to publish final rules by the end of 2026. Appendix B provides more detail on the proposed pre-sale and post-sale disclosures, retained interest and the CCI transitional arrangements.

Money Wise UK thoughts

For years, the industry has responded to disclosure requirements by producing longer documents. The FCA now appears to accept that more pages do not necessarily create better understanding.

The opportunity is to explain costs more clearly and at the point they matter. The challenge is that responsibility is often shared across the adviser, platform, product provider and discretionary manager. Firms will need clarity over which party supplies each element and how the complete cost is presented to the client.

The cash proposals are particularly important. The FCA's concern about double dipping is not a passing comment. It is part of the wider fair value expectation and should feature in platform and discretionary manager due diligence.

Source: *CP26/24: Simplifying consumer investment disclosures*

MARKET DATA

The retail intermediary market in 2025

The FCA's latest Retail Mediation Activities Return analysis provides useful context on the scale and direction of the intermediary market. The FCA changed its methodology for the 2025 publication, so comparisons with earlier data should be treated carefully.

Key findings include:

- Revenue from retail investment intermediation increased by 13.9% to £6.5 billion in 2025.
- The proportion of retail investment revenue received as commission reduced from 8.5% to 7.1%.
- The reported number of retail investment adviser posts reduced slightly from 37,660 to 37,517.
- 88.1% of firms providing retail investment advice offered exclusively independent advice, while 10.6% were exclusively restricted.

Money Wise UK thoughts

The increase in revenue alongside adviser numbers that were broadly flat may reflect several factors, including asset values, consolidation, pricing and productivity. It should not be assumed that higher revenue means more consumers are receiving advice.

For firms planning growth, the data reinforces the importance of capacity, service consistency and succession. Growth that cannot be supported by people, systems and governance may create pressure on reviews, consumer support and outcomes.

Source: *The retail intermediary market data 2025*

REGULATORY UPDATE

CP26/20: SIPP standards and third-party oversight

The June Compliance Summary considered CP26/20 in detail. The consultation remains relevant to advice firms and discretionary managers because the FCA's proposals are likely to increase the information and oversight expected across SIPP relationships.

The FCA estimates that the SIPP market held approximately £567 billion of assets for 5.3 million consumers in 2024. It is proposing clearer due diligence standards to reduce scams and fraud, together with a new Pension Scheme Money and Assets regime where unauthorised trustees are used.

Possible operational consequences for advisers and discretionary managers include:

- More due diligence requests from SIPP operators about permissions, ownership, conflicts, controls and disciplinary history.
- Clearer contractual responsibilities and oversight arrangements.
- More information requests where advisers or discretionary managers are involved with higher-risk or non-mainstream investments.
- Agreed investment parameters and regular management information for discretionary mandates.
- Greater focus on the custody, record-keeping and governance arrangements supporting the SIPP.

The consultation closes on 24 August 2026. Firms using specialist SIPP solutions should consider whether existing provider due diligence and terms of business remain sufficiently detailed.

Source: *CP26/20: Adapting our rules for a changing market: self-invested personal pensions*

TECHNICAL UPDATE

ISA changes from 6 April 2027

The Government has now published draft Regulations providing further detail on the ISA changes taking effect from 6 April 2027. The overall annual ISA allowance will remain £20,000, but a new £12,000 annual Cash ISA subscription limit will apply to investors under age 65.

The higher £20,000 Cash ISA limit will apply from the start of the tax year in which an individual turns 65. However, some of the anti-circumvention measures will continue to apply after age 65.

The main changes

Cash ISA limit

Individuals under age 65 will be able to subscribe up to £12,000 each tax year to a Cash ISA. The overall ISA allowance remains £20,000, allowing the balance to be subscribed to other eligible ISA types, subject to the normal rules.

22% charge on interest held in non-Cash ISAs

Interest or alternative finance returns paid or credited on cash held within a Stocks & Shares ISA or Innovative Finance ISA will be subject to a flat-rate 22% charge. The ISA manager will pay the charge to HMRC; it is not a charge the individual must declare directly.

The charge is intended to discourage the long-term use of a non-Cash ISA as a cash account. It will continue to apply after age 65. Clients can still hold cash, but the interest paid on that cash will be affected.

Transfers into Cash ISAs

Transfers from Stocks & Shares and Innovative Finance ISAs into Cash ISAs will not be permitted for investors under age 65. This restriction will be lifted from the start of the tax year in which the individual turns 65. Transfers from a Cash ISA into a non-Cash ISA will remain possible.

Cash-like investments

A non-Cash ISA will not be allowed to consist entirely of cash-like investments. Initially, the definition will be limited to Money Market Funds. Partial allocations will remain permitted, but a 100% Money Market Fund holding within the account would not be permitted. This restriction will continue to apply after age 65.

The Government's factsheet states that shares, funds, investment trusts, exchange-traded funds and corporate and government bonds, including UK gilts, are not intended to be treated as cash-like assets for this purpose.

What firms should consider

- Identify clients holding material cash balances within Stocks & Shares or Innovative Finance ISAs.

- Understand why the cash is held: settlement, planned expenditure, risk management or long-term cash allocation.
- Explain that the 22% charge is paid by the ISA manager but will affect the return received on cash.
- Review whether client communications, suitability reports and review templates need updating.
- Consider how model portfolios or client-specific holdings use Money Market Funds and ensure the account is not held entirely in cash-like assets.
- Prepare staff training and client communications in good time, while avoiding premature transactions before the final operational guidance is available.

Money Wise UK thoughts

The headline is the £12,000 Cash ISA limit, but the wider planning issue is the treatment of cash inside Stocks & Shares ISAs.

Some clients hold cash temporarily and for good reasons. Others may have accumulated large balances following portfolio sales, market uncertainty or a gradual move towards retirement. These positions should be identified and discussed well before April 2027.

The answer will not always be to invest the cash. The client's time horizon, capacity for loss, objectives and need for liquidity remain central. The important point is that the client understands the new rules and makes an informed decision rather than discovering the change after it has taken effect.

Source: *ISA reform 2027: anti-circumvention rules factsheet*

Source: *The Individual Savings Account (Amendment) Regulations 2026: technical consultation*

MARKET UPDATE

A constructive outlook does not remove the need for discipline

The market research considered this month is generally constructive, but it does not suggest that investors should ignore risk. ClearBridge Investments describes markets as a journey that includes pullbacks, pauses and recoveries rather than a straight line. Its recession dashboard remained firmly in expansion territory at the end of June.

J.P. Morgan Asset Management's mid-year base case also remains supportive of risk assets. It expects the energy shock to remain manageable, growth to slow rather than collapse and the AI investment cycle to continue supporting earnings. At the same time, it identifies clear risks around geopolitics, inflation, market concentration and the eventual return on AI investment.

Appendix C brings the research together for investment committees. The purpose is not to adopt a manager's forecast, but to use the research to challenge assumptions, identify risks and confirm whether portfolio decisions remain consistent with the firm's investment philosophy.

Money Wise UK thoughts

Market research is most useful when it helps an investment committee ask better questions. It should not become a reason to make short-term changes every time the central scenario moves.

There is a difference between monitoring a risk and acting on it. AI concentration, private credit, inflation and geopolitical uncertainty all deserve attention. That does not mean every risk requires an immediate portfolio change.

Good governance records what the committee considered, what evidence it reviewed, why it acted or chose not to act and what would cause the decision to be revisited.

Source: *The Long View: Not a Straight Line*

Source: *Anatomy of a Recession*

Source: *J.P. Morgan Asset Management Mid-Year Investment Outlook 2026*

PRACTICAL ACTIONS

What financial planning firms should consider

1. Review Consumer Duty management information and remove measures that report activity without helping the firm understand customer outcomes.
2. Define what good outcomes look like at the main stages of the client journey and document the indicators and tolerances used.
3. Ensure governance minutes show challenge, decisions, owners, timescales and whether completed actions were effective.
4. Review product and service target markets, distribution arrangements and consumer support, including the needs of vulnerable customers.
5. Use the 2026 Fair Value Benchmarking Survey as supporting evidence, while keeping the firm's own service, client base and outcomes central.
6. Confirm the firm's policy for missed annual reviews, including escalation, remediation and any refund or service adjustment.
7. Map current cost disclosures against CP26/24 and ask platforms and discretionary managers how retained interest on cash is treated.
8. Monitor CP26/23 and CP26/20, particularly where the firm operates in a distribution chain or uses specialist SIPP solutions.
9. Identify clients and model portfolios likely to be affected by the April 2027 ISA changes and begin planning communications and process updates.
10. Ensure investment committee records distinguish between risks being monitored and evidence that would justify a change to the proposition.

FINAL THOUGHTS

Evidence should tell a clear story

July reinforces a direction of travel that has been building for some time. Consumer Duty is moving from implementation towards evidence, challenge and continuous improvement.

That does not necessarily mean firms need more policies, larger dashboards or longer reports. It means they should be able to tell a clear story:

- What outcome did we expect?
- What information did we review?
- What did it tell us?
- What action did we take?
- Did the action improve the customer outcome?

> ***The firms that can answer those questions clearly are likely to be well placed for the next phase of Consumer Duty supervision.***

For financial planning firms, this should be viewed as an opportunity. Good governance, fair value, clear communication and meaningful data are not separate compliance exercises. Together, they help build a better business and a better client experience.

APPENDIX A

Fair Value Benchmarking Survey 2026

The 2026 Fair Value Benchmarking Survey covers 241 firms and compares the results with prior-year data where available. The respondent base is weighted towards Article 3 Exempt firms and firms with between two and 25 advisers, so smaller sub-groups and regional figures should be interpreted with care.

Throughout the survey, 'distribution chain' means the total cost paid by the client, including platform, product, fund, advice and discretionary management charges where relevant. This distinction is important because the headline 1.42% ongoing charge is not the average advice fee alone.

Year-on-year headline findings

Measure	2025	2026	Movement / comment
Average total ongoing charge	1.45%	1.42%	-3 basis points
Average total initial charge	1.87%	1.69%	-18 basis points
Annual suitability reviews delivered on time	94.0%	93.9%	Broadly unchanged
No refund, partial refund or service adjustment if review missed	64.0%	48.4%	Fewer firms taking no remedial action
Ongoing service suitability reviewed	92.0%	94.0%	+2 percentage points
Proposition changed after fair value assessment	39.0%	34.7%	More refinement than redesign
Initial meeting at firm’s own cost	80.0%	98.34%	Significant increase

The reduction in initial charges is more pronounced than the reduction in ongoing charges. This may indicate greater competitive pressure at onboarding, while firms continue to place value on the ongoing relationship. It may also reflect firms reviewing where value is delivered at different stages of the client journey.

Charges by advice type

Advice type	Charge	2025	2026	Movement
Investment advice	Initial	1.74%	1.63%	-11 bps
Investment advice	Ongoing	0.79%	c.0.75%	-4 bps
Retirement accumulation	Initial	1.51%	1.61%	+10 bps
Retirement accumulation	Ongoing	1.05%	0.75%	-30 bps
Retirement decumulation	Initial	1.65%	1.64%	-1 bp
Retirement decumulation	Ongoing	0.84%	0.76%	-8 bps

The 2026 percentage figures are based on indicative midpoints or survey ranges where stated in the source report. They should be used as broad benchmarks rather than precise pricing standards.

Retirement decumulation and CRP®

Two findings are particularly relevant to retirement propositions. Tiered percentage of assets under management remains the most commonly reported charging approach for both initial and ongoing decumulation advice. This can help manage value disparity as pension assets reduce, although the structure still requires regular review.

Ongoing decumulation charges reduced by eight basis points to approximately 0.76%. This does not mean firms should automatically reduce fees. It does mean the evidence supporting the fee should remain current, particularly where the service includes income sustainability reviews, cashflow modelling, tax planning, sequencing risk, vulnerability support and behavioural coaching.

A retirement service should also consider how value changes over time. A client may require more support during the transition into retirement, during periods of market stress, following bereavement or when health and capacity change. A single annual meeting may not fully describe the value delivered.

Other advice areas

- The average fixed mortgage advice fee increased from £729.53 to £804.71, excluding commission or procuration fees.
- Commission remains the most common method for protection advice. The most commonly reported minimum and maximum charge limits were £500 and £10,000.
- The average equity release advice fee increased from £1,626.63 to £1,796.94. The FCA has previously referenced a typical fee of £1,500 for certain loan sizes, but client circumstances and case complexity affect comparability.

Hourly rates

Role	2025	2026	Increase
Administrator	£86.57	£91.78	£5.21
Paraplanner	£136.94	£146.97	£10.03
Adviser	£248.82	£260.87	£12.05

Service levels and ongoing reviews

One to three core service levels remain the most common approach across firms. There is some evidence of greater segmentation among single-adviser, small and medium firms, often linked to review frequency, client complexity, life stage or additional support.

93.9% of firms reported delivering annual suitability reviews on time. Delivery was highest among single-adviser firms at 98.6% and lowest among larger and medium firms at approximately 91.6% to 91.7%.

For the first time, firms reporting that they would provide no refund, partial refund or service adjustment where a review was missed are just under half of the sample. This is a positive movement, but 48.4% remains a significant proportion and reinforces the need for a clear policy.

Money Wise UK thoughts

This survey is useful external evidence, but it should support a firm's fair value assessment rather than replace it.

The benchmark does not tell a firm what it should charge. It helps the firm identify where it differs from the wider market and decide whether that difference can be explained by its service, complexity, client base and outcomes.

The fairest assessment connects four things: the price charged, the service promised, the service delivered and the outcomes achieved.

Firms should also remember that the headline ongoing charge includes the wider distribution chain. Comparing it directly with an advice fee alone would be misleading.

Practical actions

- Benchmark initial and ongoing charges by advice type, not only at firm level.
- Document why the firm sits above or below the market average where this is material.
- Review the policy for missed reviews, including escalation, refunds and service adjustments.
- Check whether clients remain in the right ongoing service and whether segmentation reflects actual needs.
- Compare hourly rates used for ad hoc work with current market data.

- Use the survey within the next fair value assessment, while recording its limitations and respondent mix.
- Where retirement fees are charged on assets under management, consider how the value assessment responds as assets reduce through decumulation.

Primary source: *threesixty, Fair Value Benchmarking Survey 2026 (available to threesixty clients).*

APPENDIX B

CP26/24: Simplifying Consumer Investment Disclosures

Investment disclosure requirements currently sit across several overlapping regimes, including MiFID-derived rules, the Insurance Distribution Directive and non-MiFID investment business. The FCA considers this fragmented and difficult for firms to navigate, while consumers often receive lengthy information they do not read or understand.

CP26/24 proposes a new COBS 6A framework aligned with Consumer Duty and the Consumer Composite Investments regime. The FCA wants firms to compete on how effectively they engage and inform consumers, supported by testing and evidence rather than rigid templates.

Why the FCA is consulting

- To make investment cost information clearer and more useful when consumers make decisions.
- To align the presentation of costs throughout the investment journey with CCI product summaries.
- To reduce duplication and inconsistency across MiFID, IDD and non-MiFID business.
- To support more modern, digital and engaging customer journeys.
- To codify expectations around interest and fees on cash holdings.

Proposed pre-sale disclosure

The general principle remains that the customer should understand the cost of the service and the investments before committing to the transaction. However, the way the costs are presented would change.

- The pre-sale aggregated figure would focus on total ongoing product costs and service costs, including advice, platform and portfolio management fees where relevant.
- One-off product costs and product transaction costs would be shown separately rather than added to the ongoing total.
- Performance fees and carried interest would be described, including when they may apply, rather than estimated in advance.
- The ongoing costs of closed-ended investment funds would be separately itemised because they are deducted from net asset value and borne indirectly.
- Costs would continue to be personalised and annualised, shown as both a percentage and a pounds-and-pence amount.
- Where a flat fee covers a whole portfolio, the percentage should be calculated against the total holdings rather than a single transaction, avoiding an artificially high figure.
- Firms could add explanations and breakdowns or use layering, provided the presentation supports consumer understanding.

The FCA encourages firms to consider presenting information dynamically within the customer journey rather than relying solely on a static PDF. This is not a requirement to adopt one design, but it signals that firms should test whether the disclosure is actually noticed and understood.

Proposed post-sale disclosure

Post-sale reporting serves a different purpose. It should show customers what they actually paid and how costs affected their returns.

- Firms providing an ongoing service would continue to provide cost information at least annually.
- The disclosure would cover actual costs incurred during the reporting period, with reasonable estimates where the figures cannot be determined.
- The customer would still receive the total cost in pounds and pence.
- Firms could use the CCI categories of ongoing, one-off and transaction costs in the breakdown.
- Performance fees and carried interest actually charged during the period would be included.
- Closed-ended investment fund costs would remain separately itemised.
- The firm would show how total costs affected performance over the reporting period and make this information available across the lifetime of the service.

Removal of the cumulative effect illustration

The mandatory pre-sale and post-sale cumulative effect of costs illustration would be removed. The FCA considers that illustrations based on assumed returns can create complexity without necessarily helping consumers understand the costs they will pay.

The replacement is more backward-looking but more tangible: regular reporting would show the effect of the actual costs on the actual performance during the period. Firms would also make the information available over the lifetime of the service, for example through the client's online account.

Cash holdings and retained interest

The FCA proposes clearer requirements for firms holding cash within investment accounts. Customers should be told the interest rate they will receive, any fees charged and, in a consumer-friendly way, how the rate has been determined.

The consultation would codify the FCA's existing position on 'double dipping'. A firm should not both charge a fee for holding client cash and retain the interest earned on the same balance. Where a firm charges for holding cash, it would be expected to pass the interest on in full. Where it retains interest, it should not charge a fee for holding the cash.

Advice firms that do not hold client money should still consider this when selecting and reviewing platforms and discretionary management services. Retained interest is part of the overall value chain experienced by the client.

Professional clients

The FCA proposes removing most of the prescriptive disclosure requirements for professional clients while retaining core obligations to provide transparent information on costs, the firm and its services.

CCI transitional arrangements

The FCA is also proposing changes to the CCI transitional arrangements. Manufacturers may produce a CCI product summary before the full regime begins, but distributors would be allowed to continue providing the existing KID or KIID during the transitional period rather than being forced to switch early.

The first transition period ends on 7 June 2027. From 8 June 2027, the CCI regime is intended to operate fully and legacy KIDs and KIIDs would no longer meet the new regime.

The FCA intends to publish final rules by the end of 2026. It proposes that the new cash-interest disclosure rules come into force in June 2027. The implementation timetable for the wider COBS 6A framework should be monitored as the final rules develop.

Money Wise UK thoughts

The direction is sensible. Consumers need to understand the total cost, but adding every possible cost into a single headline number can also obscure the difference between recurring costs, costs that occur once and costs that may never arise.

For most adviser-platform-discretionary relationships, the challenge will be operational responsibility. Firms need to know who provides the product data, who aggregates it, who explains it and who is responsible when information is incomplete or inconsistent.

The proposed flexibility should be treated as an opportunity to improve understanding, not simply to redesign the same disclosure. Consumer testing, client feedback and adviser experience should help shape the final presentation.

The retained-interest rules should be included within platform and discretionary manager due diligence now. Even before final rules, the FCA has made its expectation clear.

Practical actions

- Map current pre-sale and post-sale disclosures against the proposed CCI cost categories.
- Identify where one-off costs, transaction costs, performance fees and closed-ended fund costs currently appear.
- Ask platforms, providers and discretionary managers who will supply each data item and who will aggregate the complete cost.
- Review how flat fees are converted into percentage figures and whether the current approach could mislead.
- Assess whether clients notice and understand the disclosure, rather than relying only on document delivery.

- Ask platform and discretionary partners how they set cash interest rates, what interest they retain and whether they charge on cash balances.
- Consider responding to the consultation before 21 August 2026.
- Monitor the final COBS 6A rules, the CCI transition and the June 2027 cash-interest implementation proposal.

Source: *CP26/24: Simplifying consumer investment disclosures*

Source: *PS25/20: Consumer Composite Investments*

APPENDIX C

Market Research and Investment Committee Notes

This appendix summarises selected market research published by ClearBridge Investments and J.P. Morgan Asset Management. It is intended to support investment governance and challenge. It is not an endorsement of the forecasts or a recommendation to change portfolios.

ClearBridge Investments: The Long View – Not a Straight Line

ClearBridge uses the analogy of a mountain trek to explain that markets can move higher over time while still experiencing pullbacks, pauses and periods of consolidation. Volatility is presented as part of the journey rather than evidence that the investment process has failed.

The S&P 500 delivered a 14.9% price return in the second quarter of 2026, its twelfth-strongest quarterly gain since 1950. ClearBridge notes that, after similarly strong quarters, the index historically gained an average of 5.5% over the following three months and 10.4% over the following six months. This is historical context, not a forecast.

The manager's central view remained constructive because labour-market data had improved, oil prices had eased and the ClearBridge Recession Dashboard showed 11 of its 12 indicators in expansion territory at 30 June 2026.

Money Wise UK thoughts

The important point is not that markets must continue rising. It is that a strong quarter does not automatically mean a fall is imminent, just as a short-term correction does not automatically change the long-term case.

Investment committees should avoid allowing the most recent market movement to become the main reason for changing a strategic allocation. The evidence should be considered alongside valuations, earnings, risk, diversification and the role of each asset within the proposition.

ClearBridge Investments: Anatomy of a Recession

The Anatomy of a Recession programme uses a range of labour, consumer, business, housing and financial indicators to assess the US economic cycle. At the end of June, the overall dashboard pointed to expansion.

No dashboard can predict every recession or market fall. Its value is as a disciplined framework that reduces reliance on a single data point or headline. The indicators can also change quickly, which reinforces the need for ongoing monitoring rather than treating the current signal as certainty.

Money Wise UK thoughts

The approach is relevant beyond the US data. Good investment governance should define which indicators matter, how frequently they are reviewed and what change would be significant enough to challenge the existing view.

A watch list is not the same as a trading signal. It is a way of ensuring risks are considered consistently rather than only when they dominate the news.

J.P. Morgan: the base case for markets

J.P. Morgan's mid-year base case is that the energy shock remains manageable, global growth slows gradually rather than moving into recession, corporate earnings remain supportive and the AI investment cycle continues to contribute to profits. On that basis, it remains broadly supportive of equities and credit.

The outlook is not without caution. Higher energy costs and tighter financial conditions can weaken consumer activity, while geopolitical developments can alter the central scenario. J.P. Morgan also notes that markets are forward-looking and may begin to price an improvement before it is visible in economic data.

Money Wise UK thoughts

This is a central scenario, not a promise. A well-built proposition should not depend on one economic path being correct.

The committee should understand how portfolios may behave if growth remains resilient, if inflation stays higher for longer or if the energy and geopolitical backdrop deteriorates.

Artificial intelligence and technology concentration

J.P. Morgan argues that it remains too early to know whether the scale of AI-related capital expenditure will ultimately produce an adequate return for the companies making the investment. Technology exposure remains important, but the manager favours a selective approach and careful risk management.

The recipients of AI capital expenditure, including parts of the semiconductor, infrastructure and industrial supply chains, may experience a smoother earnings path than companies whose valuations depend on uncertain future monetisation. The research also highlights increasing dispersion between companies, suggesting investors are becoming more discriminating about fundamentals.

Money Wise UK thoughts

AI is both an opportunity and a concentration risk. The right question is not whether a portfolio owns technology. It is how much of the portfolio outcome depends on a small number of companies, assumptions or spending trends.

Committees should look through fund labels and indices to understand the effective exposure across the complete portfolio.

Private credit

J.P. Morgan expects defaults in private credit to move modestly higher through 2026, but does not currently regard the asset class as large or interconnected enough to trigger the type of systemic credit event seen during the global financial crisis. It notes that much of the risk is held by long-term institutional investors, fund leverage is generally lower than pre-crisis bank leverage and bank exposure is limited relative to the size of the banking system.

That does not remove the underlying investment risks. Valuation, liquidity, documentation, leverage, borrower quality, manager selection and the treatment of defaults remain important. Stress may be reflected in weaker investor returns and reduced future lending even where it does not become a systemic crisis.

Money Wise UK thoughts

Private credit should not be assessed simply by comparing its yield with public bonds. The source of the yield, the liquidity surrendered, the valuation process and the manager's ability to manage defaults all matter.

Where a portfolio uses private credit, the committee should be clear about its role and whether the liquidity terms remain appropriate for the client proposition.

US mid-term elections

Political developments may influence fiscal policy, regulation and market sentiment, but J.P. Morgan's work suggests that the economic cycle and earnings outlook are generally more important to longer-term market outcomes. A divided Congress could constrain further fiscal expansion, while executive action would remain relevant.

Election years can be volatile, but market timing around an election is difficult. Historical rallies have often begun before polling day, making it easy for an investor who moves to cash to miss the recovery.

Money Wise UK thoughts

Investment committees should distinguish between policy changes that affect cashflows and valuations and political headlines that create noise without changing the investment case.

A change of government or Congress may justify a review. It does not automatically justify a portfolio change.

Scenarios, cash and diversification

J.P. Morgan highlights the opportunity cost of excessive cash in an environment where inflation erodes purchasing power. It also identifies inflation, geopolitics and a reversal in technology sentiment as key risks that could challenge the base case.

The proposed response is not a single defensive trade. It is diversification across return drivers, including assets that may respond differently to growth and inflation shocks. The appropriate mix will depend on the firm's investment philosophy, client base and risk framework.

Money Wise UK thoughts

Cash has a valid role for liquidity, short-term spending and risk management. The risk arises when a temporary holding becomes a permanent strategy without a clear purpose.

Diversification can feel disappointing when one part of the market is dominant. Its value often becomes clearer when leadership changes or the central scenario proves wrong.

Questions for the investment committee

- Has recent market performance changed the long-term assumptions, or only short-term sentiment?
- What is the effective exposure to AI and the largest technology companies across all funds and models?
- What evidence would cause the committee to reduce or increase that exposure?
- Where private credit is used, are liquidity, valuation and manager risks clearly understood?
- How would the proposition respond to persistent inflation, an energy shock or a material growth slowdown?
- Are cash balances strategic, operational or behavioural, and is the purpose documented?
- Do the minutes explain why the committee acted or decided that no change was required?
- Is the portfolio diversified by genuine return drivers rather than simply by the number of holdings or funds?

Overall Money Wise UK view

The research is useful because it presents a constructive central case without pretending that the risks have disappeared. Markets can continue to rise and still experience meaningful pullbacks. Economic indicators can remain supportive and then change. AI can be a genuine structural opportunity while also creating concentration and valuation risk.

The role of the investment committee is not to predict each outcome. It is to build and govern a proposition that can remain credible across a range of outcomes, while documenting the evidence that would justify change.

> ***Research should challenge the investment process. It should not replace it.***

Source: *The Long View: Not a Straight Line*

Source: *Anatomy of a Recession*

Source: *J.P. Morgan Asset Management Mid-Year Investment Outlook 2026*

Source: *The AI investment boom is reshaping stock market winners*

Source: *Staying risk on in our market outlook*

Source: *Outlook for private credit as concerns rise*

Source: *The risks are clear and so is the protection*

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