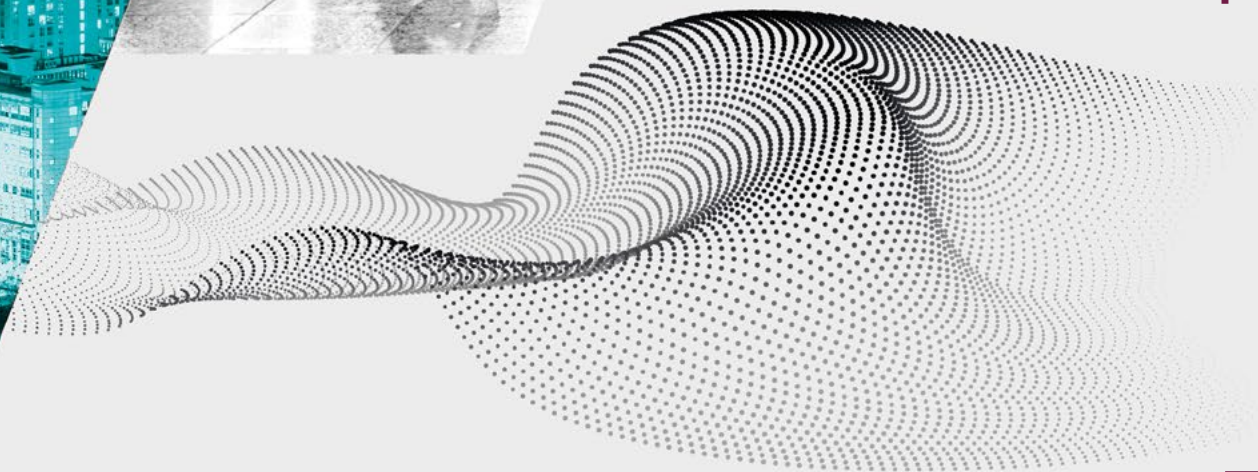




# Strategy 2025 2030

Deepening Trust  
Rebalancing Risk  
Supporting Growth  
**Improving Lives**





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# Our vision

## Deepening trust, rebalancing risk, supporting growth, improving lives

The UK excels at financial services. We're world leading in commercial insurance, derivatives, debt issuance, foreign exchange and commodities trading, and our asset management and fintech sectors are second in size only to those in the US.

When financial services are strong – innovating, serving untapped domestic demand and exporting – our whole country shares in their success, through jobs, tax revenue to improve public services and by providing the investment businesses need to grow, manage risk and withstand downturns.

Their success depends on trust. Trust in financial firms and the services they provide, but also in us, the regulator.

To deepen trust we must continually show that we are an efficient and effective regulator. One that is proportionate and predictable.

And to deepen trust in financial services we must ensure the rules which govern the behaviours of those we regulate are fair and allow for open competition, and that those who break them are swiftly held accountable.

That trust is necessary if people and businesses are to take the crucial decisions necessary to build personal wealth, improve financial resilience and invest in the future.

Having set higher standards in financial services, now is the time to look again at our collective attitude to risk. Too often the focus

has been on the risks of a decision taken rather than the lost opportunity of taking none. We want to change that.

Rebalancing risk can spur growth, which is crucial if finance is to serve the country in not only meeting the challenges ahead, but of thriving amidst them.

Our strategy sets out what we will prioritise over the next 5 years. We engaged widely – with industry bodies, consumer groups and our people – as we developed it. Because this strategy will guide our future and shape our decisions it must respond to the needs of the markets we oversee and the consumers we serve.

That's why the vision underpinning our strategy to 2030 is of deepened trust and rebalanced risk, to support growth and improve lives.

Ashley Alder  
Chair



Rebalancing risk can spur growth, which is crucial if finance is to serve the country in not only meeting the challenges ahead, but of thriving amidst them.

# Our priorities

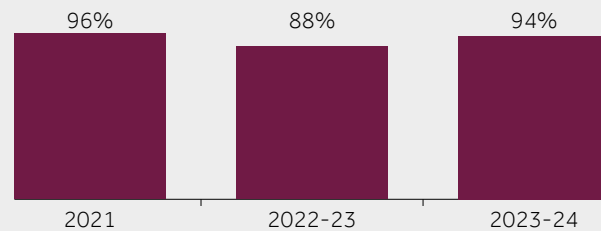
## Our priorities are to support growth, fight crime, help consumers and be a smarter regulator



The firms we regulate are confident we protect the integrity of the financial system and ensure markets function well. And consumers report their trust in us.

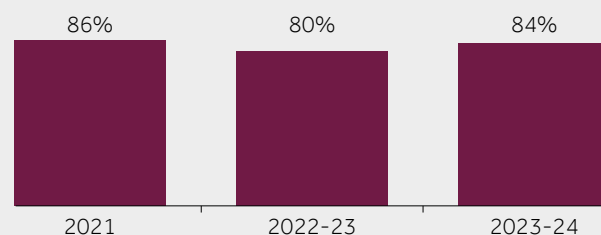
### Levels of confidence in the FCA's ability to deliver on its objectives among firms

#### The largest firms we regulate



Ensuring financial markets function well

#### The smaller firms we regulate



Ensuring financial markets function well

Source: FCA & Practitioner Panel Survey - 2023-24 Report

Through our last strategy, we set higher standards, delivered regulatory reform and significantly improved our operational capabilities. This progress built the foundation for the next 5 years. That work helped make us, those we regulate and those we serve more resilient, which has been critical when a succession of crises tested us all.

We want to go further. We want financial services to seize future potential. Doing so benefits the country through growth and innovation.

By harnessing technological advances, for example, firms can improve their competitiveness, attract new customers, serve existing ones more effectively and ensure our markets – particularly the wholesale markets in which we excel – function better.

We know that over the course of this strategy, the UK's financial services and those who depend on them will have to contend with serious issues. Among them, increased global instability, demographic

By harnessing technological advances, for example, firms can improve their competitiveness, attract new customers, serve existing ones more effectively and ensure our markets function better.



shifts, dramatic technological change and the consequences of growth that has been stubbornly low.

To enable the financial industry to succeed and steer through the next 5 years and to improve lives, we will:

- **Be a smarter regulator**; predictable, purposeful and proportionate. Improving our processes and embracing technology to become more efficient and effective.
- **Support growth**, by enabling investment, innovation and ensuring the continued competitiveness of our world-leading financial services.
- **Help consumers** navigate their financial lives by working with industry to boost trust, product innovation and ensuring the right information and support is available.
- **Fight crime**, focusing on those who seek to use the fact they're regulated to do harm. We will go further to disrupt criminals and support firms to be an effective line of defence.

These four priorities reinforce one another.

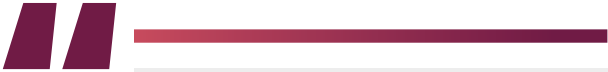
Being more effective and efficient means we're better at fighting crime. That builds people's trust, allowing them to take risks appropriate for them and save more for retirement or invest in the market.

Those savings can be turned into loans by lenders or equity or debt by asset managers, providing funds to entrepreneurs to grow and provide jobs.

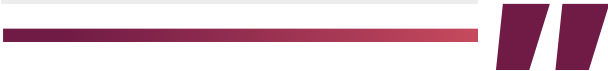
We know we can't deliver on these priorities alone. To succeed, we must collaborate and support others: Government, our peers and counterparts, those we regulate, consumer representatives and charities.

We look forward to delivering our vision for the future with all our partners, and as we become a smarter regulator – supporting growth, helping consumers and fighting crime.

**Nikhil Rathi**  
Chief Executive

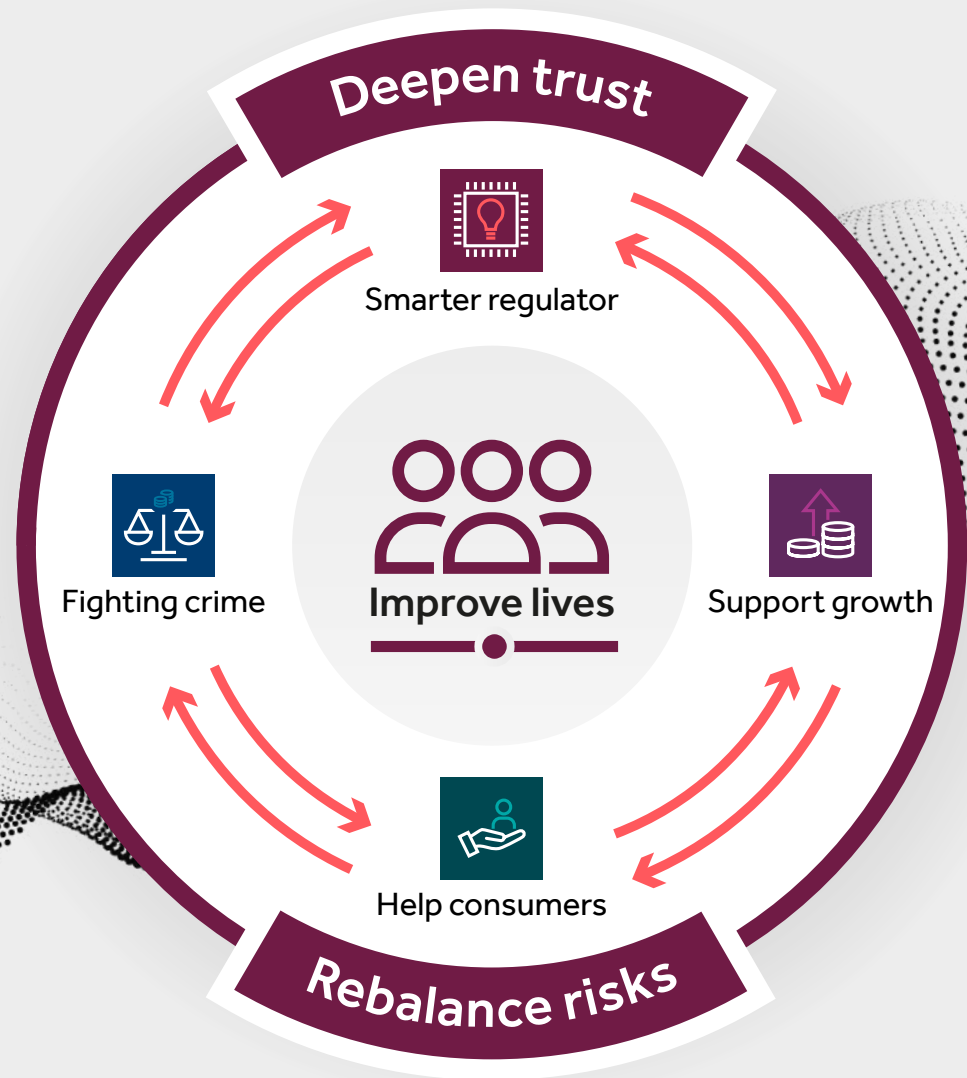


**We will be a smarter  
regulator; predictable,  
purposeful and  
proportionate.**



# Strategy 2025 2030

## Our priorities

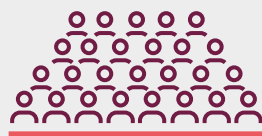


## The UK's financial services



The financial and insurance services sector contribute

**£208.2** billion to the UK economy.



They employ

**1.1 million**

people directly and

**2.4 million,**

when you include related services – 2/3 based outside London.

Alongside related professional services, contribute an estimated

**£110 billion**

in tax per year – 12% of all UK tax receipts.



In 2023, exports of financial services were worth

**£91.8 billion,**

resulting in a trade surplus of £73.2 billion.



## Our role



We are

**an independent public body**

funded by the fees we charge firms. We're **accountable to Parliament**, which decides our role and sets our objectives.



We regulate the conduct of about

**42,000 firms**

and supervise 41,000 of these for their financial risk, making us **Europe's largest prudential regulator**.



Our strategic objective is to make sure relevant

**markets**

**function well.**

## Our operational objectives are to:

- ✓ provide appropriate protection for consumers;
- ✓ enhance the integrity of the UK financial system; and
- ✓ promote effective competition in consumers' interest
- ✓ And, whenever possible, fulfil these in a way which advances the competitiveness and growth of the UK economy.

# The opportunities and challenges to 2030



## Technology

We are experiencing dramatic technological change. AI could transform financial services. Financial markets can support businesses and consumers to make the most of technological progress, while managing its risks.



## Growth

Financial services support growth by providing the capital businesses need and helping them manage risk. Through innovation they can become more competitive, boosting sales and exports. And by answering unmet consumer demand they can help people become more resilient and make the most of their money.



## Global uncertainty

The world is becoming less certain, resulting in significant market volatility. Financial services can help businesses and consumers manage this and adapt to longer-term trends that are remaking supply chains and changing business models.



## Challenging financial resilience

Over 7 million people in the UK report struggling to pay their bills or debts. Many would struggle to deal with a financial shock. Innovative, competitive financial services help by providing the products people need to improve their financial lives.

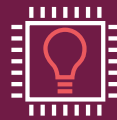


## Demographic change

The UK's population is ageing. Fewer people of working age will stretch public finances and significantly reshape our society. Financial services have a role in managing this shift, helping us save for a comfortable, and longer, later life.



# A smarter regulator – more efficient and effective



How we work, our capabilities and technology must enable us to do more, faster. The way we operate can clear the way to greater innovation, more investment and support economic growth. We must be cost effective and proportionate, including in how we collect and use data.



## How we will achieve it

We will continue to **reform how we regulate**, including how we supervise. With a smaller number of priorities aligned to this strategy, we'll have more impact. We currently set detailed, firm-specific, two-year supervisory programmes for each of the largest firms we regulate. We will take a more flexible approach, with less intensive supervision for those

demonstrably seeking to do the right thing. And we want more of the firms we regulate to have direct contact points with the FCA, providing them with better access and us with improved market intelligence.

Our areas of focus should be predictable, and firms should have an earlier chance to make positive change without the need for regulatory action. We will significantly streamline how we

set our supervisory priorities, publishing a small number of market reports once a year detailing the risks and opportunities we see. We will also share more insights from our supervisory work, helping a wider group learn lessons from the experience of others. In enforcement, this focus means a streamlined portfolio of cases, with the same number of outcomes but delivered faster.

We will **invest in our technology, people and systems to be more effective**. We assess around 100,000 cases – information our supervisors need to look into – every year. New

approaches will allow us to better handle that significant caseload, so we can act faster and more assertively where harm is greatest. We will digitise and simplify authorisation processes so it is easier to apply, follow-up requests from us are reduced and the information we receive is better quality. We will support our people to build their digital capability, so they are more data fluent and confident to take full advantage of new technology. And by investing in how we retain and store our records, colleagues will have better access to the information they need, when they need it, to make effective regulatory judgements.



Kelly is helping to improve the process and experience for firms that need our approval to do business. The team is gradually moving applications to a new digital platform that is easier for firms to use and more consistent, with everything in one place. It will also help us validate information, so we have to ask fewer follow-up questions. This is part of the work we're doing to accelerate the process of getting regulated.

**We will digitise authorisation processes so it is easier to apply, follow-up requests are reduced and the information we receive is better quality.**

We will **be proportionate and easier to engage with**. Supplying us with data is a significant task for firms. So, we will constantly review what information we ask for, ensuring we're only collecting what we need and will use. We have already identified 3 regular data returns we plan to stop, which will benefit 16,000 firms, and we will review more. We are launching My FCA, a single-entry point for firms, so it is

easier to manage regulatory obligations, with their tasks – from providing data or paying fees – in one place.

We **work on behalf of the whole of the UK** and support financial services in all parts of the country. Since 2021, we doubled the size of our office in Edinburgh and opened one in Leeds. Together, they're the base for nearly 11% of our

workforce. We will continue to draw on the skills across the country, aiming to at least double the number of colleagues, to over 1,000, based at our Leeds and Edinburgh offices over the next five years.

## How you will know we are succeeding



We meet service standards in our operating metrics.



Continued improvement in metrics that show we are delivering our secondary objective on international competitiveness and growth.

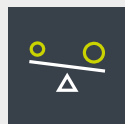


Further improvement in how firms we regulate evaluate our effectiveness.



In the first year of our strategy, we will develop new metrics to assess how effectively and efficiently we're performing our role.

## Focus on:



# Rebalancing risk

Since the financial crisis regulators across the world have worked together successfully to set higher standards. Our financial system, in the UK and globally, is stronger and has proved resilient through several once-in-a-lifetime shocks.

But regulation should be about enabling informed risk to be taken not eliminating it entirely. Attempting to do so would stifle innovation and competition, and with them the market dynamism that drives growth and benefits consumers. We need to focus on risks that regulation should allow in the context of our current environment, rather than that of the past. That requires an open debate about the different types of risks:

## 1. Regulatory risk

Limited resources mean the FCA must make decisions and judgements based on an informed assessment of risk. For example, deciding where to set the bar for those wanting to join our markets is critical for preventing harm. But every notch higher can make it more difficult for new entrants. This affects competition and innovation, and so this impacts the price people and businesses pay and the service they receive. Ultimately, it also affects economic growth and competitiveness.

## 2. Market and firm risk

Risk is inherent to financial firms and markets. The challenge for a regulator is to mitigate excessive risk, balanced against the need to ensure firms have the space to try new things and for markets to evolve. In wholesale markets, technological advances – for instance in AI – could result in greater

efficiency with faster reactions to new information, but it also brings the potential for increased volatility and market abuse.

## 3. Consumer risk

Consumers who use financial services make choices, meaning they often take risks. For instance, keeping money in seemingly risk-free, easy-access payment accounts compared to getting better interest rates by locking cash away for longer or investing in stocks and shares. Making that decision requires people to weigh up whether to risk missing out on higher returns, be penalised if they need to access their savings earlier than expected or accept the volatility of markets. Needs will change as life circumstances change. To rebalance these risks we must acknowledge, as we have with our proposals to reform the financial advice market, that while the majority may benefit, a minority may not get the outcome for which they hoped.

# Supporting growth



Regulation plays an important part in the UK maintaining its position as a preeminent financial centre and in supporting economic growth.

That role is not simply about getting out of the way. We have shown that, by rebalancing risks, we can lead efforts to unlock investment and growth. Practical examples include creating the digital securities sandbox, launching new long-term investment funds, far-reaching capital markets reforms and targeting better returns in pensions.



## How we will achieve it

We will work to ensure the UK's financial services are able to **contribute to the wider economy**. Changes to disclosure requirements, including the prospectus regime, and widening retail access to investment opportunities will make it easier for businesses to seek capital, increase liquidity and provide investors with the prospect of higher returns.

We will **support improvements in productivity**, both within financial firms and the wider economy, through an increasingly

tech-positive approach. Our innovation services have already helped over 200 financial firms test AI and machine learning technology services. We will continue that partnership, for example in the tokenisation of asset management, sharing insight on what works and what doesn't. Where possible, we will rely on existing standards, focusing on outcomes, rather than imposing prescriptive, new rules.

As we integrate the Payment Systems Regulator and many of its functions within the FCA, we will deliver the National Payments Vision of an innovative, safe and competitive



payments sector, embracing technological change to better serve people and business. We will build on the success of Open Banking and launch Open Finance. More seamless data-sharing could unlock product innovation and deliver lower costs, more choice and better information for consumers.

We will focus on the **competitiveness of UK financial services**, reforming rules to ensure they suit our market. In areas like commercial insurance and asset management where

the UK is a world leader, we will strip out redundant requirements. We will also review the redress regime, which can create uncertainty for consumers, firms and their investors, with the potential to hold back investment and innovation.



Amit supports firms in meeting our standards in the initial years after they are regulated. This includes businesses who've been identified as having high growth potential. He links these firms up with specialists elsewhere in the FCA, and can step in early if there are challenges the firm is facing that could affect consumers.

## How you will know we are succeeding

By 2030, we will be able to report:



An increase in the UK's financial services exports and better access to capital for businesses, as indicators of our contribution to the wider economy, recognising that these are influenced by factors beyond regulation.



The UK retains its position as a top global financial and fintech centre.



More firms are using our innovation and tailored authorisation services, supporting those with new ideas and more productive financial services.

# Helping consumers navigate their financial lives



Whether people are living comfortably, struggling to get by or find themselves somewhere in between, financial choices can be difficult. What people decide can be felt across the economy. People choosing to invest more could see capital flow to growing businesses or new infrastructure, as well as boosting individual finances. While a lack of resilience, with low savings or inadequate support to manage risk, means people can get knocked off course by financial and personal shocks.



## How we will achieve it

It is crucial that **trust in financial products** on offer is high. We will drive better value for money in workplace pensions, changing regulation to encourage schemes to invest for longer-term returns, boosting people's nest eggs and economic growth. We will also continue to ensure those who buy insurance benefit from fair value and competition, for example on pure protection, which helps families meet financial commitments, and for the 20 million people who pay monthly for cover.

We will also look again at our rules to make sure they work for the future, allowing for **product innovation and widened access**.

For example, reviewing mortgage affordability requirements. These have helped reduce the number of people getting into difficulty but may be making it harder for first-time buyers to borrow, resulting in them paying higher rents for longer.

We want to work with industry, so **people get the support and information they need** to make decisions for their financial future. A new regulatory regime for targeted support will allow people who currently do not access financial advice to make the most of their pensions and invest with greater confidence. And by reforming the information investors get we will ensure people aren't overwhelmed by disclosures before taking informed risk.

Underpinning it all will be making **the Consumer Duty** – introduced under our last strategy – integral to how regulated financial firms treat their customers. That will increase people's confidence when seeking products and services that meet their needs and match their capacity for risk.

We recognise however that regulation won't have all the answers, and we will need to work with others. Greater access to financial

products and services helps individuals and boosts the economy, including making consumers more resilient to shocks. That's why we'll support the Government as it develops a **financial inclusion** strategy. And we will work with partners as they lead work to address low financial capability, which holds people back from accessing the financial services that could support them in managing their financial lives.



Liam, based in Edinburgh, is working with the Government to review the boundary between regulated financial advice and guidance. Our aim is to ensure that people have access to timely and affordable help when making important financial decisions so they can make the most of their money. For example, we're looking at whether different support could be offered to pension savers, so they get help on whether they are saving enough for the retirement lifestyle they want.

## How you will know we are succeeding

By 2030 we will be able to report:



An increase in the proportion of consumers who hold certain key products (general insurance, pensions in accumulation, day-to-day accounts, savings accounts), indicating people are better able to withstand a change in circumstances or shocks.



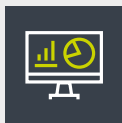
A higher proportion of consumers (with £10K+ in investible assets) holding mainstream investments, helping people save for later life.



An increase in customer satisfaction with their financial services providers.



## Focus on:



# A smart data revolution

**Over 11 million people use Open Banking, making over 14 million payments a month. But it promises more. To realise that potential we will increase the pace of change to deliver innovation and competition, and with them greater flexibility, tailored services and lower costs.**

We will prioritise the development of seamless account-to-account payments, so people have more choice about how they pay. We will make Variable Recurring Payments a reality, giving people more control over their payments and lower processing fees for businesses.

Going further means embracing the opportunities for greater data sharing. That requires Open Banking to be put on a commercially sustainable footing, while protecting the current free-to-access model.

Premium services, over and above current free access, could allow people to use new and better banking and payments services that suit their needs. We will work with all those involved in Open Banking – from incumbents to potential entrants – to support the investment needed to make this a reality.

### Leading Open Finance

People supply data to many different financial services providers. Opening up this data would make consumers' and businesses' lives easier, increasing choice and allowing for easy-to-access, personalised support. The right regulatory framework will encourage new entrants and innovation, with access to data fuelling firms' growth.

This could reduce information and transaction costs for small businesses looking for credit, 20% of whom struggle to borrow at

reasonable rates. For consumers, it could widen access to loans, offering resilience against personal financial shocks.

Within a year, we will publish a roadmap for the roll out of Open Finance. We expect the regulatory foundations for the first scheme to be in place by the end of 2027. We want to prioritise small business lending, so these engines of growth can better access capital.

# Fighting financial crime



Financial crime robs people and businesses of their hard-earned money. It seeks to hide the profits made from serious offences. It reduces the amount of money available to invest and grow businesses and makes our markets less attractive.

We prioritised fighting financial crime in our last strategy and have strengthened our contribution to the collective effort. Over the last two years, we've charged more people with criminal offences than ever before and we are concluding enforcement investigations faster. We are harnessing technology to better identify potentially abnormal trading in our markets as well as scams targeting the public.



## How we will achieve it

We will continue to police our complex remit and work with partners to **disrupt crime**, including scams. We'll draw on all the tools at our disposal to get the best outcome we can, from public warnings, formal requirements on firms, civil action or criminal prosecution. We will focus resources on those who seek – or have sought – entry to regulated financial services and aim to use FCA authorisation as a cover for crime, whether that is attempts to defraud or to undertake market abuse.

The firms we regulate are a vital line of defence against the criminal misuse of our financial services. Their systems prevent the illicit flow of cash, guard consumers at risk and often provide the evidence for law enforcement to act. We will **work with those firms who we know want to play their part in tackling crime**, while continuing to act against those through which criminal cash finds its way into our system. We know the significant time, money and effort firms invest in their anti-crime systems. We will support them in drawing on new, developing



technology that not only improves these controls but reduces their costs.

We must also be a **good partner** for other agencies who tackle crime. Criminals do not respect regulatory remits or national borders. So, we must draw on our strong relationships with domestic law enforcement and regulators, as well as international counterparts, to share intelligence and coordinate action.

No matter how effective firms' systems or how significant the work to disrupt crime, it is not possible to stop every scam. And once

someone has been duped, it is often hard to get their money back. That is why we want **consumers to have the tools they need to protect themselves**. We will continue to drive awareness of investment and APP fraud. By increasing our alerts of potential scams, and developing new ways to get these to consumers, we will arm people with more information to avoid being tricked out of their money.



Phoebe works in Leeds as part of our advanced analytics and data science units. They're exploring how the FCA can use generative AI to change the way we regulate by supporting colleagues in processing information faster, uncovering new insights and improving decision-making. We're committed to continuing to build our data and technology capabilities.

## How you will know we are succeeding

By 2030, we will be able to report:



Improvements in our market cleanliness, and abnormal and anomalous trading statistics.



Slower growth in investment fraud victims and losses.



Slower growth in authorised push payment fraud cases and losses.

## Focus on:



# An international regulator for an international market

**The UK is a major financial hub and the largest net exporter of financial services. We will work with industry and the Government to both maintain and improve that position, because doing so benefits the whole country through jobs and the taxes to pay for public services. Maintaining the UK as a truly global financial hub also benefits the rest of the world by providing a financial and professional services centre of excellence and innovation, preventing costly fragmentation.**

This relies on us meeting the international standards that deepen trust. We have long taken a leading role in the international fora where these standards are agreed: the International Organisation of Securities Commissions and the Financial Stability Board (FSB). We recently co-led the FSB's work to better monitor and address risk from leverage in non-bank finance.

And, with colleagues in Government and the Bank of England, we work with EU counterparts through the Financial Regulatory Forum on common issues.

While we will continue to advocate for global cooperation and openness, we acknowledge this may be an increasingly harder argument to make in an era of heightened geopolitical instability and global competition. We may, therefore, choose to make progress on some issues with a smaller group of like-minded jurisdictions. And we will face difficult choices if the standards set in global agreements and through multilateral bodies are not comprehensively implemented across the world.

Navigating that complex environment will depend on strong bilateral relationships with our counterparts. As the regulator of a genuinely global financial centre we are asked

for assistance more than any other markets supervisor in the world. To further support those relationships, and to provide a local touchpoint for financial firms eager to learn more about how to get authorised in the UK, we will establish a permanent presence in the US and Asia-Pacific for the first time.

# How we will work

We are accountable to HM Treasury and Parliament and we will seek to consistently explain the choices we are making and why, being open about the risks these might present.

Every day, we will strive to demonstrate these behaviours in how we think, act and engage with others as we deliver our priorities:



**Open** – clearly explaining what we are doing and why, and being transparent and predictable in our decision-making. This will deepen trust in our work and enable Parliament and others to hold us to account.



**Curious and forward thinking** – seizing on the opportunities from new developments to innovate and make us and our markets work better, for the good of consumers and the economy.



**Collaborative** – forging productive links with Government, industry, consumer groups, international partners, other regulators and law enforcement agencies to help people navigate their financial lives, fight crime and support growth.



**Resourceful** – asking for no more than we need and continually improving how we operate to do more, faster.



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