Wider Implications Framework Annual Report 2025/26

Financial Ombudsman Service

FCA FINANCIAL CONDUCT AUTHORITY

fscs Financial Services Compensation Scheme

The Pensions Regulator

Money & Pensions Service

Contents

Executive Foreword

This is the fourth Wider Implications Framework (WIF) Annual Report, covering 1 April 2025 to 31 March 2026.

It sets out the past year's collaboration between the framework's members:

- Financial Conduct Authority (FCA)
- Financial Ombudsman Service (the Financial Ombudsman)
- Financial Services Compensation Scheme (FSCS)
- Money and Pensions Service (MaPS)
- The Pensions Regulator (TPR).

The framework remains a transparent and robust process to consider issues with significant implications in a timely, consistent and complementary way, while preserving members' independent roles and statutory functions. It's part of our wider existing collaboration to share information and insights.

In the past year, WIF members have worked together on issues such as the Advice and Guidance Boundary Review (AGBR), continuing work on motor finance commission and further embedding of the Consumer Duty ('the Duty').

This report sets out how collaboration has improved outcomes for consumers, firms and the financial services industry. It also outlines how we intend to streamline the framework, so it continues to deliver effective engagement and provide transparency for stakeholders.

Framework members

Each member organisation has distinct and independent roles and responsibilities. The framework helps ensure consistent and complementary approaches to similar or related issues as they arise. For example, subject to legal restrictions on disclosure of information, the following collaboration occurs:

- The Financial Ombudsman and FSCS share data and insight from complaints and claims.
- The FCA and TPR as regulators can share certain information to facilitate the exercise of their functions.
- MaPS provides free, impartial money and pensions guidance across the UK, and so plays a key role issuing consumer communications. It can also share data and insights generated by its money and pensions guidance operations with the FCA to enable or facilitate the latter's functions. For example, concerns about homes (both renting and buying) and pensions and retirement attracted the largest number of customers to the MaPS customer website, MoneyHelper. But it was MoneyHelper's Everyday Money pages which grew the most traffic over the year: increasing on average by 6% every month over the course of the year. This section covers banking, payments, budgeting, credit, insurance and running a car.

Outside of the framework, members have met with other key stakeholders on important issues. In the past year, this has included:

- The FCA and the Financial Ombudsman working with the Treasury on legislation to modernise the redress framework.
- TPR, the FCA and MaPS working with the Department of Work and Pensions to develop value for money frameworks and pensions dashboards programme delivery.

Engagement with the FCA statutory panels

In last year's annual report, we set out updates to the framework's Terms of Reference (ToR) to enable us to communicate more directly with industry and consumers. We agreed to attend relevant independent statutory industry and consumer panel meetings twice a year so that stakeholder representatives can:

- Highlight issues that may be significant or have wider implications.
- Receive updates on – and participate in discussions about – issues the framework is managing.

In 2025, we met the Small Business Practitioner, Practitioner, and Consumer Panels in May and June, then again in November. Here we provide a high-level overview of the discussions.

May Smaller Business Practitioner Panel

Main areas of discussion

The Financial Ombudsman's role in the wider redress system and its interaction with firms, especially the Call for Input on modernising redress against the backdrop of a wider Treasury review.

Key points

A key theme was the rise in complaints brought by professional representatives, particularly in motor finance. The Financial Ombudsman outlined recent changes to charging structures and case handling. These aimed to make funding arrangements fairer and encourage professional representatives to submit better-evidenced complaints, considering their merits more diligently before referring them.

The Panel mentioned that some in industry perceive that Financial Ombudsman decisions can impact firm behaviour, specifically how some firms assess complaints. Members highlighted uncertainty when the Financial Ombudsman did not provide clear parameters to help firms learn from decisions, potentially affecting access to credit and growth. The Financial Ombudsman informed the panel that as part of the modernising the redress work, the Financial Ombudsman is looking to provide much better insight to different sectors of industry to make it easier for businesses. The FCA and the Financial Ombudsman emphasised that they were working together, alongside the Treasury, to improve alignment, transparency and predictability, including possible legislative change in the longer term.

May Practitioner Panel

Main areas of discussion

Use of the WIF to identify and manage cross-cutting consumer issues, including alignment between the FCA and the Financial Ombudsman on emerging areas.

Key points

Topics included:

- Treatment of consumer understanding in areas such as targeted support and crypto-assets;
- Application of the Duty (especially around fair value and outcomes).
- The role of professional representatives.

Panel members welcomed improved cooperation between the FCA and the Financial Ombudsman. They emphasised the importance of predictability, clearer communication with industry and potential legislative reform to support a more coherent redress system.

June Consumer Panel

Main areas of discussion

WIF engagement with cross-cutting issues affecting consumers, especially modernisation of the redress framework and the evolving relationship between the Financial Conduct Authority and the Financial Ombudsman.

Key points

The discussion highlighted:

- Ongoing work on motor finance.
- Fair value assessments under the Duty.
- Challenges of applying outcomes-based regulation such as AGBR to groups of consumers rather than individuals.

Panel members explored concerns about:

- Consistency and predictability in Financial Ombudsman decision making.
- The balance between regulatory and complaints led redress.
- The perception, by some of industry, that the Financial Ombudsman is a quasi-regulator, with agreement that cultural as well as structural issues remain important to address.
- We discussed how the issues discussed will be addressed by the FCA and Financial Ombudsman's joint work on the modernising the redress system.

Further discussion

The panel raised specific thematic risks, including;

- Crypto related fraud
- Pension complexity
- The interaction between multiple regulators.

FCA representatives recognised the importance of anticipating emerging risks and improving regulatory coordination. They noted the importance of consumers not being disadvantaged by regulatory boundaries and the need for greater certainty for firms.

November Smaller Business Practitioner Panel

Main areas of discussion

The Panel received an update on current framework priorities, including the Consumer Duty, motor finance, authorised push payment (APP) fraud and other cross-cutting issues.

Key points

Panel-members discussed how cost of living considerations and the Duty were now embedded in firms' business as usual activity. The discussion touched on emerging areas of risk, with a suggestion that rebalancing risk could become a future WIF priority.

Further discussion

The Financial Ombudsman updated on preparations for the motor finance redress scheme, including the potential impact of high complaint volumes on smaller firms and how recent changes to fee structures and case filtering might mitigate these concerns.

November Practitioner Panel

Main areas of discussion

The FCA's work to modernise the redress framework and its interaction with the WIF.

Key points

The panel emphasised:

- The value of changing rules where possible without waiting for primary legislation, noting limits of what could be achieved without statutory reform.
- The dependency between reforms to the Financial Ombudsman and the successful implementation of targeted support under the AGBR workstream.

- That industry progress would be constrained until conclusion of joint work on modernising the redress system.

Further discussion

The session looked at how different bodies engage with the WIF. Both FSCS and MaPS highlighted how early and ongoing collaboration through the WIF could support policy development, operational readiness and coordinated messaging, particularly in areas such as scams, fraud and financial inclusion.

November Consumer Panel

Main areas of discussion

Current WIF projects and the future shape of the framework in the context of modernising the redress system.

Key points

The panel explored:

- Ownership of fraud and scams.
- Firm and regulator readiness for the incoming crypto regime.
- Whether WIF should expand its scope to areas such as financial capability and inclusion as other workstreams close.

Further discussion

The panel also explored:

- Rebalancing risk across sectors.
- The importance of understanding how cumulative regulatory change may affect the same consumer groups.

There was agreement on the need to better define what constitutes a WIF issue. They also discussed further engagement with stakeholders, including the Pensions Regulator, and upcoming opportunities for the panel to feed into the new referral mechanism.

Review of the year

Here we focus on collaboration between WIF members from 1 April 2025 to 31 March 2026. We set out how the framework has presented a transparent and aligned position to industry and delivered positive outcomes for consumers, firms and the financial services sector.

1. Sharing data, insight and expertise to inform decision making

The WIF framework enhances information and data-sharing. It helps prioritise issues we might want to take forward. It enables members to communicate on issues with wider implications and encourage improved industry behaviours, while providing better customer outcomes. Some examples of how different WIF members share data, insight and expertise include the following.

- The FCA works with the Financial Ombudsman to share intelligence on emerging regulatory issues and to collaborate on the development of its regulatory approach, including **targeted support** and **simplified advice**. This collaboration has included joint events and statements, notably on complaints handling and interpretation of regulatory requirements for targeted support. Close working has also been central to the FCA's proposals to simplify the pensions and investment advice framework (CP26/10), supporting the aim of giving firms greater confidence to offer more services that better meet consumers' needs.
- The Financial Ombudsman and FSCS have continued to share information on new and emerging issues. They also held joint knowledge sharing sessions (with TPR also participating), for example on the **Pensions and Advice Guidance Boundary Review**. Other topics included **complaints processes, FSCS recoveries** and **approaches to vulnerable customers**.
- An ombudsman leader from the Financial Ombudsman was seconded to FSCS as Interim Head of Deposits, furthering collaboration between these organisations. An FSCS employee was also seconded to the Financial Ombudsman. Such secondments between organisations strengthen shared understanding of complaints, redress and failure processes, contributing to more joined up decisions.
- In January 2026, the FCA, Financial Ombudsman and TPR discussed the proposed changes to the Financial Ombudsman's fair and reasonable remit as well as other proposals in the modernising redress consultation, such as decision publications, transparency and mass redress events. This collaboration helped organisations share insights and learnings.

The way WIF members work together continues to evolve. Changes announced by the Treasury in March 2026 will strengthen the collaboration between the FCA and the Financial Ombudsman. These changes include a formal referral mechanism where the FCA will be required to give its view on matters of interpretation.

Insight into how we collaborated

Sharing data and insights has been a key area of success of the WIF over the past year. We illustrate this in 3 case studies looking at motor finance, the pensions Value for Money (VFM) Framework and APP fraud.

Case study 1: Motor finance commission

Issue

The FCA assumed responsibility for regulating consumer credit in April 2014, which applied the FCA Handbook to firms engaging in credit-related regulated activity. In January 2024 the Financial Ombudsman issued its first published decisions upholding motor finance complaints involving the use of discretionary commission arrangements. These decisions were challenged in the High Court. The challenges were subsequently dismissed in December 2024. Separately, in October 2024 the Court of Appeal ruled on 3 cases involving car finance. The Court of Appeal found that, in those cases, dealers could not lawfully receive commission from the lenders without first telling the customer about it and getting their informed consent to the payment. The lenders involved in the case appealed the decision to the Supreme Court. In August 2025, the Supreme Court overturned aspects of the Court of Appeal judgment but still found that a lender acted unfairly – and therefore unlawfully – because of the high, undisclosed commission paid to the broker.

Action

The Financial Ombudsman has around 90,000 cases connected to motor finance commission. The FCA and the Financial Ombudsman have engaged extensively over this period. The FCA has worked closely with the Financial Ombudsman as the FCA developed the scheme rules given the Financial Ombudsman's role in the operation of the redress scheme. The Financial Ombudsman has an important part to play in providing consumers with confidence and reassurance that they will receive the outcome required by the scheme.

Work on motor finance has also involved input from other WIF members, such as MaPS, who attended and fed into some of the FCA's consumer-focused sessions prior to the FCA's consultation.

Outcome

The FCA published its final rules for an industry-wide redress scheme to compensate motor finance customers in March 2026. The Financial Ombudsman has been working to categorise and prepare its existing stock of cases so it that can deliver outcomes at pace once able to progress its cases. As set out here, aspects of the FCA's redress scheme have since been subject to legal challenges, with the applicants arguing that the rules governing the scheme are unlawful, either as a whole or in relation to certain parts of the rules. These are issues for the Upper Tribunal to resolve when the case is heard likely in either late 2026 or early 2027.

Case study 2: Pensions Value for Money Framework

Issue

Millions of people in the UK save into a defined contribution pension each year. If savers receive good value for money, then their retirement savings are more likely to deliver good retirement outcomes. While past regulatory initiatives have focused on reducing the cost of pensions, the least expensive arrangement may not necessarily deliver the best long-term performance.

Our action

The FCA, the DWP, the TPR and MaPS have worked together on the Value for Money Framework over several years. In 2026 the FCA and TPR jointly consulted on proposals to apply to all defined contribution workplace pension schemes. These proposals would mean that pension providers and trustees will need to provide greater transparency over how arrangements are performing. Actions are proposed for arrangements assessed as not being value – including to improve or transfer members to an arrangement that is value. The result is intended to be default workplace pensions that deliver better value for consumers, without requiring savers to do anything.

Outcome

Working together, the Value for Money Framework will be rolled out across both the contract- and trust-based pensions market, so that savers receive the same outcomes no matter what type of pension they have, or who regulates it. The proposals will tighten scrutiny of default arrangements and address underperformance. Our approach is data-led and focused on decision makers acting on behalf of pension savers. Employers and their advisers will be able to compare value, not just cost, and switch if better value for savers is available elsewhere. The outcome will be a framework which will enable consumers to more readily understand the value for money being delivered by their workplace pension.

Case study 3: APP fraud

Issue

APP fraud is when someone is tricked into sending money directly to a fraudster posing as a genuine payee. There are thousands of cases of APP fraud in the UK each year, affecting both people and businesses.

Our action

In the past year, MaPS has engaged with other WIF members on APP fraud.

- MaPS has shared insights and intelligence with the FCA on APP fraud and scams, and emerging risks and trends associated with e-banks. This has included use of me-to-me transfers by fraudsters to circumvent e-bank fraud controls.
- MaPS has also collaborated with the Financial Ombudsman on this issue, with the Financial Ombudsman sharing relevant resources, highlighting its dedicated Fraud & Scams Directorate and delivering a session to MaPS specialists. MaPS also provided feedback to the Financial Ombudsman around APP fraud risks based on insights generated by its consumer protection function.

Outcome

This joint working has improved our collective understanding of the harms caused to some groups of consumers, supported pathways to mitigate APP fraud risk and the techniques used by fraudsters. It has also improved how MaPS signposts consumers at risk of APP Fraud, expanded their APP fraud support resources and created more efficient pathways for MaPS specialists to further support consumers at risk of APP fraud where that involves Financial Ombudsman interaction.

2. Joint engagement activities

Collaborating at external events and on publications demonstrates our alignment, reducing uncertainty for firms and leading to more consistent consumer outcomes. We continually seek opportunities to do this. The panel meetings discussed above are an example of our joint engagement. However, WIF members have also collaborated on engagement in other areas.

- In March 2026, the Financial Ombudsman and the FCA attended a roundtable with UK Finance about complaints made connected to the Duty price and value outcome.
- In December 2025, the Financial Ombudsman and the FCA issued a joint statement on targeted support, setting out how the two organisations will work together in this area, promoting consistency in the regime, while recognising their separate statutory functions.

Insight into how we collaborated

WIF members collaborated on modernising the redress system, which we describe in a case study below.

Case study: Modernising the redress system

Issue

A redress system works best when it is clear, simple to use and trusted by both consumers and firms. While the current redress system works well for individual cases that come to the Financial Ombudsman, high volumes of complaints on specific or novel issues can cause significant delays.

Our action

The FCA and Financial Ombudsman have worked together with stakeholders to modernise and transform the redress system. In July 2025, they published a joint consultation seeking views on proposals to deliver greater predictability, certainty and transparency, with appropriate responsibility for firms to identify and address redress issues early. In CP25/22 we strengthened our regulatory engagement through a new referral process set out in the FCA-Financial Ombudsman Memorandum of Understanding. To support swifter resolution of redress issues, they also consulted on and implemented guidance for firms on how to better identify and address redress events and provide further clarity if issues are escalated to the FCA.

Building on this work, in March 2026, the FCA and Financial Ombudsman published a further consultation, to deliver reforms now ahead of later planned legislation. In CP26/9, we introduced measures to address systemic or mass redress events more effectively. To support efficient complaints handling, the Financial Ombudsman also consulted on a new registration stage for complaints, updated dismissal grounds and changes to the 'fair and reasonable test'.

Outcome

The FCA and Financial Ombudsman acted at pace to give firms more certainty to invest and grow, while delivering more timely and efficient outcomes for consumers. Overall, the proposals seek to strengthen alignment and cooperation across the redress system, promote earlier resolution of redress issues and improve transparency. This creates a redress framework that is fairer, more proportionate and effective, fostering trust and confidence in the UK financial sector.

3. Helping consumers navigate the redress landscape

The framework enables a smoother journey for consumers to receive appropriate redress when harmed by financial services firms. Working together we can help build trust in the financial services industry by directing consumers to the right information and providing support.

One area of collaboration has been the Financial Ombudsman's work with MaPS. The latter's communications, marketing and partnerships teams supported the Financial Ombudsman's awareness-raising campaign, helping to extend the reach to key audiences.

Insight into how we collaborated

A further significant area of cooperation has been the Duty, the focus of a case study, below.

Case study: The Consumer Duty

Issue

The Duty was implemented in July 2023. WIF members have worked together to support stakeholders' understanding of the Duty and reassure them about regulatory alignment. In 2025, MaPS began updating its standards, which set out the quality, consumer experience and performance requirements for services delivered by MaPS, either directly or via delivery partners for the provision of debt advice, pensions guidance and money guidance. As set out in the Financial Guidance and Claims Act 2018, before finalising the standards, they must be approved by the FCA. MaPS worked with the FCA to align, where possible, the standards with the expectations of the Consumer Duty.

Our action

The FCA and MaPS met regularly throughout the update of the standards to support effective collaboration between policy and subject-matter experts across both organisations. The FCA provided input on draft revisions to the standards, identifying potential risks where appropriate and supporting MaPS colleagues in ensuring language remained consistent with the wording of the Duty. The FCA also gave input to improve the preamble of the standards, helping to clarify how they interact with other FCA regulatory requirements and support wider working-group reviews.

Outcome

The updated standards came into effect on 1 April 2026. They provide clearer expectations to delivery partners, reinforce a shared focus on consumer outcomes and reduce the risk of confusion or inconsistent application across the sector.

4. Working with all stakeholders to deliver fair outcomes

The framework allows for collaboration to identify and resolve issues early, to reduce harm and deliver fair and consistent outcomes. Members engage with parts of the regulatory family external to WIF, as well as industry, to deliver fair outcomes for consumers. One example has been the efforts by the Financial Ombudsman, FSCS and the FCA to share knowledge on the claims management company landscape and its monthly attendance at meetings with regulatory partners.

Insight into how we collaborated

A further example is the work of the Pensions Scams Advisory Group, described in the case study below.

Case study: The Pensions Scams Action Group

Issue

Pensions funds are common targets for fraudsters. Fraud can have a significant impact on victims' financial (and general) well-being, many of whom struggle to replace funds lost to pension fraud because it occurs late in life.

Our action

The Pension Scams Action Group (PSAG), led by TPR, designs and coordinates efforts to combat pension fraud through education, prevention, disruption and enforcement. PSAG collaborates with agencies, law enforcement partners and industry to prevent harm to consumers and pension savers. Direct collaboration in the form of TPR secondments into the National Economic Crime Centre (NECC) and City of London Police to support efforts to tackle pension fraud have been key to the development of PSAG. Members include the FCA, MaPS, NECC and the Financial Ombudsman who have continued to engage collaboratively over the past year.

Outcome

Through this collaboration, MaPS led a victim journey mapping exercise with the FCA, the Financial Ombudsman, FSCS and TPR, mapping the fraud landscape and identifying key organisations and offerings to support victims, reduce risk and improve outcomes. This work has simplified and categorised the areas where relevant organisations focus most of their efforts in response to fraud and scams, improving outcomes for victims while reducing overload or gaps.

Future changes to the Wider Implications Framework

The achievements of the WIF

The WIF continues to support effective and structured collaboration and cooperation on issues with wider potential impact across the financial services industry. Since inception, successes have included:

- Making sure consumers who were unsuitably advised to transfer out of the British Steel Pension Scheme were aware of their rights and had accessible routes to complain or claim.
- Engaging with financial firms, trade bodies and other stakeholders to hear views and concerns regarding the introduction of the Duty.
- Sharing data between member organisations to help identify emerging trends and risks of harm arising from the cost –of living crisis.

To ensure the framework continues to be effective, over the past year we have reflected on its purpose and how it operates. We have also taken account of consultation feedback received from **CP25/22**.[1]

The following sections set out the future development of the framework to support effective coordination and clear external communication.

Overview of changes

Member organisations agree that the framework's core objective should continue to enable them to identify areas where cooperation is needed and then to maintain oversight of this engagement. Members consider that this objective would best be served by streamlining how the WIF operates.

Multiple levels of engagement

Collaboration across all levels of seniority has been key to the framework's success and will continue with a focus on high quality, timely engagement. The framework will be adopting the following changes.

- An annual executive and chair meeting will set the engagement priorities for the year ahead and review member engagement over the previous year. Members will focus on horizon scanning and aligning engagement across members' business strategies.
- Engagement will be tracked at working level, with reporting against executives and chair objectives. WIF directors will consider the report twice a year, with the executives and the chairs maintaining oversight.

1 CP25/22: Modernising the redress system

The framework will retain flexibility to address emerging issues through ad hoc meetings. Annual engagement reporting will continue following the WIF executive and chair forum. The WIF will also continue to engage with stakeholders.

These changes will mean that the WIF will better meet its core objectives. Engagement at senior levels will deliver the requisite oversight of engagement between WIF members and set the areas of focus for the WIF. Regular meetings at working level will support this by helping to identify potential areas for engagement and reporting back on how it is being delivered. This will ensure the WIF remains as a strategic function, to help coordinate our engagement on the most significant issues within financials services.

Implementation timeline

The WIF CEOs and executives agreed these changes in April, with implementation underway ahead of the new WIF cycle in November. We have provided an updated terms of reference on the WIF webpage to reflect these changes.

Final thoughts

We welcome stakeholders' feedback on our compliance with the cooperation duty, the framework more broadly and how future Annual Reports could be improved.

Please send comments to: widerimplications@fca.org.uk

Framework executives will receive a summary of any feedback received during the review period and consider next steps.

Pub ref: 1-008557