

# Handbook Notice No 133

October 2025

## Contents

1	Overview	2
2	Summary of changes	4
3	Consultation feedback	7
4	Additional information	24
	Annex	26

# 1 Overview

## Legislative changes

---

- 1.1 On 31 July 2025, the Board of the Financial Conduct Authority (FCA) made the relevant changes to the Handbook and Technical Standards as set out below.

CP	Title of instrument	Instrument No	Changes effective
<a href="#">CP24/20</a>	Payments and Electronic Money (Safeguarding) Instrument 2025	FCA 2025/38	7/5/2026

- 1.2 On 2 October 2025, the Board of the Financial Conduct Authority (FCA) made the relevant changes to the Handbook and Technical Standards as set out below.

CP	Title of instrument	Instrument No	Changes effective
<a href="#">CP24/26</a>	Insurance: Conduct of Business Sourcebook (Access to Travel Insurance) (Amendment) Instrument 2025	FCA 2025/45	1/1/2026
<a href="#">CP25/16</a>	Supervision Manual (Amendment) Instrument 2025	FCA 2025/44	3/10/2025
<a href="#">CP25/16</a>	Consumer Credit (Regulatory Reporting) (Amendment) (No 3) Instrument 2025	FCA 2025/43	3/10/2025
<a href="#">CP25/16</a>	Collective Investment Schemes Sourcebook (Reports and Accounts) Amendment Instrument 2025	FCA 2025/46	3/10/2025
n/a	Handbook Administration (No 75) Instrument 2025	FCA 2025/48	3/10/2025

## Summary of changes

---

- 1.3 The legislative changes referred to above are listed and briefly described in Chapter 2 of this notice.

## Feedback on responses to consultations

---

- 1.4 Consultation feedback is published in Chapter 3 of this notice or in separate policy statements.

## FCA Board dates for 2025

---

- 1.5 The table below lists forthcoming FCA board meetings. These dates are subject to change without prior notice.

### FCA board meetings

October	30	2025
---------	----	------

November	27	2025
----------	----	------

December	18	2025
----------	----	------

## 2 Summary of changes

- 2.1 This Handbook Notice describes the changes to the FCA Handbook and other material made by the FCA Board under their legislative and other statutory powers on 31 July and 2 October 2025. Where relevant, it also refers to the development stages of that material, enabling readers to look back at developmental documents if they wish. For information on changes made by the Prudential Regulation Authority (PRA) please see [www.bankofengland.co.uk/news/publications](http://www.bankofengland.co.uk/news/publications).

### ***Payments and Electronic Money (Safeguarding) Instrument 2025***

- 2.2 Following consultation in [CP24/20](#), the FCA Board has made changes to the Handbook sections listed below:

**Glossary**

**GEN 2.2**

**CASS 1.1, 1.2, 1.3, 1.5, TP 1**

**SUP 16.1, 16.2, 16.3, 16 Annex 27CD, 16 Annex 28D, 16 Annex 30HD, 16 Annex 30I, 16 Annex 30JD, 16 Annex 30K, TP 1**

- 2.3 The FCA Board has introduced the following new section:

**SUP 16.14A**

- 2.4 The FCA Board has introduced the following new chapters:

**CASS 10A, 15**

**SUP 3A**

- 2.5 The FCA Board has introduced the following new annex:

**SUP 16 Annex 29BR**

- 2.6 In summary, this instrument makes changes to the FCA Handbook to update the rules in the Handbook to better capture non-financial misconduct (NFM) in non-banks.

- 2.7 This instrument comes into force on 7 May 2026. Feedback is published in a separate [policy statement](#).

### ***Insurance: Conduct of Business Sourcebook (Access to Travel Insurance) (Amendment) Instrument 2025***

- 2.8 Following consultation in [CP24/26](#), the FCA has made changes to the Handbook sections listed below:

**Glossary**

**ICOBS 6A.4**

- 2.9 In summary, this instrument makes amendments to increase the medical condition premium trigger point for firms to signpost consumers with pre-

existing medical conditions (PEMCs) to a directory of specialist providers and futureproof the threshold in line with inflation. The amendments also limit the number of entries in a medical cover firm directory to 1 per firm.

- 2.10 This instrument comes into force on 1 January 2026. Feedback is published in Chapter 3 of this notice.

### ***Supervision Manual (Amendment) Instrument 2025***

- 2.11 Following consultation in [CP25/16](#), the FCA has made changes to the Handbook sections listed below:

#### **SUP 6.4**

- 2.12 In summary, this instrument updates guidance in the Supervision manual relating to applications for cancellation of authorisation to account for a change in legislation
- 2.13 This instrument came into force on 3 October 2025. Feedback is published in Chapter 3 of this notice.

### ***Consumer Credit (Regulatory Reporting) (Amendment) (No 3) Instrument 2025***

- 2.14 Following consultation in [CP25/16](#), the FCA Board has made minor changes to the Handbook sections listed below:

#### **SUP 15.11, 16.12, 16 Annex 38B DISP 1.10A**

- 2.15 In summary, this instrument makes changes to the FCA Handbook to introduce a new CCR009 return as part of a wider review of consumer credit data and to amend the notification reporting period for REP008 in order to reduce firm burden.
- 2.16 This instrument came into force on 3 October 2025. Feedback is published in Chapter 3 of this notice.

### ***Collective Investment Schemes Sourcebook (Reports and Accounts) Amendment Instrument 2025***

- 2.17 Following consultation in [CP25/16](#), the FCA Board has made changes to the Handbook sections listed below:

#### **COLL 4.5, 8.3, 15.5**

- 2.18 In summary, this instrument makes amendments to simplify the reporting requirements for firms under the Assessment of Value (AoV) regime in COLL. These changes replace the current detailed disclosures with an overall requirement for firms to report on their conclusions as to whether the charges that apply to the units in a scheme are justifiable in the context of the

scheme's overall value, and to set out any remedial action that they are taking in that regard.

- 2.19 This instrument came into force on 3 October 2025. Feedback is published in Chapter 3 of this notice.

### ***Handbook Administration (No 75) Instrument 2025***

- 2.20 The FCA Board has made minor changes to various modules of the FCA Handbook, as listed below.

#### **TC App 4**

- 2.21 These changes were not consulted on separately because they are minor amendments which correct or clarify existing provisions which have previously been consulted on. None of these changes represent any change in FCA policy.
- 2.22 In summary, the amendments this month consist of amendments to the Training and Competence manual to clarify that the CISI's Certificate in 'Private Client Investment Advice and Management' for Activities 14 and 10 is still offered by that provider.
- 2.23 This instrument came into force on 3 October 2025.

## 3 Consultation feedback

- 3.1 This chapter provides feedback on consultations that will not have a separate policy statement published by the FCA.

### **CP24/26, Chapter 4: Amendments to rules on travel insurance signposting for consumers**

---

#### **Background**

- 3.2 In December 2024, we published Quarterly Consultation Paper ([CP24/26](#)), proposing amendments to our rules introduced in 2021 on travel signposting for customers with pre-existing medical conditions (PEMCs).
- 3.3 This followed our post-implementation review published in April 2024, which highlighted the positive impact of the rules requiring travel insurance firms to signpost consumers to a directory of specialist providers in certain circumstances – including where the firm offers a policy with a medical condition premium loading of £100 or more.
- 3.4 Our review identified that on the Money and Pensions Service (MaPS) and British Insurance Brokers' Association (BIBA) directories some firms appeared under multiple brand names. This practice of 'brand stacking' offered limited benefit to consumers and imposed an unnecessary administrative burden on directories.
- 3.5 Based on the review findings, we set out our intention to consult on the medical condition premium signposting trigger, help improve consumer choice and lessen burden on MaPS and BIBA directories.
- 3.6 The proposals from [CP24/26](#) and the feedback received, and outline our response are summarised below. The changes to the FCA Handbook will be effective from 1 January 2026.
- 3.7 The amendments to our rules will affect all firms that offer retail travel insurance, including insurers, Lloyd's managing agents, intermediaries and appointed representatives. This includes Gibraltar-based firms to which the travel insurance rules apply.

#### **Summary of proposals**

- 3.8 We proposed increasing the £100 medical condition premium trigger point, in view of rising inflation and increased risk prices, medical costs and claims costs. Following consultation (where we proposed an increase to £175), we will increase this to £200.

- 3.9 We are also future-proofing the trigger by updating it every 5 years in line with changes in the Consumer Prices Index (CPI).
- 3.10 We are not proceeding with our proposal to introduce a new rule allowing firms to have the option to either use the increased trigger or to set a lower threshold to signpost consumer to the directories.
- 3.11 We will change the rules to limit the number of entries in a medical cover firm directory to 1 per firm.

#### How this links to our objectives

- 3.12 We are satisfied that the amendments to our rules are compatible with our objectives and regulatory principles. The amendments advance our operational objectives of securing an appropriate degree of consumer protection and promoting effective competition in the interests of consumers by ensuring that the those for whom the travel signposting rules are intended will continue to benefit from them and will be provided with genuine choice when seeking cover for their PEMCs. We are also satisfied that the amendments are compatible with the FCA's secondary international competitiveness and growth objective.
- 3.13 These rules aimed to improve access to travel insurance for customers with PEMCs, especially targeting consumers with more serious PEMCs. The amendments in this paper will ensure the rules remain effective in improving access to travel insurance for consumers with PEMCs.
- 3.14 Our rules may enhance confidence and trust in the travel insurance market by setting the medical condition premium at a level which ensures consumers with more serious PEMCs continue to benefit from our signposting rules and find suitable cover.

#### Feedback

- 3.15 We have outlined below the feedback we received in relation to each of the proposals in [CP24/26](#).

#### *Increasing the medical condition premium trigger*

- 3.16 We consulted on increasing the trigger from £100 to £175 based on our analysis of both external data and intelligence gathered as part of our post-implementation review. Respondents suggested a range of trigger values, with most considering the proposed premium trigger of £175 as too low. They noted that this could result in many standard risks being flagged for signposting, leading to unnecessary referrals and increase the burden on firms and the directories due to signposting a higher number of customers.
- 3.17 Respondents also highlighted that premiums are influenced by a range of factors, including the traveller's age, policy duration and travel



destination, and argued that neither the original £100 trigger, nor the proposed increase to £175 appropriately account for this.

- 3.18 Several respondents noted that the £100 medical condition premium trigger has remained unchanged since its introduction, and many expected this threshold to be increased, with suggested figures ranging from £200–£350.

*Future-proofing the medical condition premium trigger*

- 3.19 Our proposal to adjust the medical condition premium trigger every 5 years in line with the ratio difference in the CPI was welcomed by one respondent. Others advocated for the trigger to be revised more frequently and in line with changes in medical claims costs and other relevant metrics.

*Firm-set thresholds for signposting consumers*

- 3.20 We proposed introducing a new rule to give firms the option to set lower thresholds for signposting customers to the directories.
- 3.21 All respondents who expressed a view opposed the proposal, stating concerns that it could lead to inconsistency and confusion among consumers, ultimately resulting in divergent consumer outcomes across the sector. Respondents were strongly in favour of an agreed threshold in the rules.

*Limiting directory entries to a single brand per firm*

- 3.22 Most respondents recognised that 'brand stacking', where firms have several brands listed on the directories offering policies with no significant differences in cover or solutions, does not result in improved customer choice and were therefore supportive of our proposal.
- 3.23 Some responses suggested that different brands may use different medical screening systems, underwriting criteria and pricing strategies, offering a wider range of products to suit customer needs.

**Our response**

*Increasing the medical condition premium trigger*

- 3.24 We have carefully reviewed the feedback received and have decided to increase the medical condition premium trigger to reflect changes and increases in costs and premiums, but to set this at £200 rather than the £175 we consulted on.
- 3.25 Our aim is to set the trigger at an appropriate level which results in consumers with more serious PEMCs being signposted to the directories and benefitting from them, while avoiding unnecessary burden for firms and directories due to excessive signposting.

- 3.26 We were persuaded by feedback from industry responses that, especially in the case of annual policies, a high number of consumers with milder conditions were being signposted to the directories. Increasing the £100 trigger only in line with costs and premium increases (ie, to £175) would likely result in similar outcomes. For example, our post-implementation review found that, for the year ending June 2023, 75% of consumers with a medical screening score between 6 and 10.99 – typically representing consumers with milder medical conditions who are eligible for cover with non-specialist providers – searching for annual policies were being signposted to the directories. Moreover, we acknowledge that our calculations for the proposed increased trigger were based on data up to 2023 which would not account for more recent changes in costs and premiums.
- 3.27 We consider a £200 medical condition premium trigger would not result in reduced customer protection or worse outcomes for customers, although we were unable to collect significant data to more accurately quantify the impact of increasing the trigger.
- 3.28 The £100 trigger did not account for differences in premiums between single trip and annual policies, and for other factors such as destination and age which affect not only the premium, but also the medical condition loading element of it. While we do not intend on setting different triggers based on these factors, a higher threshold allows us to account, in part, for their impact.
- 3.29 Additionally, a [survey](#) conducted in February 2025 by Which? looked at the impact of different medical conditions on travel insurance premiums. The research found that, while declaring conditions like bipolar and personality disorder resulted in steep premium increases (on average from £58 to £426), other conditions such as epilepsy and diabetes impacted the premium on a much smaller scale. For instance, average prices for European annual policies rose from £67 to £77 for epilepsy and from £129 to £136 for diabetes.
- 3.30 Based on the examples above, increasing the trigger to £200 as opposed to £175 would unlikely result in changes to consumer outcomes for a significant proportion of consumers. While we recognise these examples are not reflective of the whole market, they provide a good indication of the impact of PEMCs on policy premiums. Moreover, the research found that, for conditions that are easier to cover, customers are more likely to find cheaper policies through non-specialist providers.
- Future-proofing the medical condition premium trigger*
- 3.31 We will proceed with our proposal to future-proof the medical condition premium trigger, linking it to changes in the CPI, and adjusting it based on the formula provided in our final rules. Firms will adjust the trigger every five years in line with this formula, as we consider that more frequent revisions may result in only minimal adjustments, unlikely to

have a meaningful impact and disproportionately adding to industry costs. The CPI index increased by 25.1% in the 5-year period between January 2020 and January 2025, while average travel insurance premiums and average travel medical claims between 2020 and 2024 increased by around 43% and 14% respectively, according to ABI data.

- 3.32 While we are aware that inflation is not the only, nor the main, factor impacting travel insurance premiums, it is a reliable and easily accessible metric that influences prices and costs. Obtaining and analysing other data sources would result in additional burden for firms which would not be proportionate compared to the expected benefits, for both consumers and firms.

*Firm-set thresholds for signposting consumers*

- 3.33 Following our review of the feedback, we have decided not to introduce a rule to provide firms with the option to use a trigger below that in the rules (ie, £200 after these changes), due to the concerns identified that it may result in unnecessary confusion for firms and customers.

*Limiting directory entries to a single brand per firm*

- 3.34 Following careful consideration, we will proceed with our proposal to limit directory entries to one brand per firm. We believe the benefits of reducing gaming risk outweigh arguments for allowing greater differentiation between different products.

- 3.35 We are aware that most firms that offer travel insurance covering PEMCs use the same medical risk assessment firm, therefore differences in the medical screening process are not material.

- 3.36 Moreover, while we recognise different underwriting criteria or pricing strategies could result in different products, we consider that the current selection of over 30 firms on the directories already provides consumers with an appropriate range of cover options catering to different needs.

**Cost benefit analysis**

- 3.37 Section 138I(2)(a) of FSMA requires us to publish a cost benefit analysis (CBA) when proposing draft rules unless, in accordance with section 138L(3) of FSMA, we believe that there will be no increase in costs or that the increase will be of minimal significance.
- 3.38 We consulted on the costs and benefits of our proposals in [CP24/26](#) and we received no feedback to our cost benefit analysis (CBA). We do not believe that our proposed changes and clarifications will alter the costs and benefits for firms, and the CBA in [CP24/26](#) remains materially unchanged.
- 3.39 While consumers with a medical condition premium of less than £200 would no longer be signposted to the directories, our rules would not

significantly affect consumers expected to benefit from the rules on travel signposting (i.e. consumers with more serious PEMCs).

#### Equality and diversity statement

- 3.40 We continue to believe that the rules we have made will not have a negative impact on any of the groups with protected characteristics under the Equality Act 2010 and no concerns were raised during consultation.

#### Environmental, social and governance considerations

- 3.41 We have considered the environmental, social and governance implications of our proposals and our duty under sections 1B(5) and 3B(c) of FSMA to have regard to contributing towards the Secretary of State achieving compliance with the net zero emissions target under section 1 of the Climate Change Act 2008. Overall, we do not consider that the proposals are relevant to contributing to those targets.

#### Rule Review Framework

- 3.42 The FCA's Rule Review Framework states that, while we will generally monitor key metrics of new rules, this is not a requirement where it would be disproportionate or where the new rule relates to a minor policy or rule change with minimal impact. We have considered our duties under the Rule Review Framework and consider that these changes do not require ongoing monitoring.

## **CP25/16, Chapter 2: Consequential amendments to SUP as a result of legislative changes introduced in section 415AA of FSMA**

---

#### Background

- 3.43 The Financial Services and Markets Act 2023 introduced new powers for the FCA to take action against firms that are no longer authorised under Part 4A Financial Services and Markets Act 2000 (FSMA) but were authorised when misconduct took place. These new powers under section 415AA FSMA enables the FCA to appoint investigators, issue a public censure, impose a financial penalty or require redress payments to victims of misconduct in relation to firms which become unauthorised after the misconduct or suspected misconduct has occurred. This applies to firms which became unauthorised on or after 20 July 2022.

#### Summary of proposals

- 3.44 We consulted in [CP25/16](#) to amend Chapter 6 of the Supervision manual (SUP) which provides guidance to firms with Part 4A permission that wish to cancel that permission and end their authorisation. We consulted in our June Quarterly Consultation Paper (CP25/16) to amend Chapter 6 of SUP which provides guidance to firms with Part

4A permission that wish to cancel that permission and end their authorisation.

- 3.45 We set out minor and consequential amendments to SUP to ensure that our guidance remained reflective of the legislative framework. This included deletion of statements about how we cannot take action against firms that have had their permission cancelled at SUP 6.4.24G and inclusion of statements that we can impose financial penalties and publish statements of misconduct at SUP 6.4.23G.
- 3.46 The consultation included our proposals to retain relevant enforcement factors at SUP 6.4.22G when considering applications to cancel authorisations.
- 3.47 Following consultation, we will be implementing the minor and consequential amendments summarised above, and we will be retaining enforcement factors as relevant considerations in relation to cancellation applications at SUP 6.4.22G.
- 3.48 We consider the consequential amendments to be a responsible approach to managing the Handbook, ensuring that the guidance remains legally accurate. Retaining the factors in SUP 6.4.22G continues to support a holistic assessment of each cancellation application, allowing us to give appropriate weight to relevant factors based on the specific circumstances of each firm. This maintains the flexibility to respond to misconduct in a proportionate and appropriate manner.

#### How this links to our objectives

- 3.49 We are required by section 1B of FSMA to act, so far as reasonably possible, in a way which is compatible with our strategic objective, advances one or more of our operational objectives and, so far as reasonably possible, the secondary international competitiveness and growth objective. Further, we must promote effective competition when advancing our other operational objectives (section 1B(4) of FSMA), and have regard to the regulatory principles in section 3B of FSMA and the importance of taking action intended to minimise financial crime (section 1B(5)(b) of FSMA). We are also required to have regard to the principles in the Legislative and Regulatory Reform Act 2006, the Regulators' Compliance Code and the Treasury's recommendations on economic policy (section 1JA of FSMA).
- 3.50 We are satisfied that our changes are compatible with our objectives and other legal obligations. Our proposals are unlikely to have a significant impact on the wider UK economy but by ensuring our Handbook is accurate and up to date, firms have certainty as to our processes and procedures, including the scope and applicability of our powers.

### Feedback

- 3.51 We have received 1 response to our consultation, which supported both our consequential amendments and our proposal to retain enforcement considerations in SUP 6.4.22G. We have therefore decided to proceed as consulted.

### Cost benefit analysis

- 3.52 Section 138I(2)(a) of FSMA requires us to publish a cost benefit analysis (CBA) when proposing draft rules unless, in accordance with section 138L(3) of FSMA, we believe that there will be no increase in costs or that the increase will be of minimal significance. In CP25/16, we explained our view that no CBA was required for our proposals because the proposals do not introduce any new rules or significant changes to existing rules. Our position remains unchanged.

### Equality and diversity statement

- 3.53 We continue to believe that the guidance we have amended will not have a negative impact on any of the groups with protected characteristics under the Equality Act 2010 and no concerns were raised during consultation.

### Environmental, social and governance considerations

- 3.54 We have considered the environmental, social and governance implications of our proposals and our duty under sections 1B(5) and 3B(c) of FSMA to have regard to contributing towards the Secretary of State achieving compliance with the net zero emissions target under section 1 of the Climate Change Act 2008. Overall, we do not consider that the proposals are relevant to contributing to those targets.

### Rule Review Framework

- 3.55 We have taken into account our duties under the Rule Review Framework and consider that these changes do not require ongoing monitoring.

## **CP25/16, Chapter 6: Amendments to SUP 16 on the scheduling of Consumer Credit data return**

---

### Background

- 3.56 In [Policy Statement \(PS\) 25/3](#), we confirmed the introduction of a new CCR009 return, which is expected to be provided on a calendar year basis. Limited permission firms in scope of CCR009 will be required to submit this return in addition to CCR007.
- 3.57 At present, firms which conduct limited permission consumer credit activities are required to submit an annual data return (CCR007) in line with their Accounting Reference Date.

3.58 As limited permission firms are only permitted to carry out specific credit-related activities, they are subject to fewer threshold conditions (our minimum standards) than other firms.

3.59 In order to streamline reporting for limited permission firms going forward, we have amended scheduling rules to align the submission of existing returns to calendar year, meaning affected firms will submit both returns at the same time.

#### Summary of proposals

3.60 The new CCR009 return forms part of a wider review of consumer credit data, and we anticipate introducing another return covering the remaining consumer credit activities of lending, consumer hire, debt collection and debt administration. We expect this phase to also align to calendar year reporting, and once completed, we will be able to turn off 4 of the remaining CCR returns.

- CCR002
- CCR003
- CCR006
- CCR007

3.61 These further changes would remove any dual reporting requirements on firms. However, we have decided to delay the introduction of any further returns in order to ensure any burden on firms is proportionate and to assess the value and impact of these changes.

3.62 This change in the timing of the work means that for an interim period, limited permission firms in scope of CCR009 will have to submit data to us on relevant activities across 2 returns; CCR007 and CCR009. While the information in both returns is important, the scheduling of these returns means that CCR007 is currently required to be submitted following a firm's accounting year end while CCR009 is required to be submitted following the calendar year end.

3.63 To minimise the impact of the changes to the returns, we have amended the scheduling of the CCR007 return to align with the new calendar year reporting, including the requirements for publishing complaints for limited permission firms as set out in the Dispute Resolution: Complaints sourcebook (DISP). This means that for those firms, the reporting period and due date of the submissions will be the same for both returns.

3.64 This change will not impact any submissions due in 2025, which should continue to be reported as expected. For any submission that relates to an accounting year which ends in 2026 and any subsequent years going



forward, the submission will be due following the end of the calendar year.

- 3.65 The changes will come into force from 1 January 2026. This change will impact 16,500 limited permission firms who are currently scheduled to submit CCR007. Of these firms, 900 are not in scope of CCR009. There are an additional 10,100 firms in scope of CCR009 who are not limited permission firms and do not submit CCR007. This change will not affect these firms.
- 3.66 In addition to the change described above, we have amended the notification reporting period for REP008 for limited permission firms in line with CCR007 and CCR009 from January 2026 (from accounting reference date to calendar year). This is to avoid any unintended increased burden from the new reporting period for CCR007 and CCR009. We do not consider that the final rules differ significantly from the draft rules we consulted on for the purposes of section 138I(5) FSMA.

#### How this links to our objectives

- 3.67 We are satisfied that the amendments are compatible with our objectives and regulatory principles. Our proposals are highly unlikely to have any impact on the wider UK economy but by clarifying the requirements through the amendments outlined above they will contribute to helping us operate more efficiently. These ancillary changes will reduce the burden on firms from the changes being implemented through the new CCR009 return, which will help us to be a smarter regulator, while increasing our ability to help consumers. See also: [FCA removes further regulatory returns no longer needed](#).

#### Feedback

- 3.68 We received 2 responses to this consultation. Both respondents agreed with the proposals, stating that aligning scheduling requirements for CCR007 with calendar year will avoid dual reporting requirements and also allow for more consistency and predictability.
- 3.69 One respondent noted that many credit unions' financial year does not follow the calendar year, rather October to September.
- 3.70 Further feedback was provided in relation to the proposal to continue to collect 2 of the data elements to a firm's accounting reference date (ARD), suggesting that it is out of line with the FCA's approach to streamline reporting and reduce the burden on firms, unless the report is consolidated within the RMAR (Retail Mediation Activities Return) data.

#### Our response

- 3.71 We have not made any changes to the proposed amendments for these data elements.



- 3.72 We acknowledge that there will be some additional work required to streamline all relevant reporting. As we carry out a wider review of all regulatory reporting, any consideration around aligning with other returns will be considered as part of any wider changes.

#### Cost benefit analysis

- 3.73 Section 138I of FSMA requires us to perform a cost benefit analysis (CBA) of our proposed requirements and to publish the results, unless we consider the proposal will not give rise to any increase in costs or that the increase in costs will be of minimal significance.

- 3.74 We expect firms to incur no, or minimal, additional costs as a result of these proposals, as the reporting frequency will remain the same as under our current rules, and only the submission date is changing. As such, we have not conducted a CBA in accordance with the exemption under section 138L(3) of FSMA.

#### Equality and diversity statement

- 3.75 We continue to believe that the rules we have made will not have a negative impact on any of the groups with protected characteristics under the Equality Act 2010 and no concerns were raised during consultation.

#### Environmental, social and governance considerations

- 3.76 We have considered the environmental, social and governance implications of our proposals and our duty under sections 1B(5) and 3B(c) of FSMA to have regard to contributing towards the Secretary of State achieving compliance with the net zero emissions target under section 1 of the Climate Change Act 2008. Overall, we do not consider that the proposals are relevant to contributing to those targets.

#### Rule Review Framework

- 3.77 The FCA's Rule Review Framework states that while we will generally monitor key metrics of new rules, this is not a requirement where it would be disproportionate or where the new rule relates to a minor policy or rule change with minimal impact. Due to the nature of the changes proposed here, we are satisfied that the proposed amendments are exempt from the requirement to be monitored under the Framework.

## CP25/16, Chapter 7: Assessment of Value Reporting Requirements

---

#### Background

- 3.78 In July 2024, the FCA published a [Call for Input](#) to understand how requirements in the FCA Handbook could be simplified following the introduction of the Consumer Duty (the 'Duty').

- 3.79 Some respondents said the Assessment of Value (AoV) rules in COLL for authorised funds could be simplified. In particular, respondents highlighted the prescriptive nature of the public reporting requirements and that the rules go further than the requirements under the price and value outcome of the Duty.
- 3.80 Our experience supervising the market to date has demonstrated that these rules are seen as largely a governance remedy, as opposed to a disclosure remedy, and that enhanced governance surrounding the AoV has driven better value within funds.
- 3.81 We note the feedback calling for a wider review of the consistency between the AoV requirements and the price and value requirements under the Duty. We are open to considering this further and will work with the industry and trade associations on how we can best address this via our wider review of the Duty. Consequently, we are not currently proposing any revisions to the AoV process.

#### Summary of proposals

- 3.82 In Chapter 7 of [CP25/16](#), we asked whether we should simplify the AoV public reporting rules in COLL, and whether this would lead to cost savings for authorised fund managers (AFMs).
- 3.83 Specifically, we asked whether we should amend COLL 4.5.7(R)(8), COLL 8.3.5AR(5) and COLL 15.5.3R(5). We proposed to replace the detailed reporting requirements with a general requirement to include, in the annual report, a summary of the AFM's assessment as to whether the charges applicable to the units in a scheme are justified in the context of the overall value delivered by the scheme. We also proposed that firms include a summary of any remedial action they were taking because of that assessment.
- 3.84 Managers of Undertakings for Collective Investment in Transferable Securities (UCITS) and non-UCITS retail schemes (NURS) currently have flexibility over the timing of when to publish details about their AoV conclusion. Specifically, they can present the conclusions of two or more individual assessments in a composite report rather than within each fund's annual long report. In CP25/16, we proposed to maintain this option, allowing AFMs to continue publishing information on AoV assessments in a composite report.

#### Feedback

- 3.85 Consultation respondents agreed with proposals largely as consulted on, however respondents also raised the following points:

#### *Time and cost savings*

- 3.86 Several respondents noted that shortening AoV disclosures would not necessarily reduce the time needed to complete the AoV process. Some respondents noted that, under the proposed rules, firms would still

need to publish a stand-alone AoV report setting out the conclusions of the process, albeit with a slight cost saving.

#### *Terminology*

- 3.87 One respondent expressed concern about the use of the term 'summary' in the draft rules. They argued it could create confusion, as some might interpret it to mean a detailed account of the AoV assessment criteria, which could undermine the goal of simplifying disclosure requirements. Instead, the respondent suggested that using the term 'conclusion' would be clearer and more in line with the intended simplification.

#### *Proportionality*

- 3.88 Several respondents considered that the current AoV rules mean that firms offering retail authorised funds face disproportionately strict requirements compared to other product offerings. Some respondents commented on the discrepancy between the proposed value assessment process for Defined Contribution (DC) pension schemes and the more prescriptive AoV process for AFMs.

#### *Distribution chain impacts*

- 3.89 A few respondents noted that the revised reporting requirements asked AFMs only for a summary of their value assessment process findings, which might complicate information flow from manufacturers to distributors. One respondent noted the risk of manufacturers switching to the new summary reporting format, but distributors still requesting the full AoV reports to meet their own price and value responsibilities under the Duty. The respondent noted this would undermine any cost or efficiency improvements.
- 3.90 Conversely, other respondents noted that the European MiFID Template (EMT) meant the information flow on value assessments and the Duty between manufacturers and distributors worked efficiently. These respondents considered the proposed changes would not lead to a disruption of the industry standard. One respondent also saw benefits in distributors not having to digest lengthy AoV reports.

#### *Composite reports*

- 3.91 Generally, respondents agreed with keeping the rule allowing AFMs to publish AoV conclusions in a composite report. For firms managing multiple funds and umbrellas with different accounting year-ends, it was noted that composite AoV reports are a logistical necessity.
- 3.92 However, one respondent felt clarity was needed as to whether Long Term Asset Funds (LTAFs) could publish information on their AoV conclusion via a composite report. The respondent noted that, as drafted, paragraph 7.14 of the consultation implied the FCA planned to keep a rule which also allowed LTAFs to publish the results of AoV

assessments in a composite report under COLL 15.5.3R, but they noted no such rule exists for LTAFs.

### Our response

#### *Overview*

- 3.93 Having considered the consultation feedback, we are proceeding with our proposals largely as consulted on in CP25/16. We note respondents' support for streamlining the current detailed requirements for AoV reports with more targeted public disclosures.
- 3.94 Given the feedback that AoV reports primarily serve as a governance measure rather than a disclosure remedy, we consider that it is appropriate to proceed with our proposed reporting reforms. The changes simplify the regulatory requirements and help to reduce compliance burdens.

#### *Scope*

- 3.95 AFMs will still need to undertake a value assessment on each scheme that they manage. We are not making any substantive changes to the elements in COLL 6.6.20R, COLL 8.5.17AR and COLL 15.7.17R that relate to the value assessment process. Instead, the changes in this Handbook Notice relate to the disclosure requirements for the AoV process.
- 3.96 We will continue engaging with the industry to clarify the interactions between the AOV process and price and value outcomes under the Duty.

#### *Time and cost savings*

- 3.97 The AoV rules came into effect as part of a targeted intervention to improve price competition in the asset management industry. We continue to think that these interventions have resulted in positive outcomes and, as such, we do not currently propose to undertake major changes to the assessment.
- 3.98 We are proceeding with reduced reporting requirements, as consulted on. This approach is proportionate and will give firms greater flexibility. It reduces the need for firms to produce a lengthy and detailed report of the conclusion of their AoV process, while retaining the requirement to undertake the beneficial AoV assessment.
- 3.99 Although investor engagement with the reports has not been high to date, we recognise that the reports are of interest to some investors. Reports under the updated requirements should remain clear and accessible to investors, and other industry participants and the media.

#### *Terminology*

- 3.100 After considering the feedback received, we are requiring firms to publish a 'conclusion' of the AFM's assessment as to whether charges

are justified, rather than a 'summary' (see: COLL 4.5.7R(8)(d), COLL 8.3.5AR(5)(d); and COLL 15.5.3R(5)(d)). This conclusion will need to explain whether charges to units in each class of the scheme are justified in the context of the overall value delivered to unitholders.

- 3.101 Although we are reducing the reporting obligations, firms will still have flexibility to include more detailed information on their AoV conclusions in their annual reports should they wish. This has been reflected in the rules (see COLL 4.5.7R (8), COLL 8.3.5AR (5) and COLL 15.5.3R (5)).

*Proportionality*

- 3.102 We note respondents' feedback on how value must be assessed for collective investment schemes, and other financial services products. We also acknowledge the comment that the Value for Money Framework (VfM, for DC workplace pension schemes) is less prescriptive than the AOV requirements for authorised funds. However, as set out in the scope, we are not currently proposing to make changes to the underlying AoV process.

*Distribution chain impacts*

- 3.103 We note the range of views on the effective flow of information between manufacturers and distributors. While noting the concerns of a few respondents, we also accept the view that the EMT provides an industry standard that facilitates information flow. We also consider there are potential benefits for distributors not having to review lengthy AoV reports. On balance, we are satisfied that the necessary information for AoV outcomes will continue to be available throughout the distribution chain.
- 3.104 As set out in our consultation, it is our intention that firms retain flexibility over whether to report on their AoV assessments as a short conclusion, or whether to provide a lengthier, more detailed account of their AoV assessments. We have amended the instrument to make this intention clearer, adding guidance provisions to support the applicable COLL rules.

*Composite reports*

- 3.105 We have considered the feedback on the current flexibility for AFMs to prepare a composite report for UCITS and NURS, but not for LTAFs. When we made the original LTAF rules, we did not allow LTAFs to publish AoV conclusions via composite reports. This is because LTAF managers are required to conduct a separate assessment of how they are managed in the best interests of investors, as the LTAF is an inherently higher risk product than others typically distributed to retail investors. Our policy position remains the same, so we are not changing our rules. This means that LTAFs cannot publish AoV conclusions in a composite report.

#### How this links to our objectives

- 3.106 We are satisfied that the amendments are compatible with our strategic objective and other legal obligations. The amendments advance our operational objectives of securing an appropriate degree of consumer protection and promoting effective competition in the interests of consumers, as the amendments will reduce the costs for firms without impacting consumer outcomes. We are satisfied that any burdens or restrictions are proportionate to the expected benefits.
- 3.107 By simplifying the reporting that firms are required to publish on the conclusions of their AoV processes, consumers will have access to a clearer, more streamlined conclusion of the AoV process. This should help enable consumers to make better informed investment decisions.
- 3.108 Further, the amendments are compatible with advancing the FCA's secondary international competitiveness and growth agenda. By simplifying the nature of the reporting requirements that asset management firms need to undertake as part of their AoV requirement, we intend to reduce the length of the firms' disclosures. This ensures that the UK retains a level playing field with international competitors in respect of the reporting requirements that asset managers need to undertake to demonstrate the value provided to unitholders.

#### Cost benefit analysis

- 3.109 Section 138I(2)(a) of FSMA requires us to publish a cost benefit analysis (CBA) when proposing draft rules unless, in accordance with section 138L(3) of FSMA, we believe that there will be no increase in costs or that the increase will be of minimal significance. In CP25/16, we explained our view that no CBA was required for our proposals because the amendments would not lead to an increase in costs or the increase would be of minimal significance. Our position remains unchanged.

#### Impact on mutual societies

- 3.110 As set out in [CP25/16](#) with respect to our duties under section 138K(2) of FSMA, we are satisfied that the amendments we have decided to make will not have a significantly different impact on mutual societies compared with other authorised persons.

#### Equality and diversity statement

- 3.111 In [CP25/16](#), we considered the equality and diversity issues that may arise from the proposed amendments. We did not identify any adverse impact that the proposals in this chapter would have on any of the groups with protected characteristics under the Equality Act 2010 (ie, age, disability, sex, marriage or civil partnership, pregnancy and maternity, race, religion and belief, sexual orientation and gender reassignment). In Northern Ireland, the Equality Act is not enacted but other anti-discrimination legislation applies.

- 3.112 We continue to believe that the rules we have made will not have a negative impact on any of the groups with protected characteristics under the Equality Act 2010 and no concerns were raised during consultation.

**Environmental, social and governance considerations**

- 3.113 We have considered the environmental, social and governance implications of our proposals and our duty under sections 1B(5) and 3B(1)(c) of FSMA to have regard to contributing towards the Secretary of State achieving compliance with the net zero emissions target under section 1 of the Climate Change Act 2008. Overall, we do not consider that there is an appropriate contribution which can be made in this particular case.

**Rule Review Framework**

- 3.114 We have considered our duties under the Rule Review Framework. Given the nature of the changes that we are making in this Handbook Notice, we are satisfied that the amendments to the Handbook are exempt from the requirement to be monitored under the Framework.



## 4 Additional information

### Making corrections

---

- 4.1 The FCA reserves the right to make correctional or clarificatory amendments to the instruments made at the Board meeting without further consultation should this prove necessary or desirable.

### Publication of Handbook material

---

- 4.2 This notice is published on the FCA website and is available in hardcopy.
- 4.3 The formal legal instruments (which contain details of the changes) can be found on the FCA's website listed by date, reference number or module at [www.handbook.fca.org.uk/instrument](http://www.handbook.fca.org.uk/instrument). The definitive version of the Handbook at any time is the version contained in the legal instruments.
- 4.4 The changes to the Handbook are incorporated in the consolidated Handbook text on the website as soon as practicable after the legal instruments are published.
- 4.5 The consolidated text of the Handbook can be found on the FCA's website at [www.handbook.fca.org.uk/](http://www.handbook.fca.org.uk/). A print version of the Handbook is available from The Stationery Office's shop at [www.tsoshop.co.uk/Financial-Conduct-Authority-FCA/](http://www.tsoshop.co.uk/Financial-Conduct-Authority-FCA/).
- 4.6 Copies of the FCA's consultation papers referred to in this notice are available on the FCA's website.

### Obligation to publish feedback

---

- 4.7 This notice, and the feedback to which paragraph 1.4 refers, fulfil for the relevant text made by the Board the obligations in sections 138I(4) and (5) and similar sections of the Financial Services and Markets Act 2000 ('the Act'). These obligations are: to publish an account of representations received in response to consultation and the FCA's response to them; and to publish (where applicable) details of any significant differences between the provisions consulted on and the provisions made by the Board, with a cost benefit analysis and a



statement under section 138K(4) of the Act if a proposed altered rule applies to authorised persons which include mutual societies.

## Comments

---

- 4.8 We always welcome feedback on the way we present information in the Handbook Notice. If you have any suggestions, they should be sent to [handbook.feedback@fca.org.uk](mailto:handbook.feedback@fca.org.uk) (or see contact details at the end of this notice).

# Annex

## List of non-confidential respondents

---

We are required by section 138I(4A) of the Act to include a list of the names of respondents to rules consultations where the respondent has consented to the publication of their name. This annex lists the names of consenting respondents for consultations where those names are not otherwise listed in a separate consultation response document.

### ***CP24/26, Chapter 4: Amendments to rules on travel insurance signposting for consumers***

BIBA (British Insurance Brokers' Association)

Howserv Limited

P J Hayman & Company Limited

Travel Insurance Facilities Plc

The True Traveller Limited

### ***CP25/16, Chapter 6: Amendments to SUP 16 on the scheduling of Consumer Credit data return***

ABCUL Association of British Credit Unions Limited

BIBA (British Insurance Brokers' Association)

### ***CP25/16, Chapter 7: Assessment of Value Reporting Requirements***

Aberdeen Investments

## Handbook Notice 133

This Handbook Notice describes the changes to the Handbook and other material made by the Financial Conduct Authority (FCA) Board under their legislative and other statutory powers on 31 July and 2 October 2025.

It also may contain information about other publications relating to the Handbook and, if appropriate, lists minor corrections made to previous instruments made by the Board.

Contact names for the individual modules are listed in the relevant consultation papers and policy statements referred to in this notice.

General comments and queries on the Handbook can be addressed to:

Michelle Scott-Ashcroft

Tel: 020 7066 1038

Email: [michelle.scott-ashcroft@fca.org.uk](mailto:michelle.scott-ashcroft@fca.org.uk)

However, queries on specific requirements in the Handbook should be addressed first to your normal supervisory contact in the FCA. For most firms this will be the FCA's Contact Centre:

Tel: 0300 500 0597

Fax: 0207 066 0991

Email: [firm.queries@fca.org.uk](mailto:firm.queries@fca.org.uk)

Post: Contact Centre  
Financial Conduct Authority  
12 Endeavour Square  
London E20 1JN

All our publications are available to download from [www.fca.org.uk](http://www.fca.org.uk). If you would like to receive this paper in an alternative format, please call 020 7066 0790 or email [publications\\_graphics@fca.org.uk](mailto:publications_graphics@fca.org.uk) or write to Editorial and Digital Department, Financial Conduct Authority, 12 Endeavour Square, London E20 1JN.