



# Regulatory Priorities

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## Retail Banking

**March 2026**

## This Regulatory Priorities report is for:

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Retail banks

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Building societies

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These firms should also see  
our [Mortgages report](#).

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You can find all our  
Regulatory Priorities  
reports at

[www.fca.org.uk](http://www.fca.org.uk)

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# Foreword



We're committed to being a smarter regulator – predictable, purposeful and proportionate.

Central to that is how we communicate to the firms we regulate what's important to us.

These new Regulatory Priority reports replace more than 40 portfolio letters. Published annually, they set out our areas of focus by industry sector. They attempt to pull together all that we're doing – whether by supervisors or in policy development. A clear, succinct one-stop shop.

They should act as a guide for firms' boards and chief executives. You should read these reports carefully, review the priorities within them – and act where you need to.

This is the latest example of how we're transforming the way we supervise. This year, we'll go further, expanding dedicated supervisory contacts, applying a more risk-based approach for our largest firms, and making data collection more targeted and efficient. Our goal is simple: less intensive attention on firms doing the right thing, and stronger, faster action where harm is greatest.

Importantly, we also want you to engage with us. We welcome your feedback on these reports and our approach to supervision. Share your insights, challenge our thinking, and work with us as we refine this new model.

Together, we can build a regulatory system that deepens trust and rebalances risk, to support growth and improve lives.

## **David Geale**

Executive Director of Payments and Digital Finance

## **Emad Aladhah**

Director of Retail Banking

# Executive summary

Retail banking is changing significantly. People are using branches less and digital channels more. Business models are diversifying, with new entrants and more fintech involvement, and as open banking and payment types evolve.

An effective banking sector remains vital to the financial health of people and businesses, a strong and growing economy, and our national and economic security.

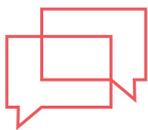
So, we need retail banking that stays accessible to consumers and businesses, gives them good outcomes, is operationally resilient including against bad actors, and fights hard against fraudsters and financial crime. Our 4 priorities for the next 12 months focus on those essentials.

Underpinning our approach, we'll ensure firms keep the Consumer Duty integral to how they treat retail customers. Getting good outcomes will deepen consumers' trust and increase their confidence to seek products and services that meet their needs and match their capacity for risk, helping them navigate their financial lives.

We also want a competitive market and we'll support growth and innovation. Six banks and building societies are now drawing on our scale-up support. And we'll support firms' adoption of targeted support: new ways to empower consumers to make better, more informed decisions about investments and pensions.

We'll help firms thoughtfully consider innovation, including by understanding our rules through Innovation Pathways.

We'll also support firms' responsible adoption of artificial intelligence (AI). We want them to use AI to help consumers get good outcomes, including receiving the right information when they need it, as well as good service and support. We'll continue to provide a space for firms to experiment and test in, to enable safe and responsible AI adoption. This includes continuing cohort 1 and launching cohort 2 of the Supercharged Sandbox and AI Live Testing – which firms are welcome to apply for. We'll publish an evaluation report from AI Live Testing by the end of the year.



**An effective banking sector remains vital to the financial health of people and businesses, a strong and growing economy, and our national and economic security.**



## Our retail banking priorities for this year

### Access to cash and essential banking services

Many consumers now bank digitally, and many firms are undertaking digital-first transformations. But these can reduce face-to-face contact and may render some services inaccessible.

We monitor designated firms to make sure gaps in access to cash are filled quickly, as required by the rules on reasonable cash access for consumers and businesses (which we made under the new powers Parliament gave us).

And firms' digital transformations must avoid causing foreseeable harm to retail customers, especially those less digitally capable. Any alternative service firms propose should be accessible to customers before branches close. We closely monitor firms' performance under our guidance on branch closures/conversions and the Consumer Duty.

We'll intervene where we need to.

### Good outcomes from products and services

We've seen firms make good progress driving positive outcomes under the Consumer Duty. They should keep developing their data for monitoring retail customer outcomes, so they can see where further action is needed to support consumers in pursuing their financial objectives and avoid causing them foreseeable harm. Where we identify poor outcomes, especially poor value or for customers in vulnerable circumstances, we'll take targeted action.

### Fighting fraud and other financial crime

Financial crime threats evolve rapidly and firms must monitor their fraud, money laundering and other risks, and continuously refine their defences. They should help consumers understand fraud risks and support victims fairly. We'll use data analytics and other tools to identify outliers and make proportionate, targeted interventions.

### Operational resilience and data security

Firms should identify emerging risks and critical third-party dependencies, refining action plans to address vulnerabilities and remain within important business service impact tolerances. They should continue improving their cyber and information protection strategies, with tested recovery plans. We'll use specialist tools to engage firms about their resilience.

Those four priorities are our main focus in the next 12 months.



**We monitor designated firms to make sure gaps in access to cash are filled quickly, as required by the rules on reasonable cash access for consumers and businesses**



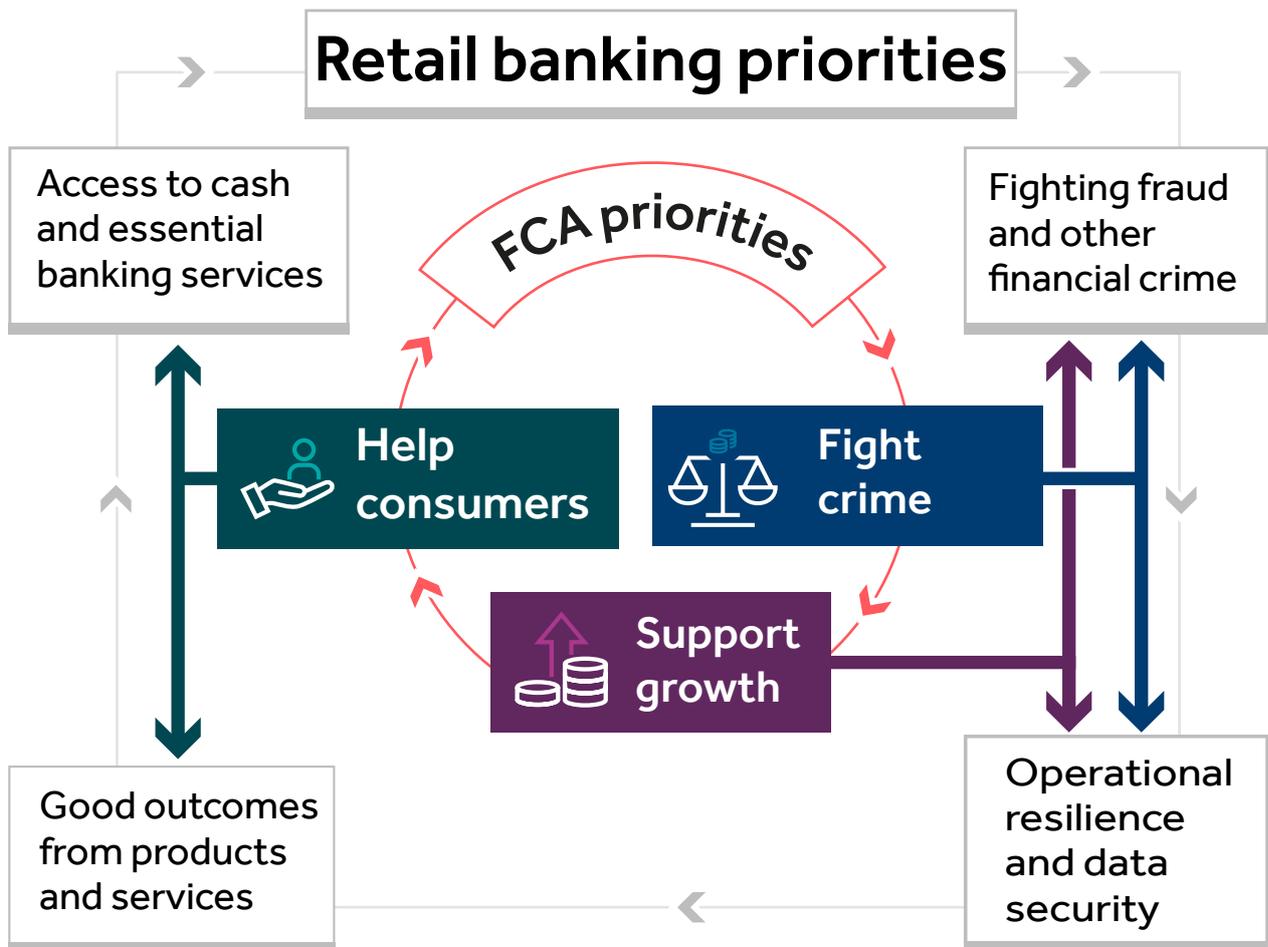
However, other areas of focus (see p12) include:

- business banking outcomes
- innovations in retail banking (including open banking and open finance, stablecoins and tokenised deposits; see the Payments Forward Plan of the Payments Vision Delivery Committee)
- motor finance commission review

We'll continue to monitor risks and opportunities through data, market intelligence and industry engagement, and pause or stop work if we need to look at urgent new issues.

As we progress our work, we'll ensure we take the most appropriate and proportionate action to review and act as needed. Where we find serious misconduct, we'll consider the tools available to us, including supervisory intervention or enforcement.

## How our retail banking priorities support our strategy



# What we've done in the market

For several years, we've focused on four essentials of retail banking.

We've supervised firms as they've **embedded the Consumer Duty and made progress on giving good outcomes to retail customers**. Firms have responded well when we showed them areas to improve, such as sharing more value with cash savers, and treating customers in vulnerable circumstances of bereavement or power of attorney better. More recently, we reviewed a range of banks' approaches to fair value when providing business current accounts, and found improvements but also areas where they could do better (we'll add these to our Price and Value Outcome Insights webpage in due course (Q2 2026)).

As a result of firms' work under the Duty, public trust in them is improving, and customer satisfaction too.

But most firms still have further to go on their data-led monitoring and assessment of retail customer outcomes.

We've supervised firms' **embedding of our branch closure guidance and rules for ensuring consumers and businesses have reasonable access to cash**. Firms investing in digital-first transformations have made progress in preventing foreseeable harm or poor outcomes. For example, the sector has established over 200 new banking hubs and nearly 150 other cash and deposit solutions so far, to help consumers access essential retail banking services. But there's more to do, and improvements firms can make in how they approach individual branch closures.

We've supervised firms' **implementation of our operational resilience rules**. They've set impact tolerances for their important business services and tested their ability to remain within them. But staying resilient and secure remains an ongoing challenge, as risks and threats multiply.

And we've continued to take **action to fight financial crime**, including fining firms for past failings, and supervising firms' work on strengthening their systems and controls. Firms have made progress, including on fraud: they successfully implemented the Payment Systems Regulator's (PSR) reimbursement requirements on authorised push payment (APP) fraud, and some are already leveraging AI to fight financial crime. But there's an ongoing challenge in staying ahead of fraudsters and other bad actors who may themselves be enabled by AI or quantum computing.



YouGov poll on the Consumer Duty, 2025:

**55%**

of the UK public say banks communicate clearly (up from 44% in 2023)

**51%**

say that banks protect customers from harm (up from 40%)

**47%**

say banks offer value for money (up from 36%)

Research by UKCSI shows satisfaction with banks and building societies at the highest level recorded

**(81.6 out of 100)**

Our priorities:

# Access to cash and essential banking services

## Retail banks and building societies

### What we expect firms to do

- **Fill significant gaps in local cash access services** in accordance with our Access to Cash sourcebook (where the firm is designated under the regime).
- **Avoid causing foreseeable harm to retail customers when implementing digital-first transformations**, including by analysing customer need and making sure any proposed alternatives are in place and accessible before a branch closure.
- **Comply with the Basic Bank Account regulations** (where the firm is designated), making it easy for eligible consumers to apply.
- **Ensure financial crime controls don't lead to unnecessary or overlong account freezing.**

Firms have improved their approaches to branch closures under our guidance, and deployment of banking hubs is accelerating. But assessments and communications about individual branch closures can still be patchy.

The Financial Ombudsman Service is upholding fewer complaints about firms' closure or non-provision of current accounts, but some stakeholders still report access concerns for some specific consumer cohorts.

### What we'll do this year

- **Monitor designated firms' Access to Cash compliance and solutions to fill gaps in cash access.** We'll intervene in instances of non-compliance and begin evaluating how effective the regime is.
- **Assess firms' branch closure notifications.**
- **Research the harms that reduced in-person banking services may create.**
- **Conclude 'mystery shopping' on how firms provide basic bank accounts** and feed back to firms on good and bad practice (Q2 2026).

**More people have a current account now.**

**In 2017:**

**2.5%**

**of UK adults didn't have a current account**

**In 2024:**

**1.6%**

**didn't**

(FCA Financial Lives 2024 survey)

Our priorities:

# Good outcomes from products and services

## Retail banks and building societies

### What we expect firms to do

For retail customers, under the Consumer Duty firms should:

- **keep improving their data and management information dashboards for monitoring and assessing consumer outcomes**, and their governance over these
- **take action where need is identified to support consumers in pursuing their financial objectives and to avoid causing them foreseeable harm**, including for those in vulnerable circumstances, financial difficulties, or where fair value isn't being provided
- **keep consumer outcomes front and centre when designing and delivering products or services**, especially new, innovative or AI-based ones

We've seen firms make good progress on driving positive consumer outcomes, but most still have further to go on their data-led monitoring and assessment of these.

Firms' embedding of the Duty must be a continuing effort, especially as consumer behaviour changes and technology and business models evolve.

### What we'll do this year

- **Monitor data and consumer outcomes**, including as indicators of firms' embedding of the Duty in their cultures and controls.
- **Monitor the market to identify poor consumer outcomes**, especially for customers in vulnerable circumstances or who are getting poor value. We'll take action against outliers.
- **Undertake risk-led reviews** on high-impact topics that emerge as priorities.
- **Support cross-sector work** on customer journeys, the Products and Services and Consumer Understanding outcomes, and firms' approaches to outcome monitoring.



**From January 2023 to November 2025, deposits in lower paying easy access accounts with Big 9 firms fell by £124bn, while those in their time/notice accounts grew by £140bn.**

(Big 9: Lloyds Banking Group, HSBC Bank UK, Barclays Bank UK, NatWest Group, Nationwide Building Society, Santander Bank UK, Virgin Money UK, Co-op Bank, TSB.)



Our priorities:

# Fighting fraud and other financial crime

## Retail banks and building societies

### What we expect firms to do

- **Help consumers understand fraud risks** and support victims fairly.
- **Monitor and mitigate the risks firms and consumers face**, refining defences and control frameworks and promptly and effectively remediating any weaknesses.
- **Keep improving systems and controls**, to combat bad actors' evolving tactics and technologies.
- **Learn from FCA outputs and keep investing** in resources and controls, including advanced technology such as AI where appropriate.

The mass open nature of retail banking presents inherent financial crime risks. So firms must help defend consumers from fraud, and the financial system from money laundering and other misuse.

Most firms have invested heavily in systems and controls for detection, disruption and prevention, but some have progressed more than others, against constantly evolving threats.

### What we'll do this year

- **Engage with firms progressing system and control improvement programmes**, or that have heightened risks.
- **Use data and analytics to identify outliers** and target proportionate interventions.
- **Continue our review of money laundering controls around cash deposits**, including through the Post Office.
- **Assess selected firms** on specific types of financial crime risks and controls.

An independent evaluation of the PSR's APP fraud policies will conclude in Q3 2026.



# 88%

**In the first year of the PSR's APP fraud reimbursement policy (October 2024 to September 2025), 88% of the money consumers lost to APP scams within the scope of the policy was returned to them (£173m; PSR figures).**



Our priorities:

# Operational resilience and data security

## Retail banks and building societies

### What we expect firms to do

Continue building operational resilience and data security by:

- **identifying emerging risks to resilience**, incorporating these in scenarios and testing to refine action plans for remediating vulnerabilities and remaining within impact tolerances
- **continuing to evolve and improve cyber protection and information protection strategies**, with tested recovery plans to mitigate harms from cyberattacks and third-party failures
- **managing any live issues within impact tolerances**, managing the impact on customers and communicating effectively with them
- **participating in cross-industry initiatives** where appropriate, to help improve system-wide resilience and recovery strategies

Firms face continual risks to resilience and security from technology transformations (e.g. digital-first strategies, AI adoption), increasing reliance on critical third parties, cyber threats (including from state actors), and insider risks (malice or negligence; see the Insider Risk Guidance for example).

Firms need to mitigate these risks, learning from regulators' outputs and other stakeholders (see for example our recent review of 2025 CBEST cyber security assessments).

### What we'll do this year

With the PRA (and other stakeholders) we'll:

- **engage firms about their technology change programmes**, and operational resilience self-assessments
- **collect information on insider risk management**, to gather insights on its maturity in the sector
- **introduce new rules for reporting operational incidents and information on material third parties** (following CP24/28), engaging with firms during the implementation period following publication



Number of operational incidents retail banking firms reported to us in past 4 years:

2022-409

2023-415

2024-477

2025-468

# Other areas of focus

## Retail banks and building societies

### Business banking outcomes

Small businesses are important to the economy and the outcomes they get from retail banking are important for their resilience and growth.

Under the Consumer Duty, firms should monitor and assess outcomes for their eligible business customers, support them in pursuing their financial objectives, and avoid causing them foreseeable harm. We'll monitor eligible business customers' outcomes under the Duty, intervening where necessary.

We also want firms to assess business customers' treatment and access to services, and to identify potential improvements, particularly in sectors important to our national and economic security and the medium- to long-term growth of the UK economy. We'll use our convening power to encourage a system-wide response supporting access to banking and finance for businesses, particularly in those sectors.

### Innovations in retail banking

Firms' responsible adoption of innovations can benefit consumers, competition and growth. Current innovations relevant to retail banking include AI, and targeted support (which firms can now apply for permission to provide, including by using our pre-application support service – PASS). Future potential innovations include open banking's further evolution, open finance, and stablecoins and tokenised deposits; see our Payments Regulatory Priorities (forthcoming).

We want firms to consider and test the opportunities and risks these developments present. We expect them to keep the Duty and consumer needs at the heart of their innovations and to maintain good governance and controls over these.

We'll support these potential developments and want firms to engage with us and other stakeholders about them. We'll also engage firms on how banking business models may be affected.

### Motor finance commission review

Some firms are affected by the Supreme Court's decision on motor finance and our consequent interventions on potential redress. They should comply with our interventions on complaints handling.

We'll decide whether to introduce a redress scheme and, if so, we would expect to publish final rules in late March. If a scheme is introduced, then later we'll assess firms' compliance with it and consumers' outcomes, intervening where necessary.

### Senior Managers and Certification Regime

Working with the Treasury and the PRA, we're reviewing the efficiency and effectiveness of the SMCR regime, to halve its regulatory burden (H1 2026).

# Key publications and speeches

Below are some key documents relevant to retail banking firms, published since our [last retail banking portfolio letter](#) (October 2024) but not included above.

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## Relating to firms' obligations and consumer outcomes under the Duty:

[Our Consumer Duty webpage](#), for the latest Consumer Duty updates

[Firms' treatment of customers in vulnerable circumstances – review](#)

[Consumer Support Outcome: good practices and areas for improvement](#)

[Digital design in customers' online journeys: good practice and areas for improvement](#)

[International payment pricing transparency – good and poor practice](#)

[Statement on firms working together to manufacture products or services](#)

[Complaints and root cause analysis: good practice and areas for improvement](#)

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## Relating to firms' systems and controls around fraud and financial crime:

[PS24/17: Financial Crime Guide updates](#)

[Firms' use of the National Fraud Database and money mule account detection tools](#)

[Combating romance fraud – prevention, detection and supporting victims](#)

[FG25/3 Treatment of politically exposed persons for anti-money laundering purposes](#)

[FG24/6 Guidance for firms that enables a risk-based approach to payments](#)

[Risk assessment processes and controls in firms: our findings](#)

Final notices on [Monzo](#), [Barclays](#) and [Nationwide](#) for past control failings

[PSR decision notice on Bank of Ireland UK for failing to implement Confirmation of Payee by the required deadline](#)

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## Relating to firms' operational resilience and data security:

[PS24/16: Operational resilience: Critical third parties to the UK financial sector](#)

[FCA Cyber Coordination Group Insights 2024](#)

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## Relating to transition finance:

[Raising standards in transition finance: clarity, coherence, collaboration \(speech\)](#)

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## Relating to firms' cultures:

[PS25/23: Tackling non-financial misconduct in financial services](#)

[Culture is contagious \(speech\)](#)

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# Timeline

Our indicative timelines of key start dates are set out below. Plans may change if we have new priorities or existing priorities change scope. Here is our full [regulatory initiatives pipeline for 2026-27](#).

## Access

**Q2 2027** **Evaluation of the Access to Cash regime:** review will begin in Q4 2026, with the output published at end Q2 2027.

## Consumer outcomes

**2026** **Retail banking disclosure rule review:** we intend to review where simplifying prescriptive disclosure requirements may support consumer understanding, and aim to consult in 2026.

**H1 2026** **Consumer Duty scope and distribution chain:** consultation on clarifying the application and requirements of the Duty, including across distribution chains.

## Financial crime

**Laid in 2026** **HMT consultation on improving the effectiveness of the money laundering regulations:** a statutory instrument is expected to be laid in 2026.

## Operational resilience

**Planned for 2026** **Information and communication technology, cyber risk management and resilience:** PRA/BoE consultation paper planned for 2026.

**H1 2026** **Incident and outsourcing and third-party reporting:** FCA, PRA and BoE final rules expected H1 2026, with implementation 12 months later.

## Innovation

**H2 2026** **Adopting targeted support:** the authorisations gateway for firms to seek permission opened on 2 March, and the regime goes live on 6 April 2026.

**March 2026** **FCA open finance roadmap:** expected to be published in March 2026.

**Q4 2026** **Statutory instrument for open banking:** expected to be laid in Q4 2026, with the FCA consulting on new rules for the long-term regulatory framework.

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**2026** **FCA crypto roadmap policy statements:** to be published in 2026.

## Smarter regulator

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**H1 2026** **Modernising the redress framework:** joint FCA/Financial Ombudsman Service policy statement and further consultation, planned for the first half of 2026.

**H1 2026** **Senior Managers & Certification Regime:** working with the Treasury and PRA, review the efficiency and effectiveness of SMCR.

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