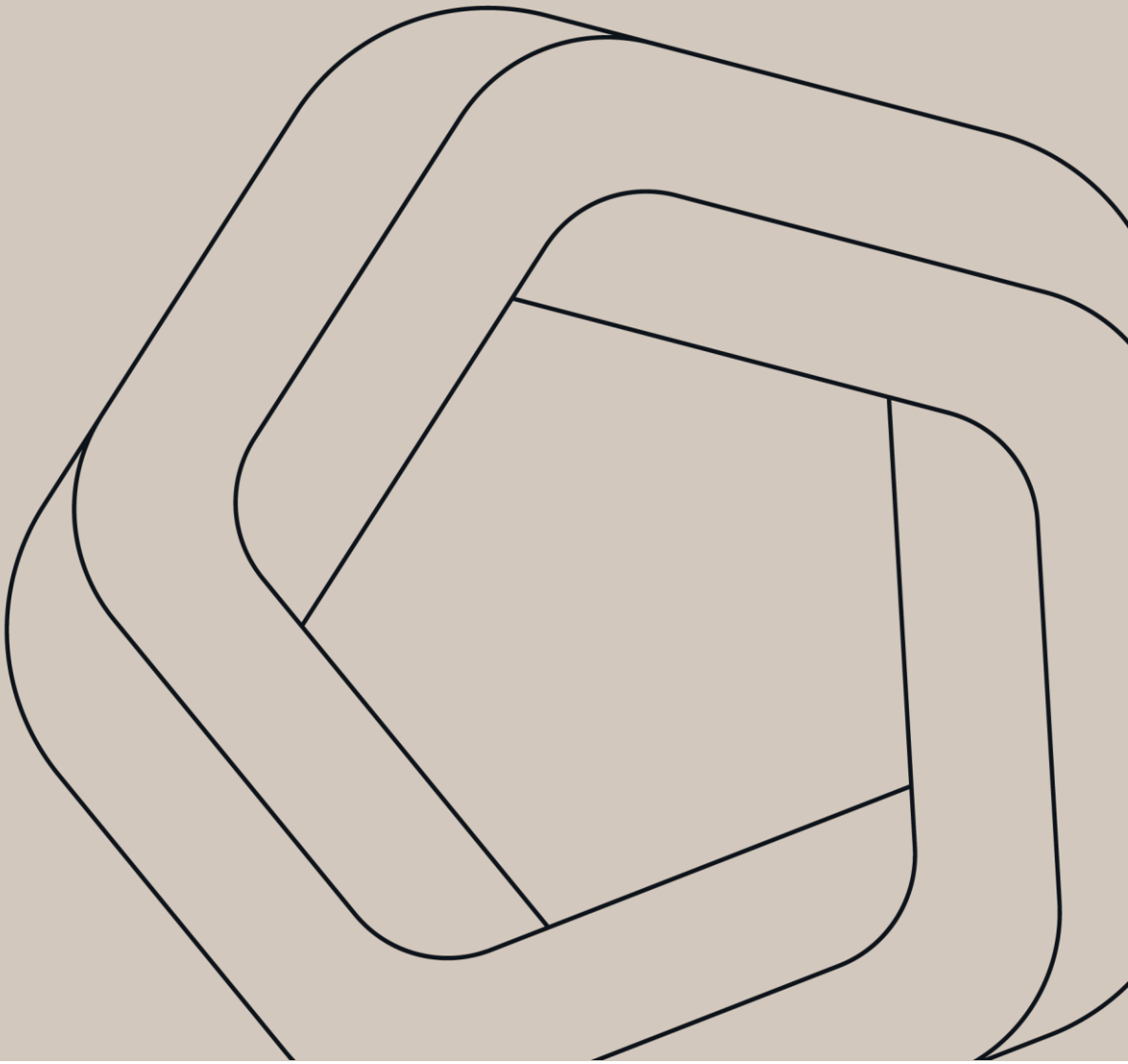
FCA Practitioner Panel Survey

Verian | FCA & Practitioner Panel Survey

Verian | 2024-25 Report

October 2025



verian

FCA FINANCIAL CONDUCT AUTHORITY

FCA Practitioner Panel

2024-25 Joint Survey Foreword

FCA Chief Executive

To be an effective regulator, we must listen carefully to feedback and take action. Our new strategy reflects what we've heard and what we need to prioritise over the next 5 years.

Through the annual FCA and Practitioner Panel survey, feedback is gathered from firms of all types and sizes, which is used to drive forward our priorities to help consumers, fight crime, support economic growth and become a smarter regulator.

This year, for the first time, all consumer credit firms were invited to take part, allowing for a richer perspective on the feedback, alongside sector-level analysis. This feedback is a key part of how we evaluate our performance and helps us to understand where progress is being made and where unnecessary barriers and burden can be removed, helping to stimulate growth and innovation.

We're encouraged to see that firms' views remain broadly consistent with previous years, with most having a positive perception of our performance and trust in our organisation's ability to deliver our strategic priorities and ensure financial markets function well.

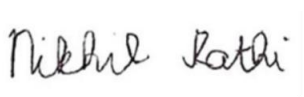
Of course, there remain areas where those we regulate want us to focus for the future.

One is supporting growth and competitiveness. We have made this central to our strategy for the next 5 years. Since the survey was carried out, we've been working at pace to introduce growth supporting measures, in response to the Prime Minister in his December 2024 letter to regulators. This year alone, we're delivering over 50 initiatives to support economic growth.

We're also committed to being a smarter regulator - predictable, purposeful, and proportionate. Take our information requests. We must collect data to do our jobs and to spot developing risk. But we can be smarter in ensuring we collect only what we need and end duplicative requests. We've recently stopped 4 requests, benefitting 36,000 firms.

This also applies to our supervision approach. We're going to be more streamlined by reducing the amount of correspondence firms receive and more flexible, with less intensive supervision for those demonstrably seeking to do the right thing.

It's encouraging that so much of the feedback captured in this survey finds its reflection in the action we've outlined in our new strategy. The feedback you provide helps us improve as a regulator, and I'm looking forward to continued engagement with the Panel.



Nikihil Rathi, Chief Executive, FCA

verian

FCA FINANCIAL CONDUCT AUTHORITY

FCA Practitioner Panel

Practitioner Panel Chair

The Panel welcomes the strong response rate (33%) to the survey and is pleased that overall satisfaction levels and perceptions of the FCA's effectiveness have remained consistent with levels recorded last year. Similarly, trust levels have remained broadly level over time, as have perceptions of FCA staff knowledge and experience.

However, the downward trend in scores in some areas clearly highlights areas for future focus and attention. This includes confidence in the FCA to promote effective competition, ensuring financial markets work well, promoting international trade, and confidence in the ability of the FCA to deliver on its secondary objective. There were also lower scores regarding consistency of FCA supervisors' approach, and on the volume and purpose of data requests made of firms.

We are interested in seeking to understand what may be driving these perceptions to help inform next steps. We reflected that the timing of the survey (between February and March this year) following a period of extended consultation on enforcement transparency proposals and heightened media attention on economic growth, may have had some impact on perceptions.

The FCA has also since launched its first 5-year Strategy and programme of work for the next year which has been very positively received. We welcome the sharp focus on four strategic priorities including the prominence given to work planned to support competitiveness and growth aspirations. We are also pleased that streamlining data collection, improving regulatory interactions and enhancing the supervision model are specified as priority areas for attention, supporting the FCA's strategic priority of being a smarter, more efficient and effective regulator. We hope that the articulation of priority work as set out will provide more certainty and confidence to industry over the next year, particularly as initiatives are implemented and change is felt 'on the ground'.

This survey report identifies there can be significant differences between sectors and we can also see where perceptions vary between fixed and flexible firms. We highlighted there may be benefit in exploring how the data gathered from the survey is analysed to develop a richer understanding of what may be influencing different results, and what actions the FCA could take to make positive changes in those areas.

Matt Hammerstein, Chair, Practitioner Panel

verian

FCA FINANCIAL CONDUCT AUTHORITY

FCA Practitioner Panel

Contents

Executive Summary

The Financial Conduct Authority (FCA) has a strategic objective to ensure that the financial markets functions well, underpinned by three operational objectives:

- To ensure an appropriate degree of **protection for consumers**
- To **protect the integrity of financial markets** and promote and enhance the UK financial system; and
- To **promote effective competition** in the interests of consumers

A secondary objective to facilitate the international competitiveness of the UK economy and its growth in the medium long term was introduced in the Summer of 2023.

The FCA's three-year strategy was published in 2022 and came to an end in early 2025. It was replaced by the new five-year strategy for 2025-2030. As such this is the last time the FCA will report on the three-year strategy.

The FCA and Practitioner Panel Survey (FCAPP)

The FCA and Practitioner Panel Survey (FCAPP) measures how the FCA has performed against its strategic and operational objectives and quantifies progress towards its desired outcomes. It is conducted among Chief Executives and/or Heads of Compliance from financial organisations regulated by the FCA.

The survey provides a valuable vehicle for measuring long-term trends but also adapts to reflect changes in the regulatory environment.

The latest wave of the survey was conducted by Verian on behalf of the FCA and the Panel. Fieldwork took place between 3rd February and 31st March 2025. In total, 7,569 firms completed the survey. Of these, 5,395 were non-consumer credit firms (with a response rate of 33%)[1] and 2,174 were consumer credit firms (a response rate of 11%[2]). Data for these groups are presented separately within the report.

Results are also presented for separate supervisory groups. The **fixed portfolio** comprises the 65 firms that receive the highest level of supervisory attention. The **flexible portfolio** consists of the remaining 36,579 firms that are subject to lighter touch, but still rigorous, supervision[3]. The overall portfolio of flexible firms includes both non-Consumer Credit flexible firms (16,119) and Consumer Credit firms (20,461).

[1] By comparison, the response rate among non-consumer credit firms was 39% in 2023-24
[2] By comparison, the response rate among consumer credit firms was 12% in 2023-24.
[3] The quoted number of firms represents the number of firms in the FCA's INTACT database with sufficient contact detail information to be included in the research. Where there were multiple firms within the same group, these were counted as a single entity.

Throughout the report, where we discuss findings for 'flexible firms', the data are based only on non-Consumer Credit flexible firms. Findings for Consumer Credit firms are presented separately in chapters 7 to 11.

Throughout this report, results from this year's survey are compared with equivalent results from previous years, with a focus on any changes since last year. Any commentary on trends focuses only on those changes that are statistically significant at the 95% confidence level. The data are weighted to ensure that the findings are representative of the wider population of firms at the time that each survey is conducted.

The large sample size for flexible firms means that a difference of just 1% between 2023-24 and 2024-25 can be statistically significant. Conversely, the small number of fixed firms means that a difference must be much larger (typically more than 10%) to be considered statistically different over time.

Satisfaction and effectiveness

Over the last 12 months, the proportion of fixed firms reporting a high level of satisfaction with the relationship they have with the FCA (defined as those giving a score of 7-10 out of 10) has fallen from 84% in 2023-24 to 74% in 2024-25. The proportion of fixed firms that gave a high rating for the perceived effectiveness of FCA regulation (again defined as a score of 7-10 out of 10) has also fallen, from 84% to 67% over the same period.

The proportion of flexible firms that gave a high satisfaction rating for their relationship with the FCA remained unchanged (75% giving a score of 7-10 out of 10 in 2024-25, compared to 74% in 2023-24). The proportion who gave a high rating for the effectiveness of FCA regulation also remained stable, with 70% giving a score of 7-10 out of 10 across both time periods.

Drivers of satisfaction and effectiveness

Key driver analysis identified four main priority areas for improvement for the FCA:

- Promoting effective competition in the interests of consumers in the financial markets.
- Delivering on its secondary international competitiveness and growth objective (SICGO).
- Adapting regulatory requirements to respond efficiently to innovation and new challenges.
- Acting proportionately, so that the costs imposed on firms are proportionate to the benefits gained.

Performance towards objectives

87% of fixed firms were confident that the FCA was delivering on its strategic objective to ensure that financial markets function well. This represents a decrease compared with 2023-24 (94%). 88% of fixed firms reported confidence in the FCA's ability to secure protection for consumers, broadly consistent with 2023-24 (92%). However, the proportion of fixed firms reporting confidence in the FCA's ability to protect the integrity of the financial system has fallen from 97% in 2023-24 to 86% in 2024-25.

Among flexible firms, 83% were confident that the FCA was delivering on its strategic objective to ensure that financial markets function well, 84% said that they were confident in relation to securing protection for consumers and 82% said that they were confident in relation to protecting the integrity of the financial system.

In 2024-25, 59% of fixed firms and 68% of flexible firms were confident that the FCA promotes effective competition in the interests of consumers. There has been an increase in the proportion of fixed firms saying that they are *not* confident in this respect, from 23% in 2023-24 to 39% in 2024-25.

The proportion of fixed firms saying they are not confident in the FCA's ability to meet the SICGO has risen from 47% in 2023-24 to 70%. The proportion of flexible firms saying that they are not confident in this respect has also risen, from 24% in 2023-24 to 28%.

Trust and confidence

Fixed firms' trust in the FCA was broadly consistent with 2023-24, with 7% stating that their trust had increased and a similar proportion (11%) reporting that their trust had decreased.

Changes in trust levels for flexible firms were also evenly split, with 11% stating their trust had increased and a similar proportion (10%) stating their trust had decreased.

Fixed and flexible firms were generally positive about FCA supervisors and FCA staff. However, fixed firms had become less likely to agree that FCA supervisors take an approach which is consistent with that of FCA leaders/ wider policy, down from 72% in 2023-24 to 57% in 2024-25.

Authorisation and Enforcement

A large majority of both fixed and flexible firms reported that they were familiar to some extent with the FCA's Threshold Conditions (100% of fixed firms and 95% of flexible firms were either 'very' or 'fairly' familiar). Flexible firms were more likely than in 2023-24 to report that they were 'very familiar' with the Threshold Conditions (57%, up from 54%).

Fixed firms remained more aware than flexible firms of enforcement actions taken in the past 12 months. Overall, 93% of fixed firms were aware of at least one type of

enforcement action taken by the FCA (down from 100% in 2023-24), compared with 84% of flexible firms (up from 81% in 2023-24).

Data/ information requests

The proportion of fixed firms saying they receive more information requests from the FCA than is necessary has increased, from 28% in 2023-24 to 47%. There has also been an increase among flexible firms, from 28% in 2023-24 to 31%.

For fixed firms, the most widespread issue was that information requests were seen as difficult to collate (66% agreed). They also flagged that there were issues around the time given to compile data/information requested by the FCA (49% disagreed they were given enough time). Many fixed firms disagreed that the FCA reviews any requested information and feeds back in a timely manner (63%).

Flexible firms were generally less negative about the FCA's information requests, though 31% felt that the requested information was often difficult to collate.

Impact of regulation

There was a statistically significant fall in the proportion of fixed firms agreeing that FCA regulation enhances the reputation of the UK as a financial centre, from 84% in 2023-24 to 57% in 2024-25. Fixed firms were also less likely to agree that FCA regulation has helped their firm to deliver better outcomes for consumers (64%, down from 75% in 2023-24).

Furthermore, 42% of fixed firms disagreed that the FCA acts proportionately in terms of weighing up costs against benefits.

Looking at flexible firm results compared to 2023-24, there was a statistically significant decrease in agreement across several statements: FCA regulation enhances the reputation of the UK as a financial centre (68%, down from 73% in 2023-24), FCA regulation delivers better outcomes for consumers (57%, down from 60% in 2023-24) and FCA regulation is aligned with rules imposed by other regulators (47%, down from 49% in in 2023-24).

FCA communication

A majority of fixed and flexible firms agreed that FCA communication is consistent, clear and relevant, but there was a statistically significant increase in the proportion of fixed firms *disagreeing* that the communications were clear (11%, up from 2% in 2023-24), consistent (17%, up from 8% in 2023-24) and relevant (9%, up from 0% in 2023-24).

Overall, 17% of fixed firms said they were aware of *all* members of the FCA's senior executive team, 49% were aware of *most* of them, and all fixed firms were aware of

at least one member. Awareness was lower among flexible firms, with 30% reporting that they were unaware of any of the senior team.

Consumer credit firms

For many metrics, consumer credit firms gave broadly similar responses to non-consumer credit firms, albeit consumer credit firms were sometimes more likely to provide 'don't know' answers, suggesting less familiarity with the FCA's activities. This higher 'don't know' response also tended to mean that consumer credit firms were slightly less actively positive in their responses than non-consumer credit firms.

Nevertheless, there were some areas where consumer credit firms were more positive than non-consumer credit firms. Consumer credit firms were:

- More likely to agree that the FCA promotes effective competition in the interests of consumers (70%, compared with 68%).
- More likely to feel that the number of information requests they received from the FCA is about right (45%, compared with 34%).

1 Performance of the FCA as a regulator

Moving on to examine the survey data in more detail, chapters 1 to 6 focus on findings relating to non-consumer credit firms, while chapters 7 to 11 focus on the consumer credit findings. Finally, chapters 12 and 13 examine sector level data within the non-consumer credit population.

This first chapter covers non-consumer credit firms':

- Satisfaction with their relationship with the FCA.
- Perceptions of the FCA's regulatory effectiveness.
- Perceptions of the FCA's performance against its strategic and operational objectives; and
- Perceptions of the FCA's approach to identifying and addressing risks.

Results for non-consumer credit firms are presented for two separate supervisory groups.

Fixed portfolio firms are those that, based on factors such as size, market presence and customer footprint, receive the highest level of supervisory attention. These firms are allocated a named individual supervisor and are proactively supervised using a continuous assessment approach.

Flexible portfolio firms are proactively supervised through a combination of market-based thematic work and programmes of communication, engagement and education actively aligned with the key risks identified for the sector in which the firms operate. These firms use the FCA Supervision Hub as their first point of contact as they are not allocated a named individual supervisor.

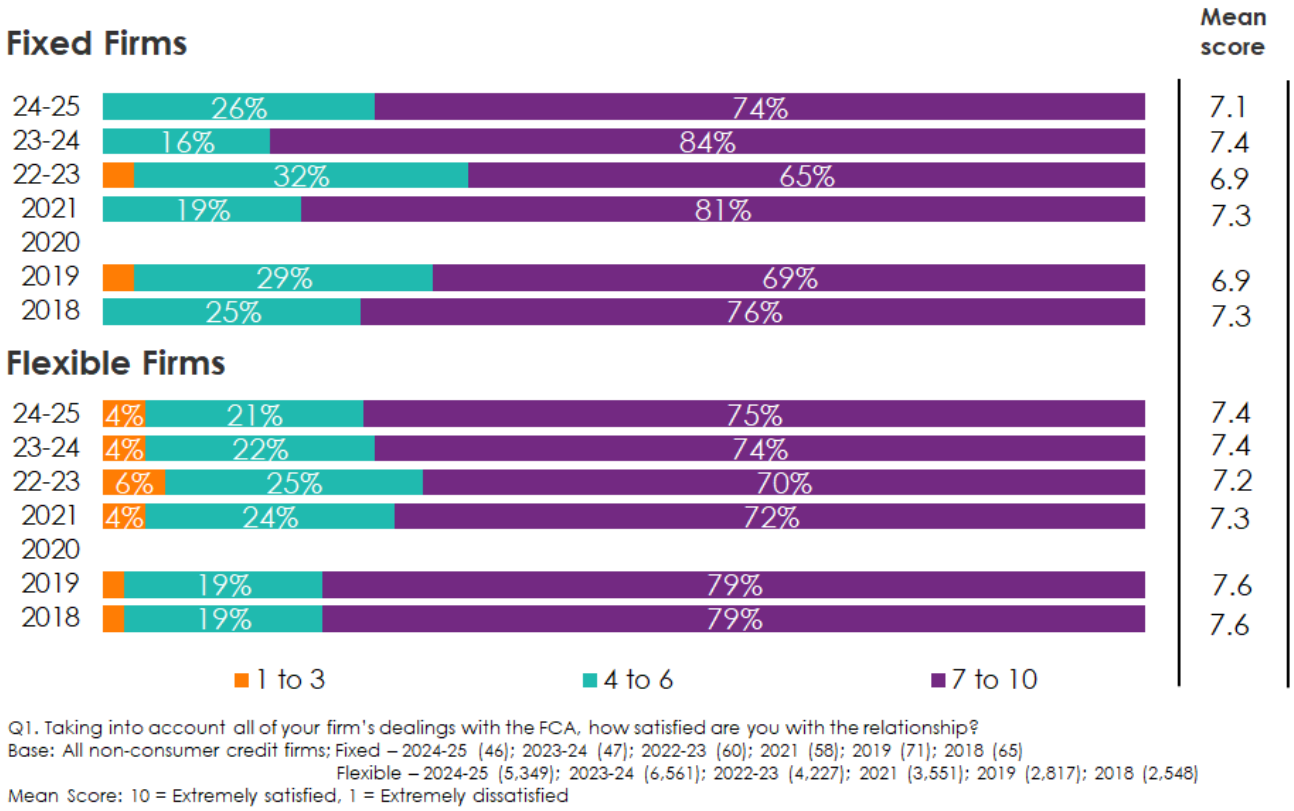
1.1 Satisfaction with relationship with the FCA

Firms were asked to rate how satisfied they are with the relationship they have with the FCA on a scale of 1 (extremely dissatisfied) to 10 (extremely satisfied). Individual scores were grouped into bands to represent 'low' (1 to 3), 'moderate' (4 to 6), and 'high' (7 to 10) levels of satisfaction ***(Figure 1.1)***.

The proportion of fixed firms reporting a 'high' level of satisfaction in 2024-25 (74%), had fallen compared with 2023-24 (84%).

The proportion of flexible firms reporting a 'high' level of satisfaction in 2024-25 (75%) was comparable to 2023-24 (74%).

Figure 1.1 – Satisfaction with relationship with the FCA (2018 to 2024-25[4])



Q1. Taking into account all of your firm's dealings with the FCA, how satisfied are you with the relationship?
Base: All non-consumer credit firms; Fixed – 2024-25 (46); 2023-24 (47); 2022-23 (60); 2021 (58); 2019 (71); 2018 (65)
Flexible – 2024-25 (5,349); 2023-24 (6,561); 2022-23 (4,227); 2021 (3,551); 2019 (2,817); 2018 (2,548)
Mean Score: 10 = Extremely satisfied, 1 = Extremely dissatisfied

1.2 Effectiveness of the FCA

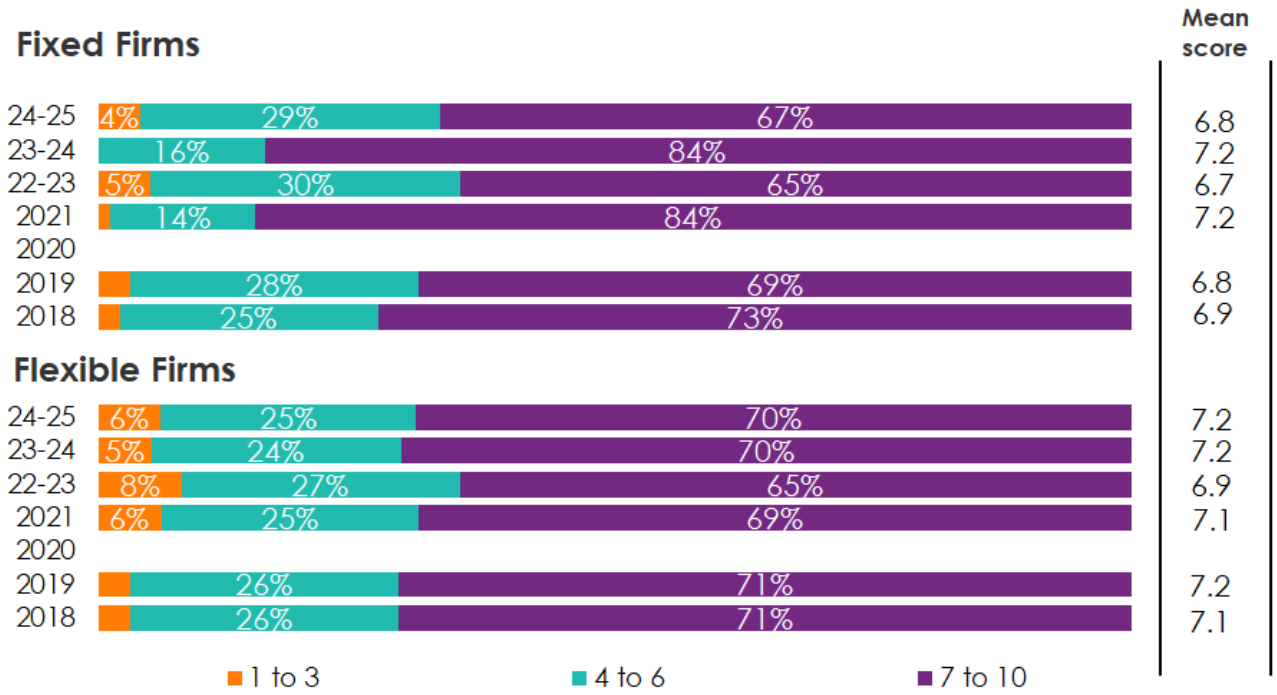
Firms were asked how effective the FCA has been in regulating the financial services industry in the last year, again using a 10-point scale with 1 being not at all effective and 10 being extremely effective ***(Figure 1.2)***.

Fixed firms' views on FCA effectiveness have changed over the last 12 months, with the proportion giving a 'high' score (7 to 10) falling from 84% in 2023-24 to 67% in 2024-25.

The perceived effectiveness of the FCA among flexible firms has not changed since 2023-24. Seven in ten flexible firms (70%) gave a 'high' effectiveness score in both 2023-24 and 2024-25.

[4] The percentage figures for scores of 1 to 3 (out of 10) are only explicitly shown where the figure is 4% or higher (as shown for fixed firms in 2021, 2022-23 and 2023-24). Where the figure is below 4% the actual figure is not shown in the chart. In a limited number of cases the overall total does not add up to 100% due to rounding.

Figure 1.2 – Perceived effectiveness of the FCA in regulating the financial services industry in the last year (2018 to 2024-25)

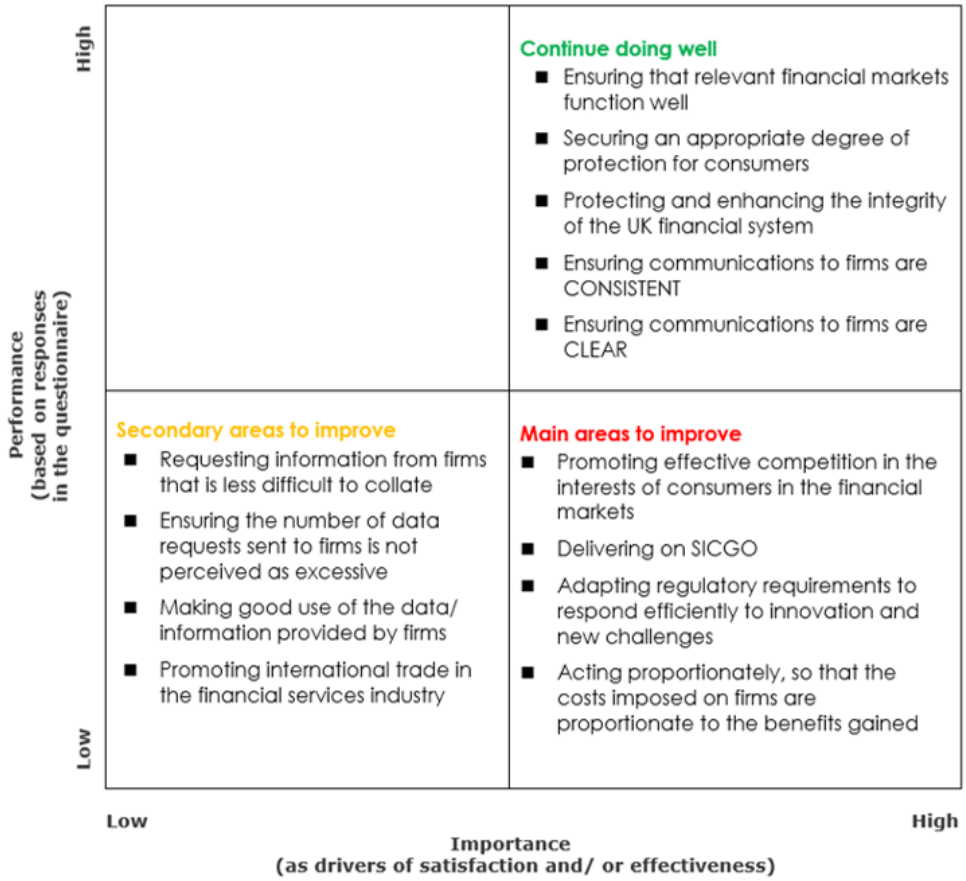


Q2. Overall, from your firm's perspective, how effective has the FCA been in regulating the financial services industry in the last year?
Base: All non-consumer credit firms; Fixed – 2024-25 (46); 2023-24 (47); 2022-23 (60); 2021 (58); 2019 (71); 2018 (65)
Flexible – 2024-25 (5,349); 2023-24 (6,561); 2022-23 (4,227); 2021 (3,551); 2019 (2,817); 2018 (2,548)
Mean score: 10 = Extremely effective, 1 = Not at all effective

1.3 Drivers of satisfaction and effectiveness

Further exploration of the data shows the factors that are important in driving levels of satisfaction with the FCA, and perceptions of its effectiveness. ***Figure 1.3*** plots the FCA's performance on the y-axis against each factor's level of importance in driving satisfaction and effectiveness on the x-axis. Further details of the key driver analysis, along with the full data plots, can be found in Appendices H and I.

Figure 1.3 – Key Driver Analysis: key areas to maintain and improve



There are 2 key areas which the FCA needs to focus on to maintain and improve satisfaction: first, to continue doing well in areas which are important drivers of satisfaction and where it is already performing well (top right quadrant); and second, to improve in areas where it is not doing so well (bottom left and right quadrants).

Figure 1.3 shows that the FCA is performing well in relation to its strategic objective of ensuring that financial markets function well, as well as in its operational objectives to protect consumers and protect/ enhance the integrity of the UK financial system. The FCA's performance in these areas has a positive impact on firms' attitudes towards the regulator.

The FCA is also performing well in how it communicates to firms: firms regard FCA communication as being clear and consistent. These areas have a strong impact on firms' impression of the FCA and so need to be maintained.

The FCA's priority areas for improvement (bottom right quadrant) are:

- Promoting effective competition in the interests of consumers in the financial markets.
- Delivering on its secondary international competitiveness and growth objective (SICGO).

- Adapting regulatory requirements to respond efficiently to innovation and new challenges.
- Acting proportionately, so that the costs imposed on firms are proportionate to the benefits gained.

Enabling and supporting innovation remains an area of concern for firms. Promoting effective competition was also identified as a main area to improve in the key driver analysis from the 2023-24 survey results. Adapting regulatory requirements to respond efficiently to innovation and new challenges has consistently been one of the main areas to improve since the 2022-23 survey.

Delivering on SICGO was identified as a main area for improvement in 2023-24 and remains so in 2024-25. The proportion of firms that were confident of the FCA's ability to deliver on SICGO has fallen slightly, from 58% in 2023-24 to 55% in 2024-25.

Acting proportionately in terms of costs vs benefits became a main area for improvement in 2024-25, moving from a secondary area in 2023-24. While performance has been broadly consistent across both waves, its importance as a driver of satisfaction and effectiveness has increased relative to other aspects of FCA activity.

Secondary areas to improve (bottom left quadrant) are those areas where FCA performance is also lower, but which are less important to firms. The main secondary areas to improve are:

- Requesting information from firms that is less difficult to collate.
- Ensuring that the number of data requests sent to firms is not perceived as excessive.
- Making good use of the data/ information provided by firms.
- Promoting international trade in the financial services industry.

1.4 Performance against objectives

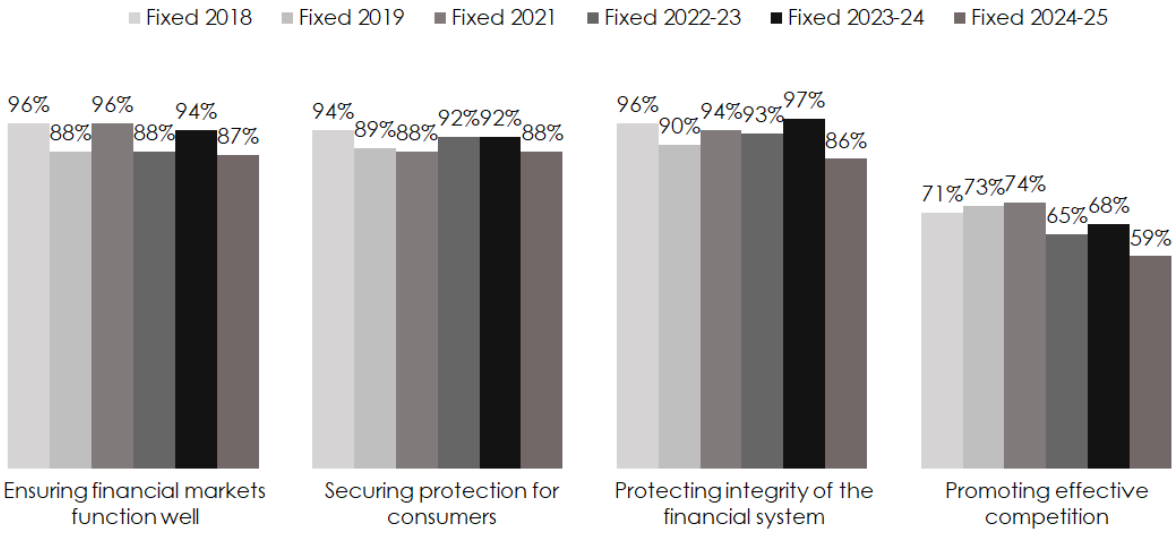
Firms were asked how confident they felt that the FCA's oversight of the industry delivers on its objectives, including its single strategic objective of ensuring financial markets function well and its three operational objectives.

Performance against the FCA's strategic objectives

Overall, 87% of fixed firms were confident that the FCA was delivering on its strategic objective to ensure that financial markets function well, which represents a fall compared with 2023-24 (94%) ***(Figure 1.4)***.

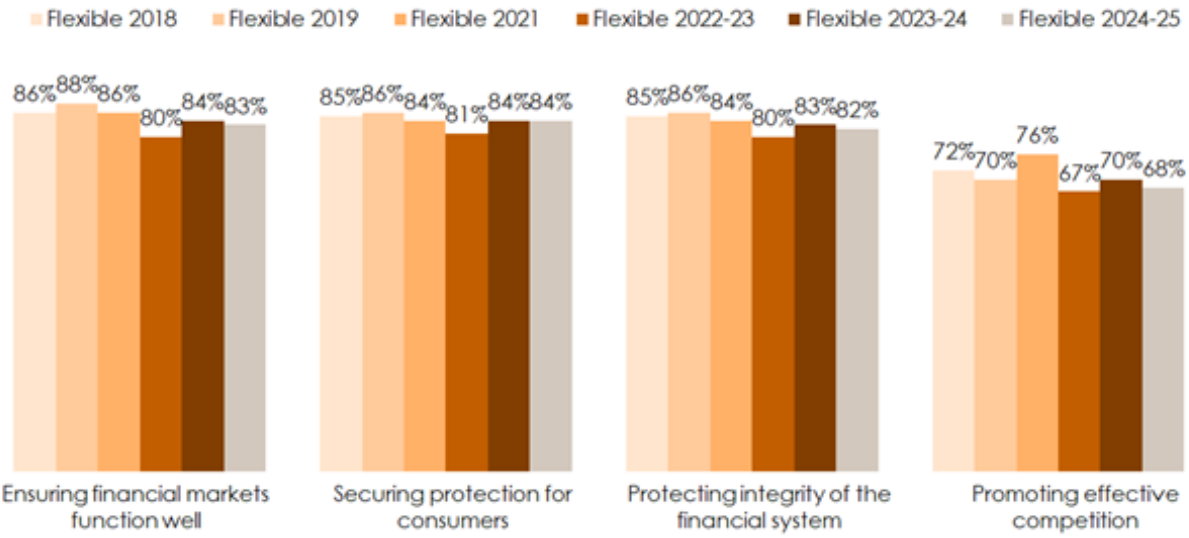
Confidence among flexible firms has fallen slightly, from 84% in 2023-24 to 83% in 2024-25 ***(Figure 1.5)***.

Figure 1.4 – Levels of confidence in the FCA's ability to deliver on its objectives among fixed firms
(% very/ fairly confident)



Q3. How confident are you that the FCA's oversight of the industry delivers on the following statutory objectives?
Base: All fixed firms: 2018 (65); 2019 (71); 2021 (58); 2022-23 (60); 2023-24 (47); 2024-25 (46)

Figure 1.5 – Levels of confidence in the FCA's ability to deliver on its objectives among flexible firms
(% very/ fairly confident)



Q3. How confident are you that the FCA's oversight of the industry delivers on the following statutory objectives?
Base: All flexible firms: 2018 (2,548); 2019 (2,817); 2021 (3,551); 2022-23 (4,227); 2023-24(6,561); 2024-25 (5,349)

Performance against the FCA's operational objectives

Overall, 88% of fixed firms reported confidence in the FCA's ability to secure protection for consumers, not statistically different from 2023-24 (92%). Confidence among fixed firms in the FCA's ability to protect the integrity of the financial system has fallen from 97% in 2023-24 to 86% in 2024-25.

Amongst flexible firms, 84% said that they were confident in relation to securing protection for consumers (compared with 84% in 2023-24) while 82% said that they were confident in relation to protecting the integrity of the financial system (a slight fall from 83% in 2023-24).

Since 2017, fixed firms have consistently been less confident regarding the FCA's objective of promoting effective competition in the interests of consumers in the financial markets than they have been in the FCA's other objectives. In 2024-25, 59% reported confidence in relation to this objective. There has been an increase in the proportion of fixed firms saying that they are *not* confident in the FCA's promotion of effective competition, from 23% in 2023-24 to 39% in 2024-25.

Overall, 68% of flexible firms were confident that the FCA promotes effective competition for consumers. This represents a fall compared with 2023-24, when the equivalent figure was 70%.

Performance against the secondary objective (SICGO)

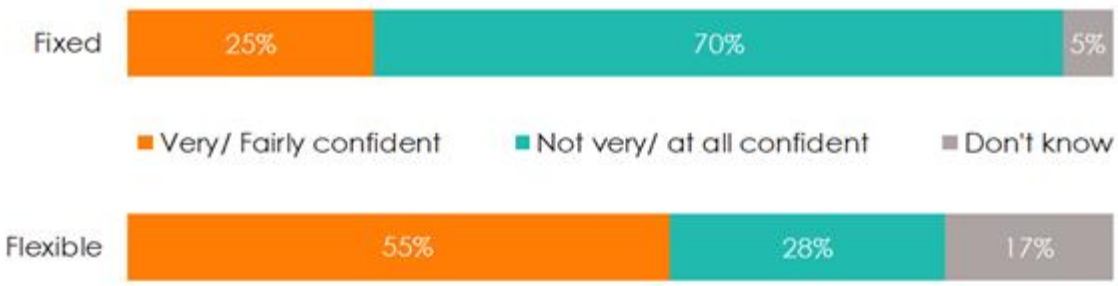
Alongside its primary strategic objective and operational objectives, the FCA has a secondary international competitiveness and growth objective (SICGO), which was introduced in August 2023.

Firms were asked how confident they felt that the FCA's oversight of the industry delivers on this objective ***(Figure 1.6)***.

Overall, 25% of fixed firms expressed confidence in the FCA's ability to meet this objective, compared with 29% in 2023-24, which is not a statistically significant change. However, the proportion of fixed firms saying they are not confident in the FCA's ability to meet this objective has risen from 47% in 2023-24 to 70%. There has been a corresponding fall in the proportion of fixed firms providing a response of 'Don't know', from 24% to 5%.

Flexible firms were more likely than fixed firms to express confidence in relation to this objective, with 55% giving this response. However, this represents a fall since 2023-24 (58%). There has been a corresponding increase in the proportion of flexible firms saying that they are not confident, from 24% in 2023-24 to 28%.

Figure 1.6 – Levels of confidence in the FCA's ability to deliver on its secondary objective (SICGO)



Q5. Alongside its primary strategic and operational objectives, the FCA has a secondary international competitiveness and growth objective (SICGO). How confident are you that the FCA's oversight of the industry delivers on this objective?
Base: All non-consumer credit firms: Fixed (46), Flexible (5,349)

1.5 Understanding of the FCA's objectives

As well as being asked about their confidence in the FCA's ability to meet its objectives, firms were also asked how well they understood what the FCA is trying to achieve through each objective ***(Figure 1.7)***.

Overall, self-reported understanding is high. Almost all fixed firms claimed to understand 'very' or 'fairly' well what the FCA is trying to achieve through its objectives to:

- Ensure relevant financial markets function well (94%, down from 100% in 2023-24).
- Secure an appropriate degree of protection for consumers (93%).
- Protect and enhance the integrity of the UK financial system (98%), and
- Promote effective competition in the interests of consumers in the financial markets (85%).

Among flexible firms, levels of understanding were similarly high across these objectives, with around nine in ten flexible firms claiming to understand what the FCA was trying to achieve through each of its first three objectives (90%, 93% and 89%, respectively). As has been the case for many years, understanding was slightly lower in relation to the competition objective, with 80% of flexible firms claiming to understand what the FCA is trying to achieve. This slightly lower level of understanding among flexible firms about what the FCA is trying to achieve in terms of promoting effective competition may explain the lower confidence levels reported by flexible firms in relation to this objective.

Figure 1.7 – Extent to which firms understand what the FCA is trying to achieve through its objectives
(% very/ fairly well)

Q4. How well would you say your firm understands what the FCA is trying to achieve through the following objectives?
Base: All non-consumer credit firms; Fixed (46), Flexible (5,349)

Firms were also asked how well they understand what the FCA is trying to achieve through its secondary international competitiveness and growth objective (SICGO) (***Figure 1.8***). Only 49% of fixed firms said that they understand, either very or fairly well, compared with around two thirds (64%) in 2023-24. The proportion of fixed firms saying that they do not understand the aims of this objective has increased from 32% in 2023-24 to 50%.

Among flexible firms, 46% said that they understand what the FCA is trying to achieve through this objective, with 40% saying that they did not understand. These findings are unchanged compared with 2023-24.

Figure 1.8 – Extent to which firms understand what the FCA is trying to achieve through its secondary objective (SICGO)

Q6. How well would you say your firm understands what the FCA is trying to achieve through the secondary international competitiveness and growth objective (SICGO)?
Base: All non-consumer credit firms; Fixed (46), Flexible (5,349)

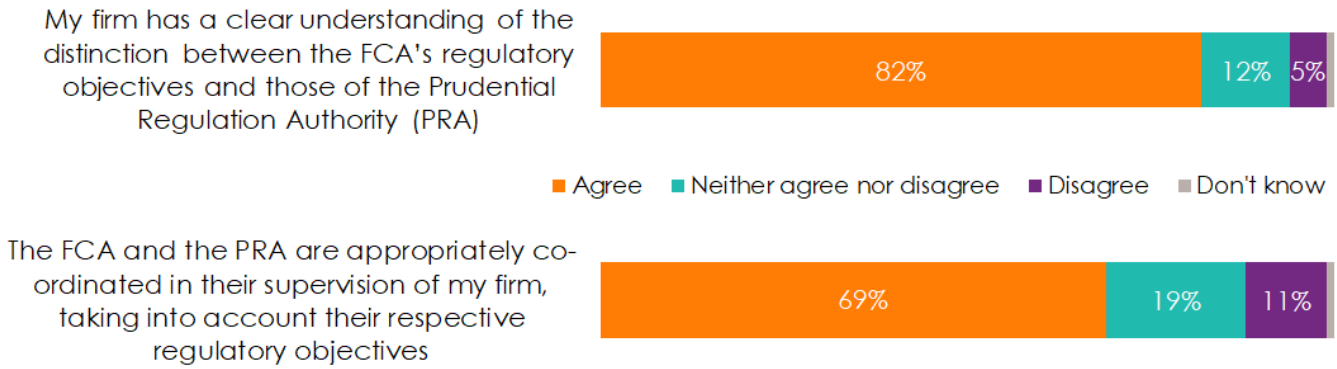
1.6 Dual regulation

Firms that are under the supervision of the Prudential Regulation Authority (PRA) and are also regulated by the FCA are known as dual-regulated firms. A total of 803 dual-regulated firms were invited to take part in the survey and 334 responded. These firms were asked a question to assess their understanding of the distinction between the two regulators and how coordinated they are. Given that the question was asked of a much smaller sample overall, results are shown based on all dual-regulated firms without any distinction between fixed and flexible firms.

Overall, 82% of dual-regulated firms reported a clear understanding of the distinction between the PRA's and FCA's regulatory objectives ***(Figure 1.9).*** This was unchanged compared with 2023-24.

In addition, 69% believed that the PRA and FCA are appropriately co-ordinated in their supervision. While this was consistent with the equivalent figure from 2023-24 (64%), this was a significant increase compared with 2022-23 (60%).

Figure 1.9 – Extent to which firms agreed or disagreed with statements about dual regulation



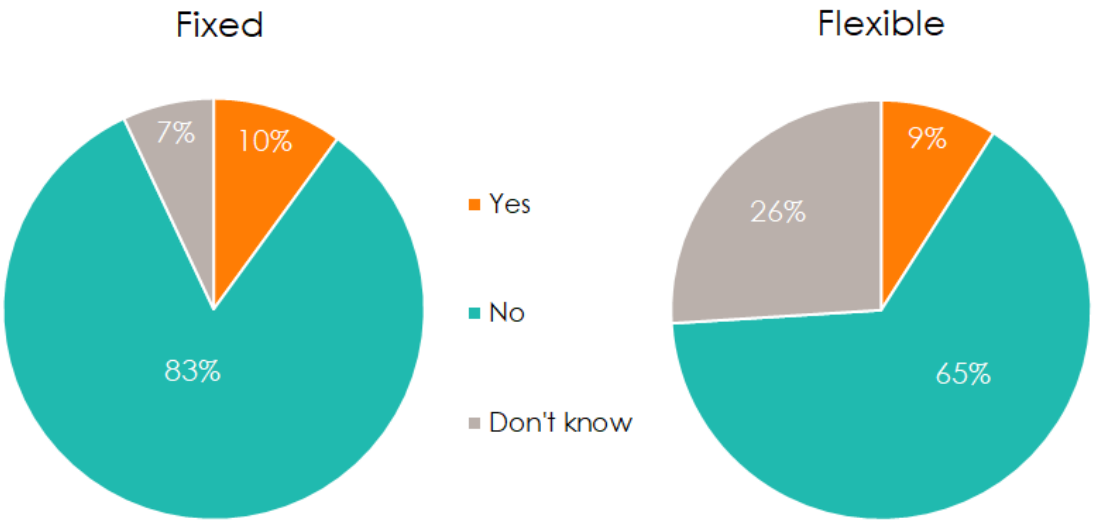
Q9. And to what extent would you agree or disagree with the following statements?
Base: All dual-regulated non consumer credit firms (334)

1.7 Identifying risks

Firms were asked if they felt there were any emerging risks in their markets which the FCA was not aware of and whether they felt the FCA took a mainly reactive approach to risk by relying on information and intelligence provided by the industry or a proactive approach by taking steps to uncover risks themselves.

Overall, 10% of fixed firms and 9% of flexible firms felt there were significant or emerging risks in their market(s) that the FCA was not currently aware of (***Figure 1.10***). For flexible firms, this represents a slight increase from 8% in 2023-24.

Figure 1.10 – Whether firms feel there are any significant or emerging risks the FCA is not aware of



Q16. Do you feel there are any significant or emerging risks in your market that the FCA is not currently aware of?
Base: All non-consumer credit firms; Fixed (46), Flexible (5,349)

Among fixed firms, views were divided on the issue of whether the FCA is reactive or proactive in identifying risk. A majority of fixed firms felt the FCA takes a balanced approach, with 58% expressing the view that the FCA is proactive and reactive in equal measure (***Figure 1.11***). However, a sizeable minority (42%) described the FCA's approach as being mainly reactive. Fixed firms were more likely than in 2023-24 to describe the FCA's approach as being mainly reactive, when the equivalent figure was 25%.

Results for flexible firms demonstrate a similarly divided picture. Overall, 46% said that the FCA is proactive and reactive in equal measure, while 32% described the approach as mainly reactive and 10% as mainly proactive. These findings were unchanged from 2023-24.

Figure 1.11 – Firms' view of FCA's approach to identifying risk

Q17. Which of the following best describes your view of the FCA's approach to identifying risk? In order to identify risks, would you say that…
Base: All non-consumer credit firms: Fixed (46), Flexible (5,349)

1.8 FCA focus

To better understand how firms perceive the FCA's efforts to promote effective competition, firms were asked about a series of measures the FCA takes as part of its work to promote effective competition. They were also asked whether they felt the emphasis placed by the FCA on each measure is too much, too little, or about right.

To ensure that the survey reflects the latest areas of focus for the FCA, the question was changed for 2024-25 to include the following:

- Ensuring products and services provide fair value to customers.
- Removing barriers to new firm entrants.
- Tackling anti-competitive conduct.

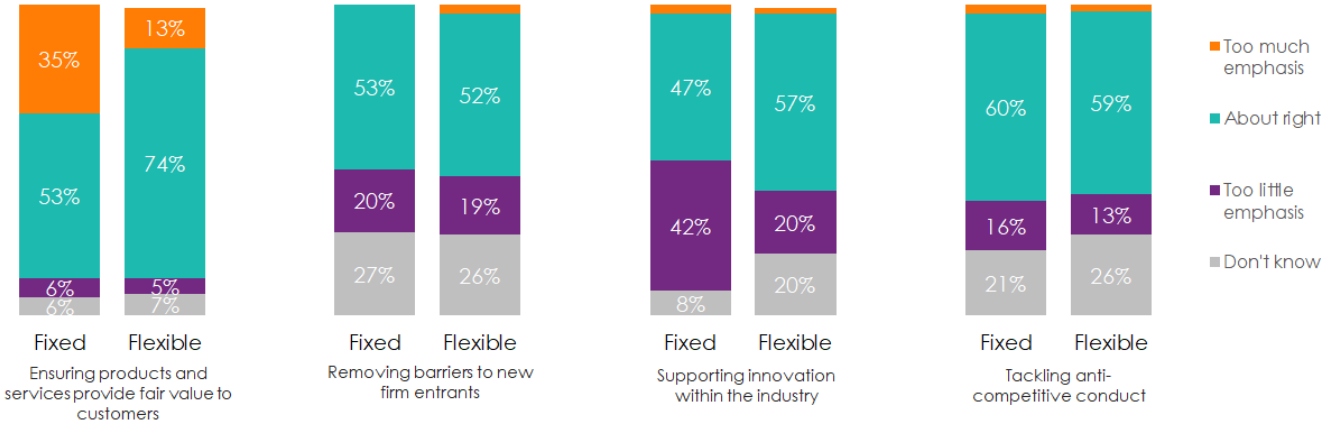
The focus area 'Supporting innovation within the industry', included in previous waves, was retained.

Around half of fixed firms felt the level of emphasis is 'about right' in relation to ensuring products and services provide fair value to customers (53%), removing barriers to new firm entrants (53%) and supporting innovation within the industry (47%), while 60% said the same in relation to tackling anti-competitive conduct ***(Figure 1.12)***. In addition, 35% felt that the FCA places too much emphasis on ensuring products and services provide fair value to customers.

Among flexible firms, 74% felt the level of emphasis is 'about right' in relation to ensuring products and services provide fair value to customers, with 59% saying the same in relation to tackling anti-competitive conduct, supporting innovation within the industry (57%) and removing barriers to new entrants (52%).

Across all firms, the proportion providing an answer of 'Don't know' was relatively high, with around a quarter saying this in relation to several focus areas.

Figure 1.12 – Firms' perception of the relative emphasis the FCA places on different measures as part of its work to promote effective competition



Q26. Thinking now about the FCA's work to promote effective competition within the industry. Do you think the emphasis the FCA places on the following areas is too much, about right or too little?
Base: All non-consumer credit firms: Fixed (46), Flexible (5,349)

While few firms believe that the FCA demonstrates too little emphasis on most measures, 42% of fixed firms and 20% of flexible firms felt there was 'too little emphasis' on supporting innovation within the industry. Furthermore, there has been a slight increase in the proportion of flexible firms reporting that there was too little emphasis on supporting innovation, from 17% in 2022-23 to 20% in 2024-25.

2 Trust and Confidence in FCA

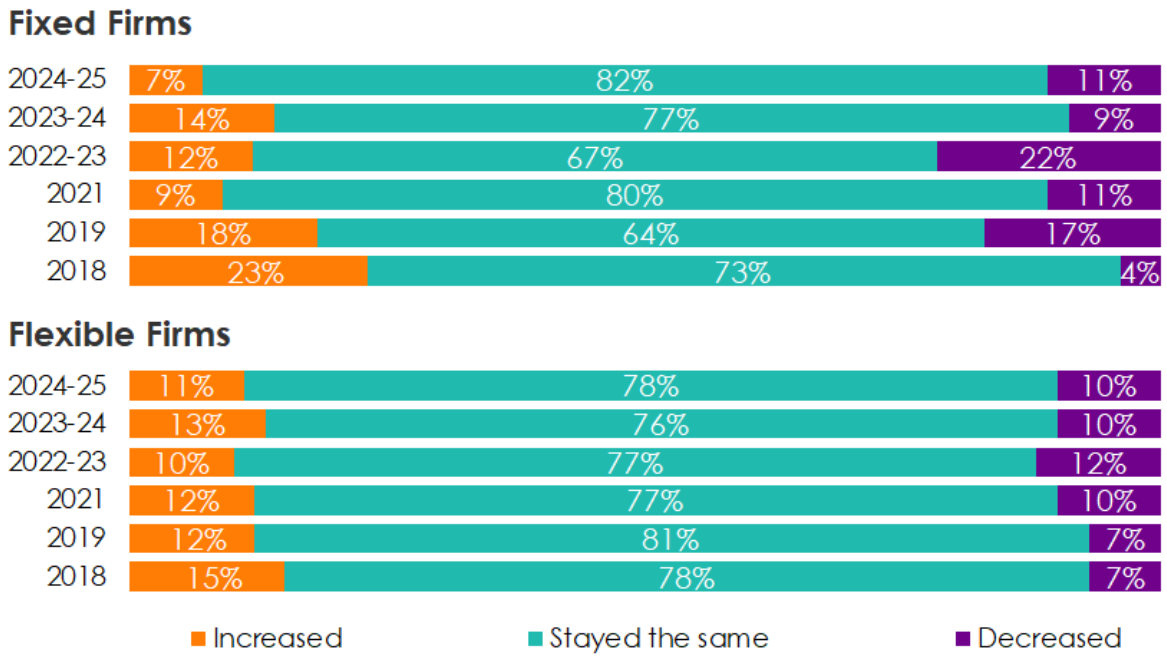
This chapter examines the extent to which firms trust the FCA as an organisation and have confidence in FCA staff.

2.1 Overall trust in the FCA

Firms were asked how their trust in the FCA had changed over the last 12 months. As in all previous waves of the survey the majority of fixed firms (82%) and flexible firms (78%) said that their trust in the FCA had stayed the same over the last 12 months **(Figure 2.1)**.

The proportion of fixed firms reporting that their trust in the FCA had changed was broadly consistent with 2023-24, with 7% stating that their trust had increased and a similar proportion reporting that their trust had decreased (11%).

Figure 2.1 – How firms' level of trust in the FCA had changed over the last 12 months by year



Q8. Over the last 12 months, would you say your firm's trust in the FCA has…
Base: All non-consumer credit firms: Fixed – 2024-25 (46); 2023-24 (47); 2022-23 (60); 2021 (58); 2019 (71); 2018 (65); Flexible – 2024-25 (5,349); 2023-24 (6,561); 2022-23 (4,227); 2021 (3,551); 2019 (2,817); 2018 (2,548)

Changes in trust levels for flexible firms were also evenly split, with 11% stating their trust had increased and a similar proportion (10%) stating their trust had decreased. There was no change in the proportion of flexible firms stating that their trust in the FCA had decreased (10% in both 2023-24 and 2024-25). However, the proportion stating that their trust had increased fell from 13% to 11% and there was a comparable increase

in the percentage stating that their trust in the FCA was unchanged (78%, up from 76% in 2023-24).

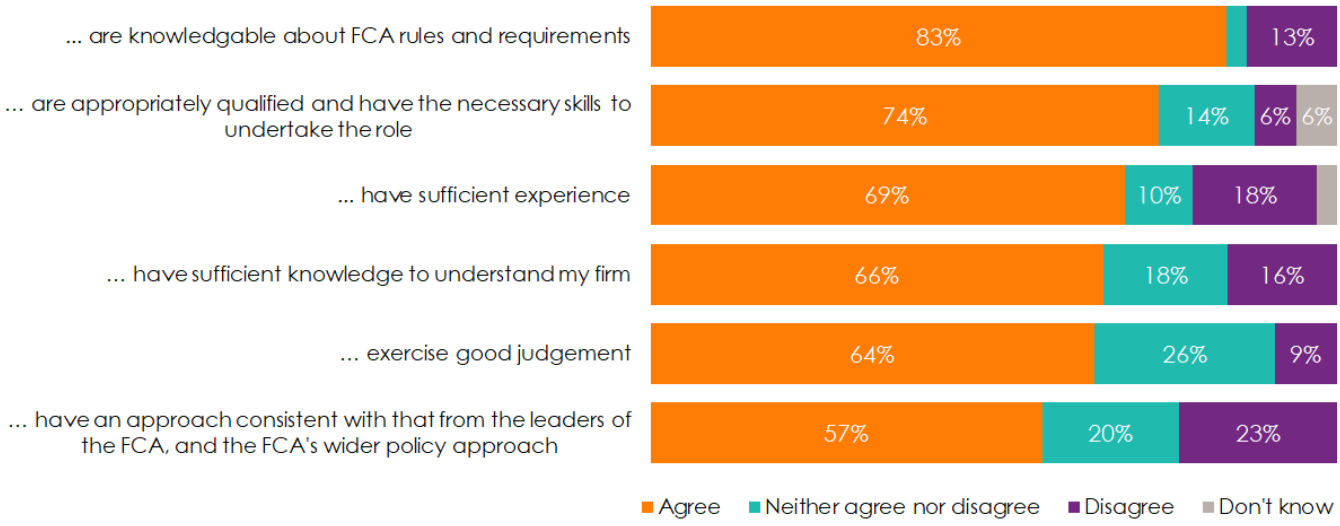
2.2 Assessment of FCA supervisors/staff

Firms were asked to what extent they agreed or disagreed with a series of statements about FCA staff and supervisors. Due to the differences in the way fixed and flexible firms interact with the FCA, fixed firms were asked about supervisors, while flexible firms were asked about FCA staff in general.

Fixed firms were generally positive about FCA supervisors, with 83% agreeing that FCA supervisors are **knowledgeable about FCA rules and requirements**, and 74% agreeing they are **appropriately qualified with the necessary skills to undertake the role**. Furthermore, 69% agreed that **FCA supervisors have sufficient experience**, 66% agreed they **have sufficient knowledge to understand my firm** and 64% agreed they **exercise good judgement**.

Fixed firms were least likely to agree that their FCA supervisors' **approach is consistent with that from the leaders of the FCA and the FCA's wider policy approach**, with 57% agreeing, 23% disagreeing and 20% non-committal ***(Figure 2.2)***.

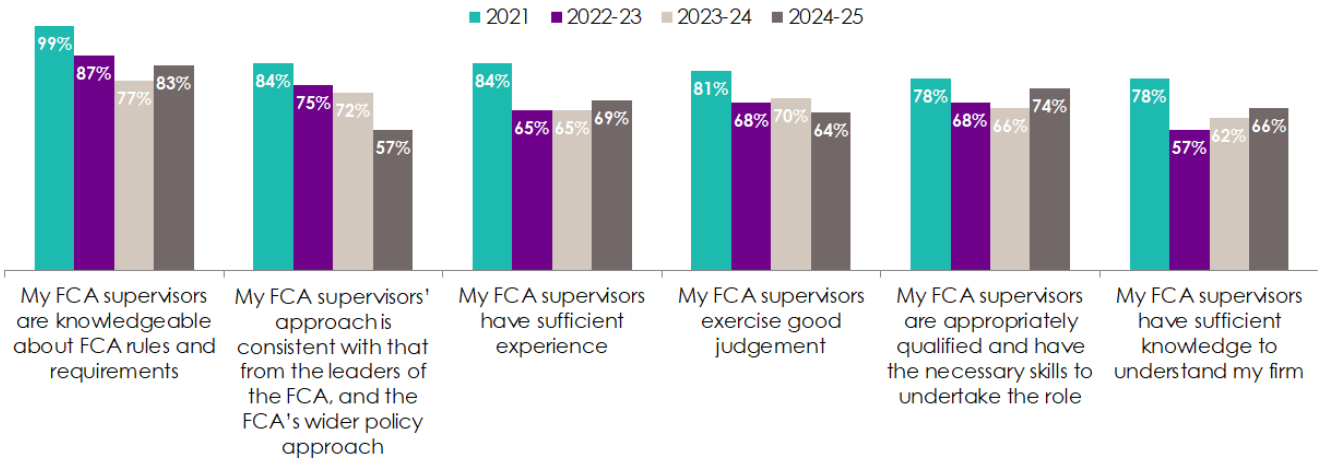
Figure 2.2 – Extent to which *fixed firms* agreed or disagreed that their FCA supervisors…



Q24. In relation to your FCA supervisors, to what extent to do you agree or disagree with the following statements?
Base: All non-consumer credit fixed firms (42)

These levels of agreement were broadly similar to those seen in 2023-24 and 2022-23 but were lower than the levels reported in the 2021 survey. There was, however, a year on year decrease in agreement that FCA supervisors' **approach is consistent with that from the leaders of the FCA, and the FCA's wider policy approach**, which has fallen from 72% in 2023-24 (and 84% in 2021) to 57% in 2024-25 ***(Figure 2.3)***.

Figure 2.3 – Fixed firms' perception of FCA supervisors, by year (% agree)

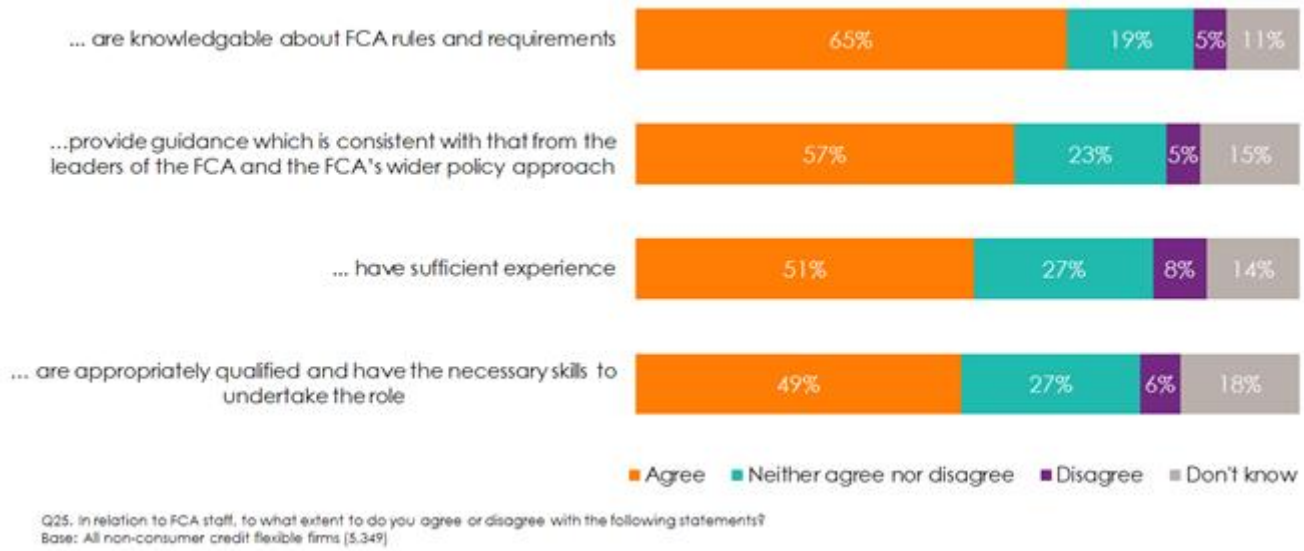


Q24. In relation to your FCA supervisors, to what extent to do you agree or disagree with the following statements?
Base: All non-consumer credit fixed firms: 2021 (58); 2022-23 (60); 2023-24 (47); 2024-25 (42)

Flexible firms were asked a subset of the statements in relation to FCA staff in general rather than the supervisors. Although most flexible firms were positive about the FCA, they generally had a less positive attitude compared with fixed firms and were more likely to give 'don't know' responses. This is perhaps to be expected, as they do not have the same relationship with the FCA as fixed firms.

Overall, 65% of flexible firms agreed that **FCA staff are knowledgeable about FCA rules and requirements**, while 57% agreed that **FCA staff provide guidance which is consistent with that from the leaders of the FCA and the FCA's wider policy approach**. A lower proportion agreed that **FCA staff have sufficient experience** (51%) and are **appropriately qualified and have the necessary skills to undertake the role** (49%). Fewer than one in ten flexible firms disagreed with each of the four statements ***(Figure 2.4)***.

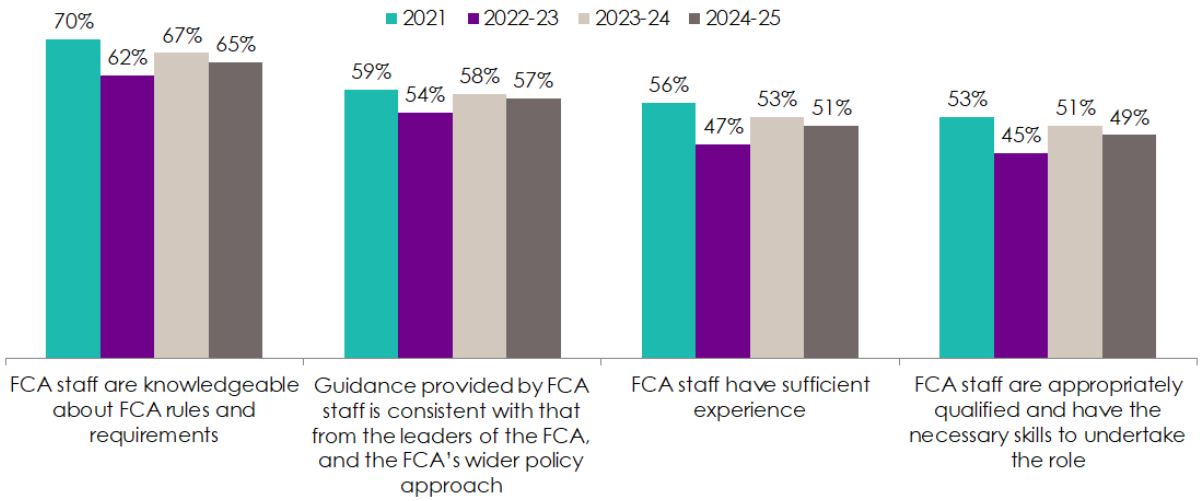
Figure 2.4 -Extent to which *flexible firms* agreed or disagreed that FCA staff…



Q25. In relation to FCA staff, to what extent to do you agree or disagree with the following statements?
Base: All non-consumer credit flexible firms (5,349)

These agreement levels were broadly comparable to the levels seen in 2023-24, with no statistically significant differences year on year across the statements ***(Figure 2.5)***.

Figure 2.5 – Flexible firms' perception of FCA staff, by year (% agree)



Q25. In relation to FCA staff, to what extent to do you agree or disagree with the following statements?
Base: All non-consumer credit flexible firms: 2021 (3,551); 2022-23 (4,227); 2023-24 (6,561); 2024-25 (5,349)

3 Outcome metrics

In 2022, the FCA published its three-year strategy, setting out three themes around which it was strengthening its focus, and 13 commitments to support these themes. Strategy 2022-2025 has now come to an end. This is the last time FCA will report on the progress they set out to achieve. You can find the outcomes and metrics they want to achieve over the next 5 years in their new strategy 2025–2030.

The three themes from Strategy 2022-25 are:

- Reducing and preventing serious harm
- Setting and testing higher standards
- Promoting competition and positive change

The 13 commitments are set out in the FCA's 2024/25 Business Plan. For each commitment, the FCA has identified the outcomes it wishes to achieve for consumers and wholesale markets and has published a series of metrics to monitor progress towards these[5].

The FCA and Practitioner Panel Survey is one of four key data sources that is used to measure progress towards outcomes.[6] The 2022 results established a baseline, with results from this year being used to measure progress against the baseline.

The FCA and Practitioner Panel Survey provides evidence against the following commitments:

- Delivering assertive action on market abuse
- Strengthening the UK's position in global wholesale markets
- Shaping digital markets to achieve good outcomes
- Preparing financial services for the future
- Dealing with problem firms
- Improving oversight of Appointed Representatives
- Minimising the impact of operational disruptions

[5] https://www.fca.org.uk/data/fca-outcomes-metrics#lf-chapter-id-measuring-the-outcomes-of-our-commitments

[6] The other key data sources are the FCA Financial Lives survey (https://www.fca.org.uk/publications/research/financial-lives) the Financial Ombudsman Service (https://www.financial-ombudsman.org.uk/data-insight) and the Financial Services Compensation Scheme (https://www.fscs.org.uk/).

3.1 Delivering assertive action on market abuse

Market abuse undermines the integrity of the UK financial system, eroding confidence and lowering participation, to everyone's detriment. The FCA's aim is to have robust detection and investigation capability and deliver deterrents through a range of supervisory, civil and criminal sanctions.

Outcome: Increased confidence in the integrity of UK markets which maintains high levels of participation across the buy-side and sell-side

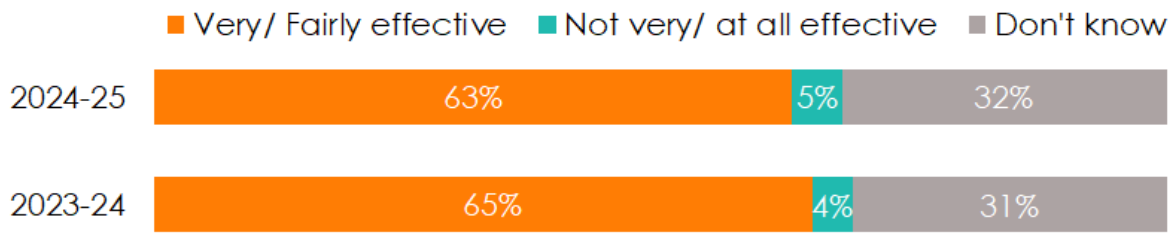
Topline Outcome: Access

Metric:

AMA1-M01: Increase in perceived effectiveness of FCA action to promote market integrity

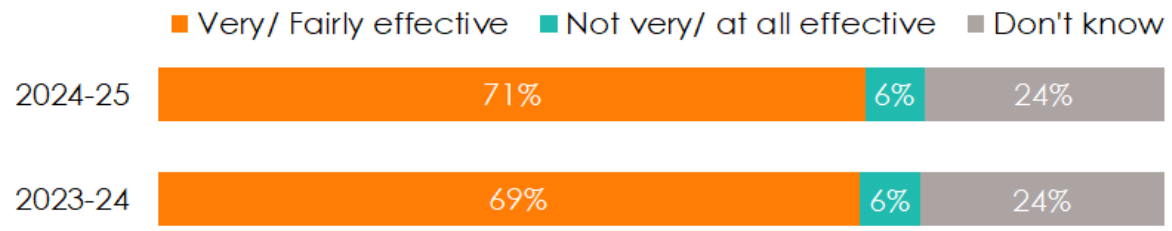
Q35. Over the last 12 months, how effective do you think the FCA has been in protecting UK markets from…

Delayed or misleading disclosures from listed issuers?



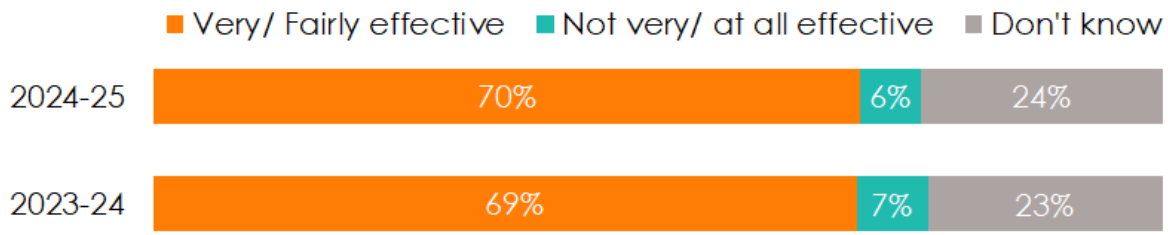
Base: All wholesale markets and investment management firms (2024-25: 1,109; 2023-24: 1,266)

Insider dealing?



Base: All wholesale markets and investment management firms (2024-25: 1,109; 2023-24: 1,266)

Market manipulation?

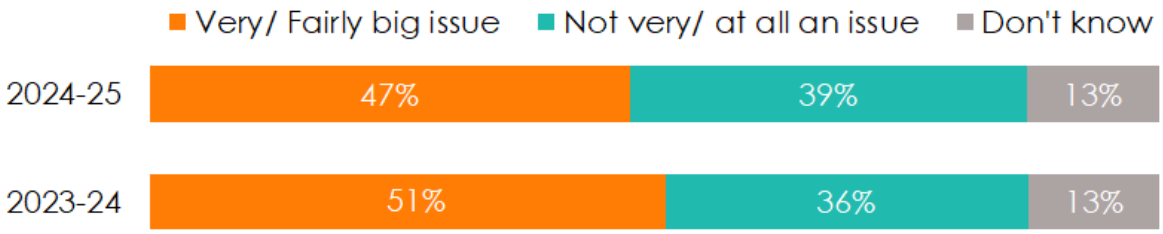


Base: All wholesale markets and investment management firms (2024-25: 1,109; 2023-24: 1,266)

Metric:

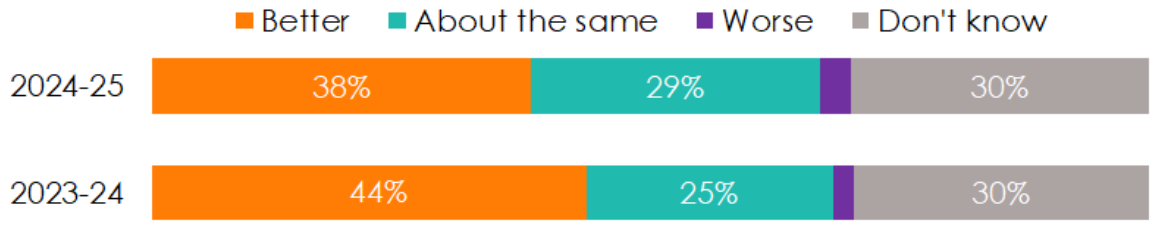
AMA1-M02: Increase in cleanliness of UK markets (compared to other markets) as perceived by market participants

Q34. Overall, how much of an issue do you believe market abuse is in the UK?



Base: All wholesale markets and investment management firms (2024-25: 1,109; 2023-24: 1,266)

Q36. How effective has the FCA been in combatting market abuse in the UK compared to regulators in other global markets?



Base: All wholesale markets and investment management firms (2024-25: 1,109; 2023-24: 1,266)

As shown above, fewer than half of firms operating in the wholesale markets (47%) considered market abuse to be a big issue in the UK, while 39% felt that it was not an issue.

Seven in ten wholesale markets firms considered the FCA to be effective in protecting UK markets from insider dealing (71%) and market manipulation (70%), while 63% said the same in relation to delayed or misleading disclosures from listed issuers.

Most firms operating in wholesale markets either felt that the FCA's effectiveness in combating market abuse was the same as other international regulators (29%) or were unable to give a view (30%). However, wholesale firms were much more likely to feel the FCA was better at combatting market abuse compared with other international regulators (38% of wholesale firms considered the FCA to be better and 3% considered the FCA to be worse than other global regulators).

Comparison with 2023-24

The metrics were broadly consistent with those reported in 2023-24. However, there has been a statistically significant fall in the proportion of wholesale firms who feel that the FCA's effectiveness in combatting market abuse has been better than other international regulators, from 44% in 2023-24 to 38%.

3.2 Strengthening the UK's position in global wholesale markets

There are several metrics attached to this commitment including increasing the perceived effectiveness of the FCA in regulating wholesale markets, increasing the perception of market participants on the strengths of regulation in the wholesale markets, and increasing the perception of market participants on the proportionality of the regulatory regime.

More detailed findings relating to several of the key outcome metrics are presented elsewhere in this report. There is hyperlinked text that reads 'Go to full results' beneath any outcome metric charts to which this applies (see chart immediately below). You can navigate directly to the more detailed findings by clicking on the hyperlinked text while pressing the 'Ctrl' button on your keyboard/screen.

Outcomes: The regulatory framework is clear, well-understood and trusted by all market participants

The framework supports market participants determining fair value

Where outcomes are not being met, this is clearly communicated, and remediation is swiftly undertaken or enforced

Topline Outcome: Confidence

Metric:

GWM1-M01: Increase in perceived effectiveness of FCA's role and impact in regulation of the wholesale markets

To what extent do you agree or disagree?:

Q14a*. The regulatory framework is clear and well-understood by all market participants

Base: All wholesale markets and investment management firms (1,109)

Go to full results

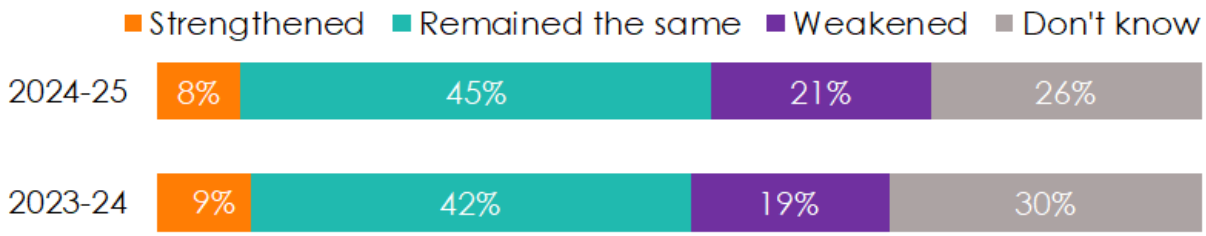
Q14b*. The regulatory framework is trusted by all market participants

Base: All wholesale markets and investment management firms (1,109)

Go to full results

***Results shown for Wholesale Market firms only (inc. Investment Management firms)**

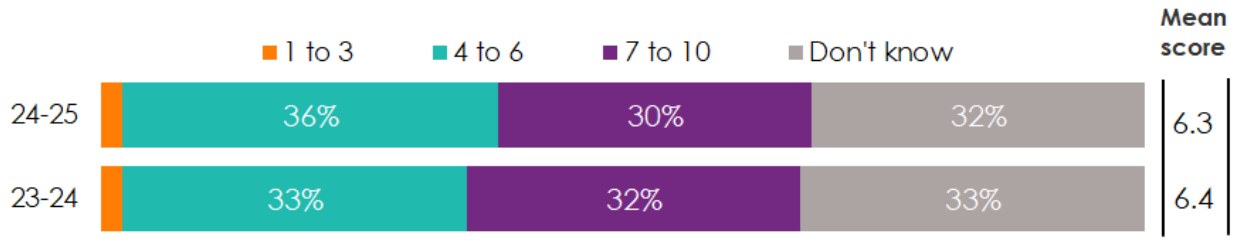
Q32. Over the last 12 months, do you think the UK's position in wholesale markets has…



Base: All wholesale markets and investment management firms (2024-25: 1,109; 2023-24: 1,266)

Q33. Taking everything into account, can you tell us how the FCA's actions have impacted the UK's position in the wholesale markets during this time?

(1-10 Scale: 1 = 'Significant negative impact'; 10 = 'Significant positive impact')



Base: All wholesale markets and investment management firms (2024-25: 1,109; 2023-24: 1,266)

Overall, 45% felt the UK's position in wholesale markets was unchanged over the last year. However, among firms who believed there had been a change, firms were more likely to feel that the UK's position had weakened in the last 12 months rather than having strengthened (21% and 8% of wholesale firms respectively). A sizable minority of firms (26%) said that they did not know.

When asked to assess the impact that the FCA's actions have had on the UK's position in the wholesale markets, 32% were unable to offer a view. Among firms who did provide a response, the average score was 6.3. In addition, 30% gave the FCA a score of 7-10 in terms of their impact on the wholesale markets during the last 12 months, suggesting they thought the FCA's actions had had a positive impact; 36% rated the FCA's actions a score of 4-6, suggesting a more balanced position; while only 2% of firms gave a score of 1-3, suggesting they thought the FCA's action had had a negative impact.

Comparison with 2023-24

The metrics were broadly consistent with those reported in 2023-24. The only change was in the proportion of wholesale firms saying they don't know whether the UK's position in wholesale markets has changed over the last 12 months, which has fallen from 30% in 2023-24 to 26%.

Outcome: The UK is regarded by market participants as one of the top markets of choice, with innovation viewed as encouraged and supported in the UK markets, and regulation viewed as appropriately evolving to address new opportunities and risks

Topline Outcome: Access

Metric:

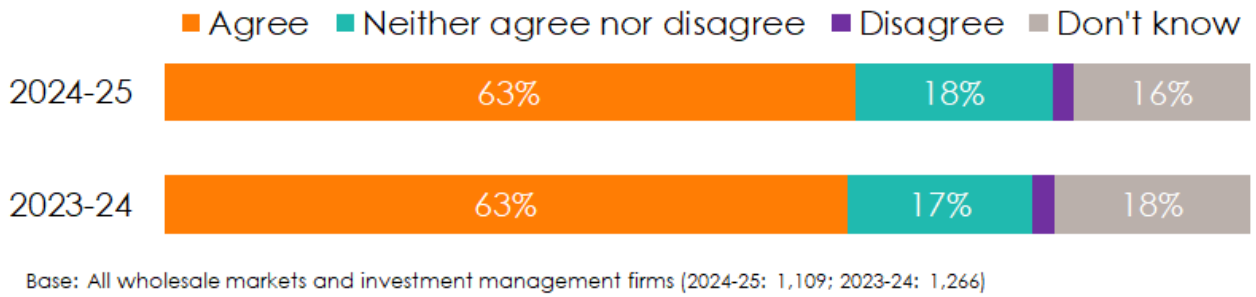
GWM2-M02: Increase in market participants' perception of the strengths of the regulatory regime in the wholesale markets

To what extent do you agree or disagree?:

Q31a. The FCA is effective in regulating wholesale markets

Base: All wholesale markets and investment management firms (2024-25: 1,109; 2023-24: 1,266)

Q31c. FCA regulation ensures the integrity of wholesale markets



Base: All wholesale markets and investment management firms (2024-25: 1,109; 2023-24: 1,266)

Outcome: Market participants regard the regulatory framework as proportionate both in terms of speed and cost

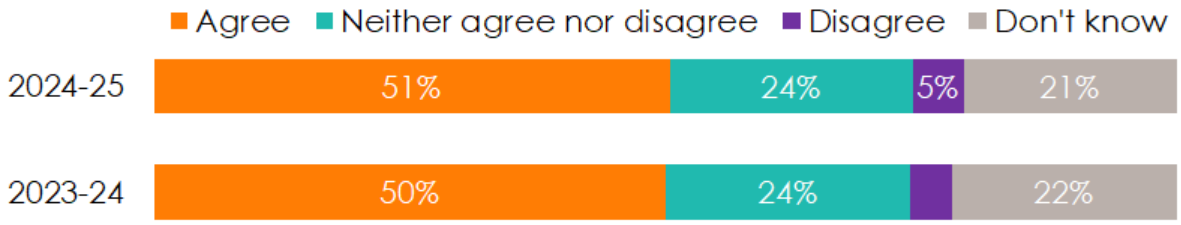
Topline Outcome: Access

Metric:

GWM3-M01: Increase in perception of market participants on the proportionality of the regulatory regime in the wholesale markets

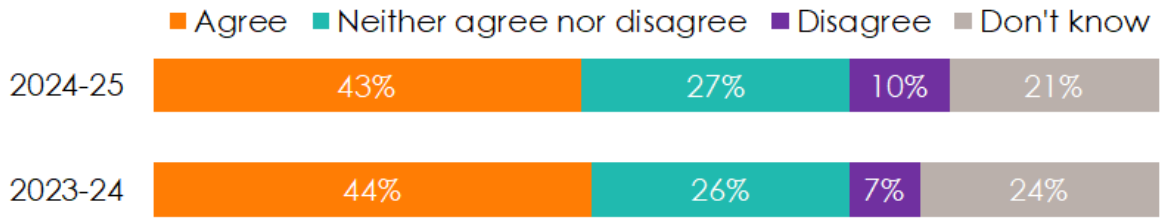
To what extent do you agree or disagree?:

Q31b. FCA regulation supports market participants determining fair value in wholesale markets



Base: All wholesale markets and investment management firms (2024-25: 1,109; 2023-24: 1,266)

Q31d. FCA regulation in wholesale markets is proportional in terms of the benefits versus the costs



Base: All wholesale markets and investment management firms (2024-25: 1,109; 2023-24: 1,266)

Overall, 60% of wholesale firms agreed that the FCA is effective in regulating wholesale markets, while a slightly higher proportion (63%) agreed that FCA regulation ensures the integrity of wholesale markets. Only small numbers of wholesale firms disagreed with either of these statements.

Firms were less likely to agree that FCA regulation supports market participants determining fair value in wholesale markets (51%) or that FCA regulation in wholesale markets is proportional in terms of the benefits versus the costs (43%). Again, however, relatively small numbers of wholesale firms disagreed with either statement (5% and 10%, respectively).

Comparison with 2023-24

The metrics were broadly consistent with those reported in 2023-24. The only change was in the proportion of wholesale firms disagreeing that FCA regulation in wholesale markets is proportional in terms of the benefits versus the costs, which has risen from 7% in 2023-24 to 10%.

Outcomes: Market transparency means participants can make well informed assessments of value and risks

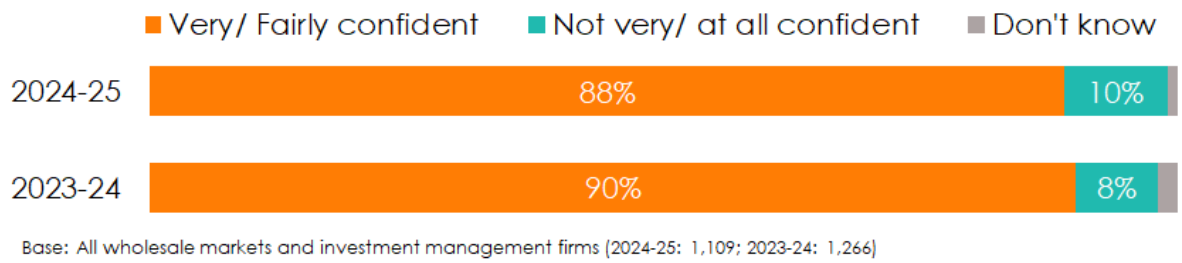
Topline Outcome: Fair value

Metric:

WFV1-M01: Maintain the proportion of firms confident that the FCA's oversight ensures relevant financial markets function well

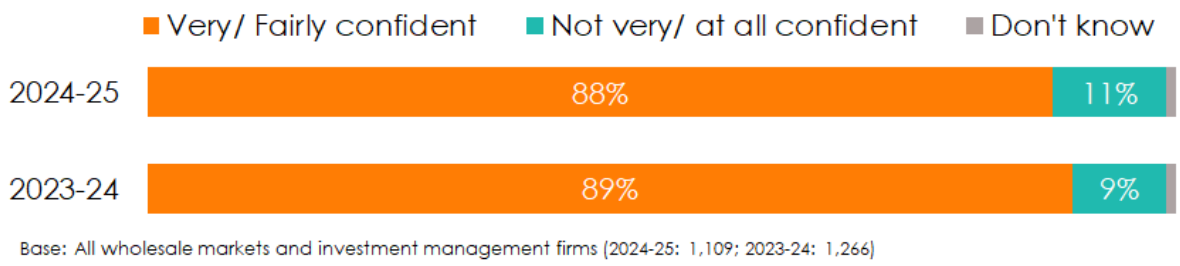
How confident are you that the FCA's oversight of the industry delivers on the following statutory objectives?

Q3a*. Ensuring relevant financial markets function well



Base: All wholesale markets and investment management firms (2024-25: 1,109; 2023-24: 1,266)

Q3c*. Protecting and enhancing the integrity of the UK financial system



Base: All wholesale markets and investment management firms (2024-25: 1,109; 2023-24: 1,266)

***Results shown for Wholesale Market firms only (including Investment Management firms)**

Around nine in ten wholesale firms were confident in the FCA's ability to ensure that relevant financial markets function well (88%) and to protect and enhance the integrity of the UK financial markets (88%).

These results were consistent with those reported in 2023-24.

3.3 Shaping digital markets to achieve good outcomes

The digitalisation of financial services is changing the way consumers make decisions and markets operate. To be an effective regulator, the FCA need to better understand the risks and opportunities to capture the considerable benefits to consumers and manage the significant harms. The FCA's role is to build on work partnering with other regulators and to focus on how to support consumers to make good financial decisions in a digital world.

Outcome: The development of digital markets and the use of new technologies in financial products and services leads to fair value for consumers

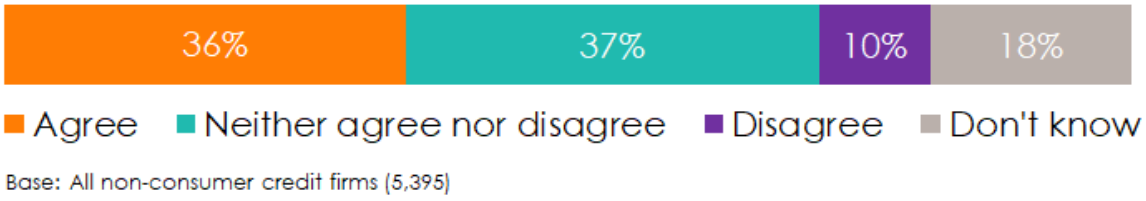
Topline Outcome: Fair access

Metric:

SDM3-M01: Increase in perceived effectiveness of the FCA at supporting the development of digital markets and new technologies in financial services

To what extent do you agree or disagree:

Q16c. The FCA is effective at supporting the development of digital markets and new technologies in financial products and services?



Base: All non-consumer credit firms (5,395)

Go to full results

3.4 Preparing financial services for the future

Following the UK's exit from the EU, the passage of the Financial Services and Markets Act 2023 introduced changes to the regulatory system. The Act gives the FCA expanded powers and an important role in implementing changes which are designed to ensure UK markets remain competitive, innovative and fit for the future.

Outcome: The FRF supports all of our top-line outcomes and creates confidence in financial markets

Topline Outcome: All

Metrics:

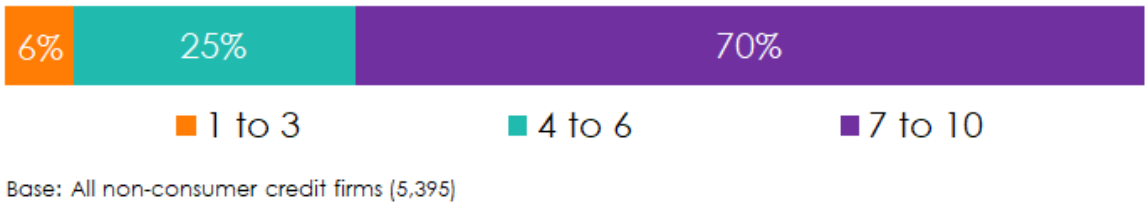
PFS1-M02: Increase in firm's perceived effectiveness of the FCA in regulating financial services

PFS4-M01: Firms feel the FCA can adapt regulatory requirements to respond to innovation and new challenges

Q2. Overall, from your firm's perspective, how effective has the FCA been in regulating the financial services industry in the last year?

(1-10 Scale: 1 = 'Not at all effective'; 10 = 'Extremely effective')

Mean score = 7.2

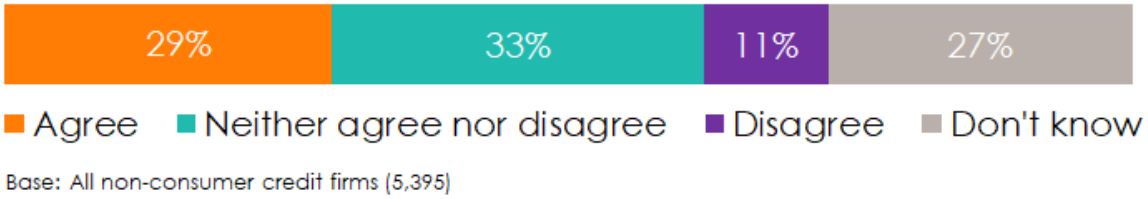


Base: All non-consumer credit firms (5,395)

Go to full results

To what extent do you agree or disagree?:

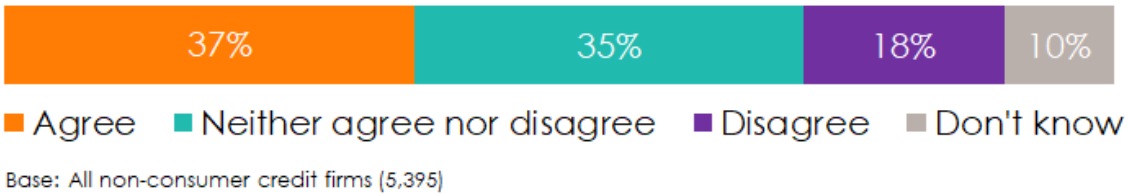
Q14d. The work of the FCA is effective in promoting international trade in the financial services industry



Base: All non-consumer credit firms (5,395)

Go to full results

Q14e. The FCA is able to adapt its regulatory requirements to respond efficiently to innovation and new challenges



Base: All non-consumer credit firms (5,395)

Go to full results

3.5 Dealing with problem firms

Firms which don't meet the FCA's minimum standards put consumers at risk. The FCA uses many different strategies to proactively identify problem firms and to act quickly to deal with them.

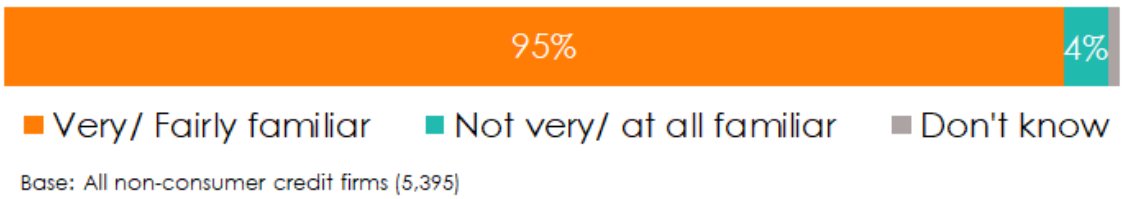
Outcome: Consumers and market participants have confidence that financial services firms which fail to meet the Threshold Conditions and/or should otherwise not be regulated, are identified and cancelled quickly

Topline Outcome: Confidence

Metric:

DPF1-M01: Maintain awareness of, and increase perceived effectiveness of, FCA enforcement action on Threshold Conditions

Q22. How familiar is your firm with the FCA's Threshold Conditions?



Base: All non-consumer credit firms (5,395)

Go to full results

Q23a. To what extent do you agree or disagree?:

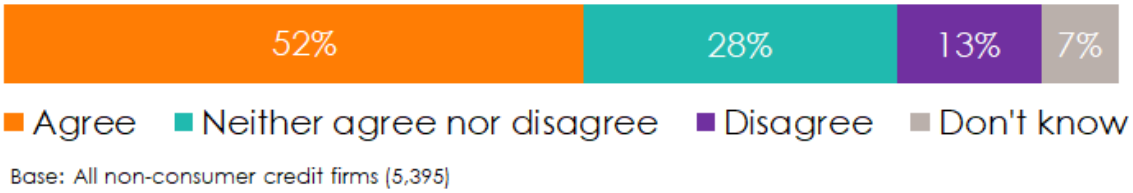
Firms that fail to meet the FCA's Threshold Conditions are identified promptly, with their status withdrawn where appropriate

Base: All non-consumer credit firms (5,395)

Go to full results

Q23b. To what extent do you agree or disagree?:

The FCA is quick to intervene to stop potential harm within the industry



Base: All non-consumer credit firms (5,395)

Go to full results

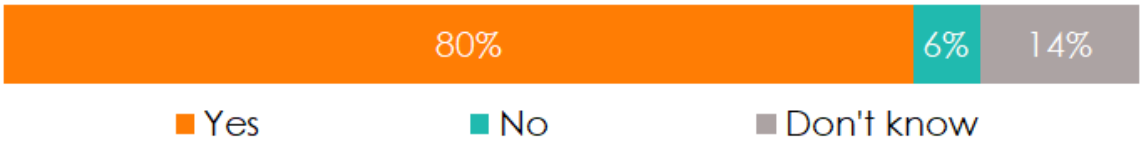
Outcome: Consumers and market participants trust that the FCA intervenes to stop harm to consumers and market integrity quickly

Topline Outcome: Confidence

Metric:

DPF2-M01: Increase in awareness of, and perceived effectiveness of, FCA interventions

Q20*. As far as you are aware, has the FCA withdrawn permissions from any firms or individuals?

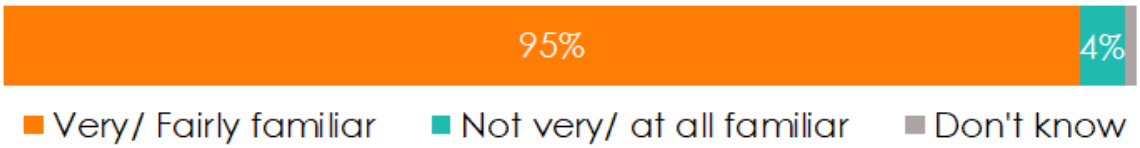


Base: All non-consumer credit firms (5,395)

*** Data has been edited to include firms who selected withdrawn permissions/ authorised status at Q18 ('As far as you're aware, which of the following enforcement actions has the FCA imposed on firms or individuals in the last 12 months?')**

Go to full results

Q22. How familiar is your firm with the FCA's Threshold Conditions?



Base: All non-consumer credit firms (5,395)

Go to full results

3.6 Improving oversight of Appointed Representatives

An Appointed Representative (AR) carries on regulated activity under the responsibility of an authorised firm. The authorised firm is known as the AR's 'principal' and is responsible for the AR's activities, including its compliance with our rules. While the AR regime has benefits, evidence shows that principal firms' do not always adequately oversee the activities of their ARs. The FCA has already taken action to address harms arising from ARs, introduced changes via new rules and guidance to improve principals' oversight of their ARs, greater engagement with, and scrutiny of firms as they appoint ARs, and raise standards across financial services.

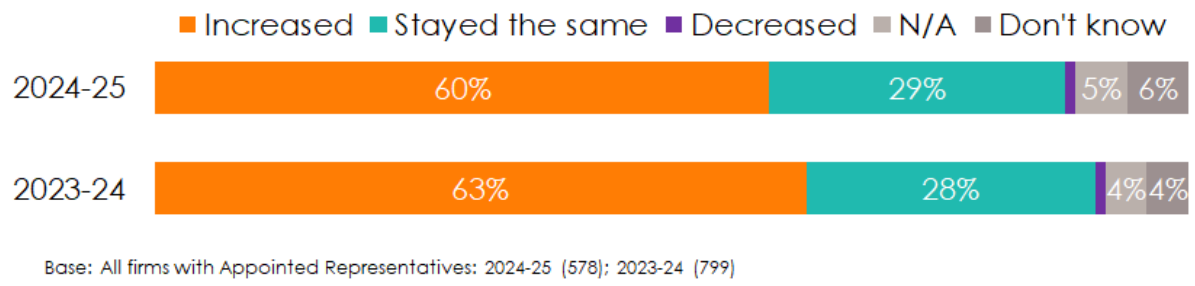
Outcome: Stronger oversight by principals to reduce harm caused through ARs

Topline Outcome: Suitability and treatment/ Confidence

Metric:

OAR3-M01: The proportion of firms who report that oversight of Appointed Representatives in their sector has increased in the last 12 months

Q15. As a result of the FCA's actions in the last 12 months, how have principal firms in your sector changed the way they oversee their Appointed Representatives? Has oversight in your sector…



Base: All firms with Appointed Representatives: 2024-25 (578); 2023-24 (799)

Firms with Appointed Representatives were asked how, as a result of FCA actions over the last 12 months, they felt principal firms in their sector changed the way they oversee their Appointed Representatives. Overall, 60% felt that oversight had increased, while 29% felt that it had stayed the same. Only 1% felt that oversight had decreased.

These results are consistent with those reported in 2023-24.

3.7 Minimising the impact of operational disruptions

Firms must be able to respond to, recover and learn from operational disruptions, as well as prevent future operational disruptions. The FCA has increased efforts to deal with firms who can't meet the new standards on operational resilience and are developing new rules to address the risk that critical third parties present to firms and markets.

The FCA published final rules and policy relating to Operational Resilience in March 2021, and firms had until March 2025 to ensure that they were operating under the new rules. These rules require firms to set impact tolerances for the maximum tolerable disruption to their critical business services, carry out mapping and testing to ensure the business can remain within these impact tolerances, and make the necessary investments to operate within these tolerances.

Outcome: Firms' important business services are resilient to operational disruption

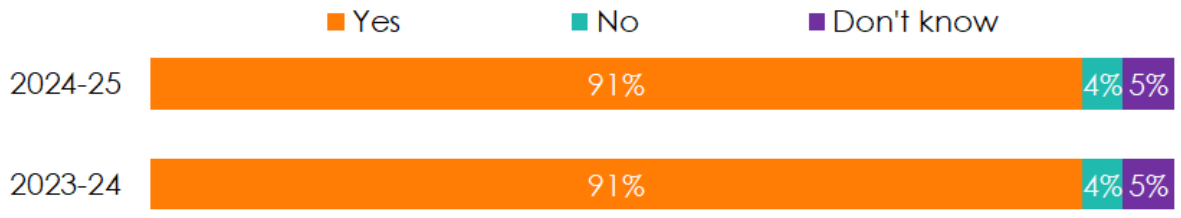
Topline Outcome: Access

Metrics:

IOD1-M02: Maintain awareness of the FCA's work to ensure firms are operationally resilient

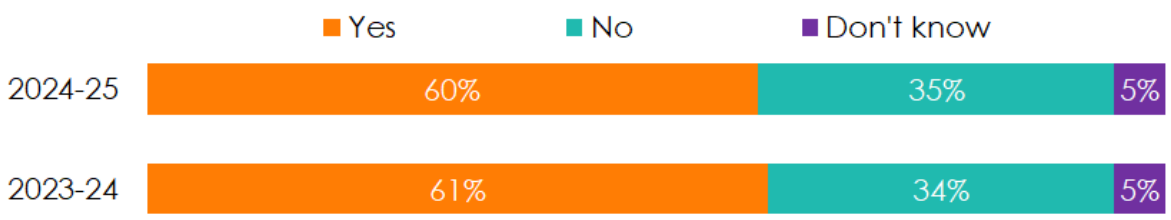
Increase the proportion of firms who, over the past 12 months, say operational resilience has become more of a priority

Q27. Are you aware of the FCA's work to ensure firms are operationally resilient?



Base: All non-consumer credit firms: 2024-25 (5,395), 2023-24 (6,608)

Q28. Would you say that over the last 12 months operational resilience has become more of a priority for your firm?



Base: All non-consumer credit firms: 2024-25 (5,395), 2023-24 (6,608)

Overall, 100% of fixed firms said that they were aware of the FCA's work to ensure that firms are operationally resilient. In addition, 85% said that operational resilience had become more of a priority for them over the previous 12 months.

Responses were more varied among flexible firms. Overall, 91% were aware of the FCA's work to ensure that firms are operationally resilient. However, only 60% flexible firms said that operational resilience had become more of a priority over the previous 12 months, while 35% said that it had not.

For both fixed and flexible firms there has been no change in the prioritisation of their own operational resilience or their awareness of the FCA's work in this area compared with 2023-24.

4 Authorisation and Enforcement

The FCA's previous strategy included a clear commitment to deal with problem firms. This involved:

- Strengthening the authorisation gateway to prevent firms which cannot meet threshold conditions from entering the market.
- Enhanced supervision to intervene earlier and more assertively before problems become systemic.
- Taking enforcement action more quickly to remove or sanction firms that don't meet the necessary standards and pose a risk to consumers.

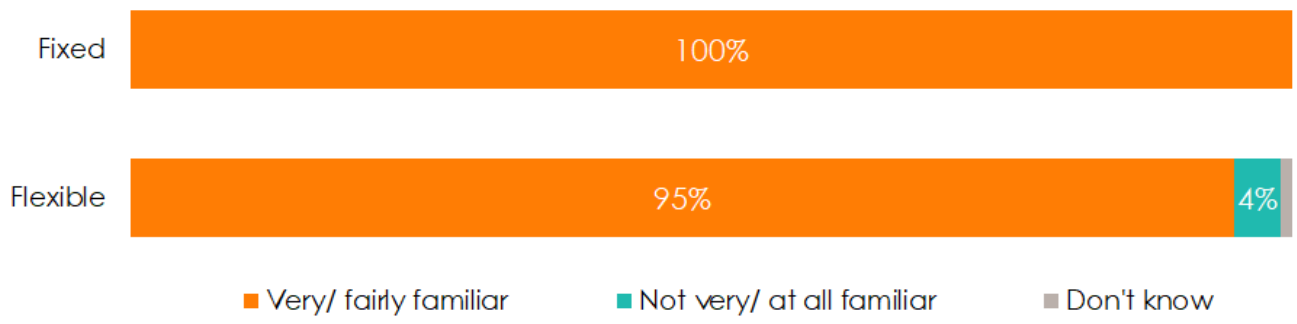
This chapter examines firms' views on different aspects of the FCA's regulatory functions, including the authorisation process, FCA investigations, and its enforcement actions.

4.1 Authorisation process

The FCA's Threshold Conditions represent the minimum conditions which firms are required to satisfy to obtain and maintain authorisation status and relevant permissions.

When asked how familiar they were with the Threshold Conditions, a large majority of both fixed and flexible firms reported that they were familiar to some extent (100% of fixed firms and 95% of flexible firms were either 'very' or 'fairly' familiar) (***Figure 4.1***).

Figure 4.1 - How familiar firms are with the FCA's Threshold Conditions (summary response categories)

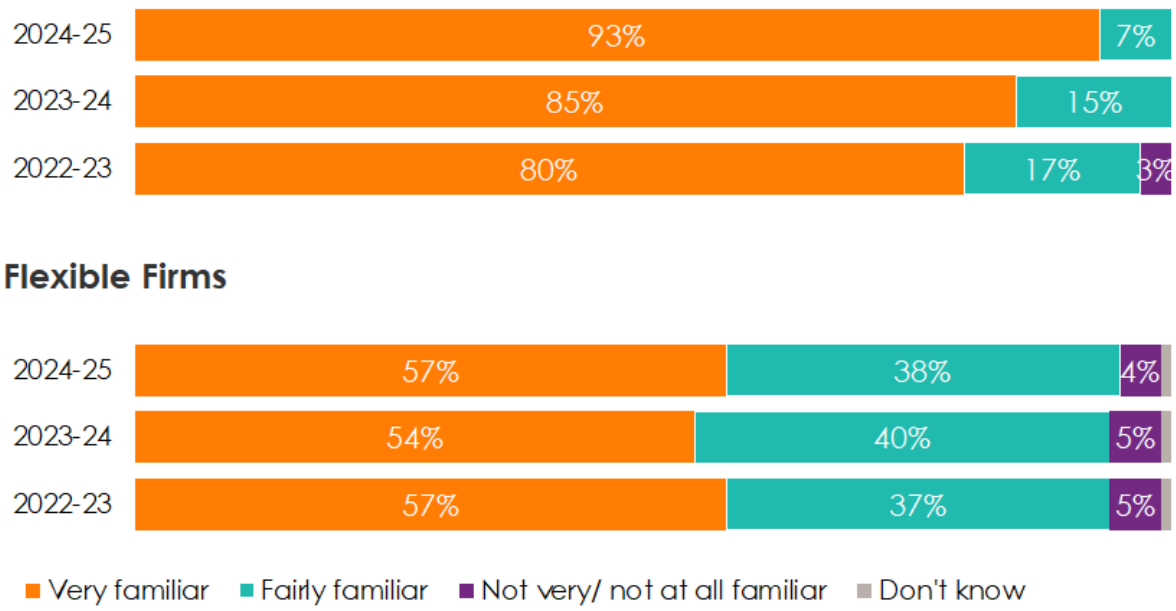


Q22. How familiar is your firm with the FCA's Threshold Conditions?
Base: All non-consumer credit firms; Fixed (46), Flexible (5,349)

Fixed firms tended to have a higher degree of familiarity with the Threshold Conditions than flexible firms ***(Figure 4.2).*** Overall, 93% reported that they were very familiar with them, compared with 57% of flexible firms.

The proportion of fixed firms claiming to be very familiar with the FCA's Threshold Conditions (93%) had increased compared with 2023-24 levels (85%). Flexible firms were also more likely than in 2023-24 to report that they were 'very familiar' with the Threshold Conditions (57%, up from 54%).

Figure 4.2 - How familiar firms are with the FCA's Threshold Conditions by year (detailed response categories)



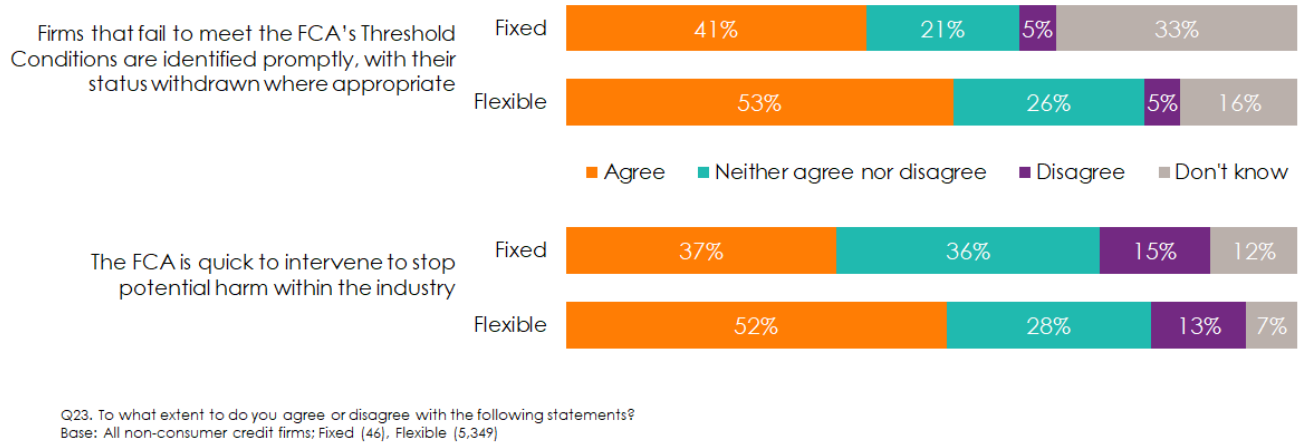
Q22. How familiar is your firm with the FCA's Threshold Conditions?
Base: All non-consumer credit fixed firms: 2022-23 (60); 2023-24 (47); 2024-25 (46); flexible firms: 2022-23 (4,227); 2023-24 (6,561); 2024-25 (5,349)

Firms were also asked their views on how effectively the Threshold Conditions were applied by the FCA. The responses suggest that while firms may be broadly familiar with the Threshold Conditions themselves, they were less certain about how well the FCA applies these conditions to prevent harm ***(Figure 4.3)***.

Overall, 41% of fixed firms agreed that firms that fail to meet the Threshold Conditions are **identified promptly and dealt with appropriately**. While only a small proportion of fixed firms (5%) disagreed with this, 33% didn't know and a further 21% were non-committal.

More than half of flexible firms (53%) agreed that firms that fail to meet the Threshold Conditions are identified promptly and dealt with appropriately, compared with only 5% who disagreed. However, 16% of flexible firms said they didn't know and 26% were non-committal.

Figure 4.3 – Firms agreement with the following statements year on year



Q23. To what extent to do you agree or disagree with the following statements?
Base: All non-consumer credit firms; Fixed (46), Flexible (5,349)

Similarly, when asked whether the FCA is **quick to intervene to stop potential harm within the industry**, 37% of fixed firms agreed while 15% disagreed. However, 36% were non-committal while 12% didn't know.

Flexible firms were again slightly more positive than fixed firms with 52% agreeing, compared with 13% who disagreed. Again, however, a high proportion of flexible firms were non-committal (28%).

4.2 Enforcement action

Firms were asked about their awareness of FCA enforcement actions and their views on the effectiveness of different types of measures at reducing harm to the industry.

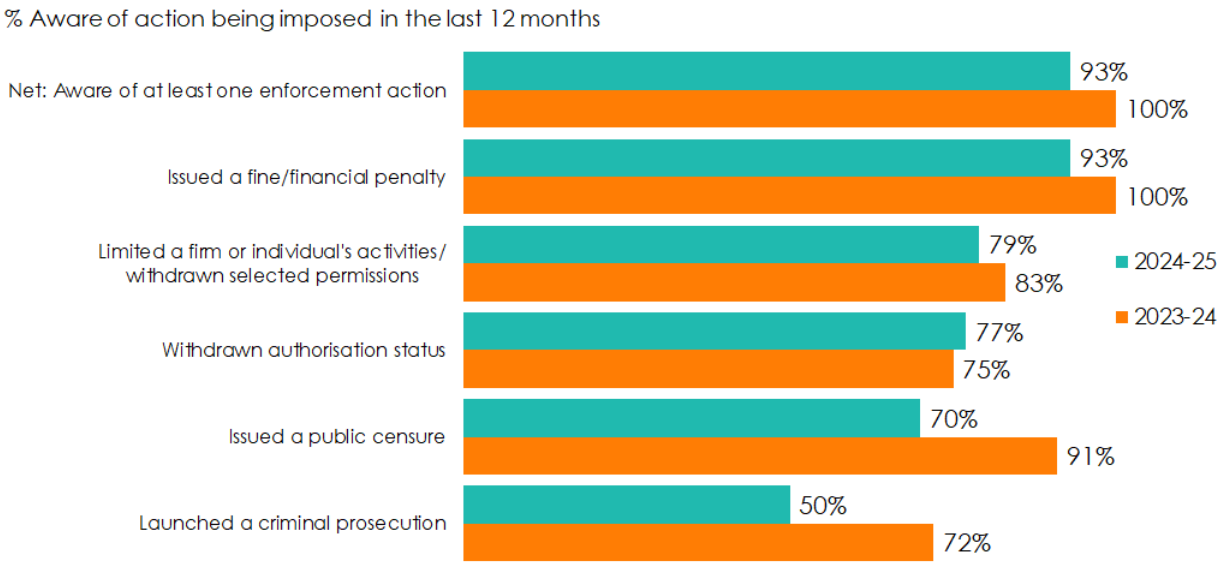
Fixed firms were more aware than flexible firms of enforcement actions taken in the past 12 months. Nearly all fixed firms (93%) were aware of at least one type of enforcement action taken by the FCA (down from 100% of fixed firms in 2023-24) (***Figure 4.4***). By comparison, 84% of flexible firms were aware of at least one type of enforcement action taken by the FCA (up from 81% in 2023-24)(***Figure 4.5***).

Nearly all fixed firms (93%) were aware of the FCA issuing a fine or financial penalty, with 79% aware of the FCA limiting a firm or individual's activities / withdrawing selected permissions and 77% aware of the FCA withdrawing a firm's authorisation status.

While awareness of these specific actions was lower in general among flexible firms, they remained the most commonly known actions overall, with 79% aware of the FCA issuing a fine or financial penalty, 64% aware of the FCA limiting a firm or individual's activities / withdrawing selected permissions and 59% aware of the FCA withdrawing a firm's authorisation status.

While all fixed firms were aware that the FCA had issued a fine/ financial penalty in 2023-24, this fell to 93% in 2024-25. Similarly, there was a fall in the number of fixed firms aware of the FCA issuing a public censure (70%, down from 91%) and aware of the FCA launching a criminal prosecution (50%, down from 72%).

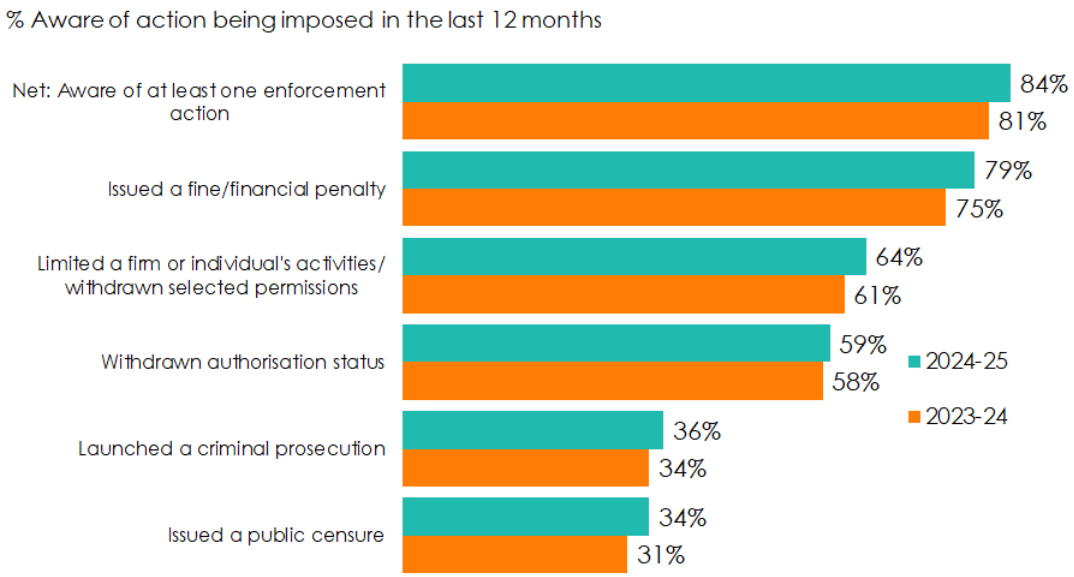
Figure 4.4 – *Fixed firms'* awareness of enforcement actions imposed on firms or individuals by the FCA by year



Q18. As far as you're aware, which of the following enforcement actions has the FCA imposed on firms or individuals in the last 12 months?
Base: All non-consumer credit fixed firms: 2024-25 (46); 2023-24 (47)

Conversely, amongst flexible firms, awareness of most enforcement actions increased year on year, albeit remaining lower than fixed firms. Awareness among flexible firms had increased in terms of the **FCA issuing a fine/ financial penalty** (79%, up from 75% in 2023-24), **limiting a firm or individual's activities/ withdrawn selected permissions** (64%, up from 61%), **launching a criminal prosecution** (36%, up from 34%) and **issuing a public censure** (34%, up from 31%).

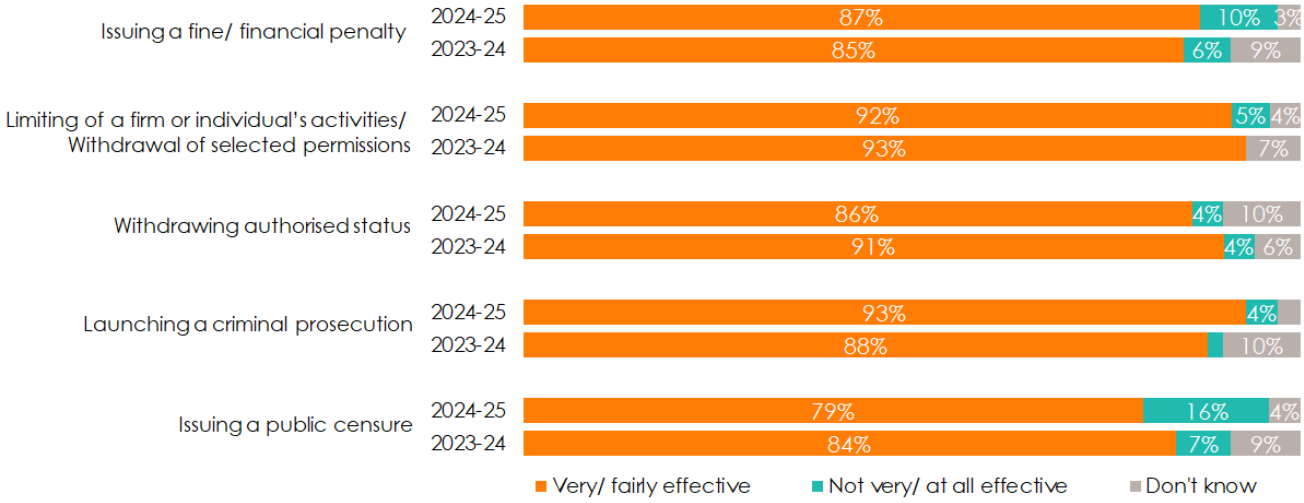
Figure 4.5 – *Flexible firms'* awareness of enforcement actions imposed on firms or individuals by the FCA by year



Q18. As far as you're aware, which of the following enforcement actions has the FCA imposed on firms or individuals in the last 12 months?
Base: All non-consumer credit flexible firms: 2024-25 (5,349); 2023-24 (6,561)

The majority of fixed firms tended to view all of the 5 main enforcement actions as being effective (***Figure*** 4.6), broadly consistent with 2023-24. However, the percentage of fixed firms who considered the issuing of a public censure to be not very/ not at all effective increased from 7% in 2023-24 to 16% in 2024-25 and the proportion who considered limiting a firm or individual's activities to be not very/ not at all effective rose from 0% in 2023-24 to 5% in 2024-25.

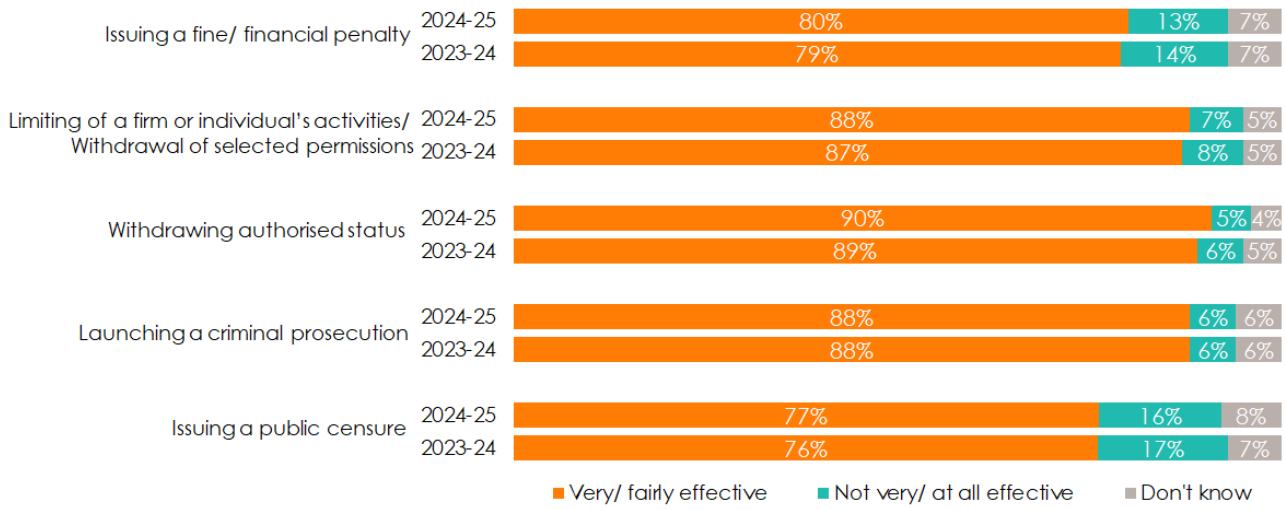
Figure 4.6 – How effective *fixed firms* think FCA enforcement actions have been in reducing further harm to the industry by year



Q19. How effective do you think each of the following enforcement actions has been in reducing further harm to the industry?
Base: All non-consumer credit fixed firms aware of enforcement action being imposed in the last 12 months: Issuing a fine – 2024-25 (43), 2023-24 (47); Limiting activities – 2024-25 (37), 2023-24 (40), Withdrawing authorised status – 2024-25 (36), 2023-24 (36), Launching a criminal prosecution – 2024-25 (25), 2023-24 (34), Issuing a public censure – 2024-25 (33), 2023-24 (43)

While the use of public censure was also more likely to be considered not very/ not at all effective among flexible firms (16%), this was comparable to 2023-24 (17%), with the views of flexible firms across all five enforcement actions consistent year on year (***Figure 4.7***).

Figure 4.7 – How effective *flexible firms* think FCA enforcement actions have been in reducing further harm to the industry by year

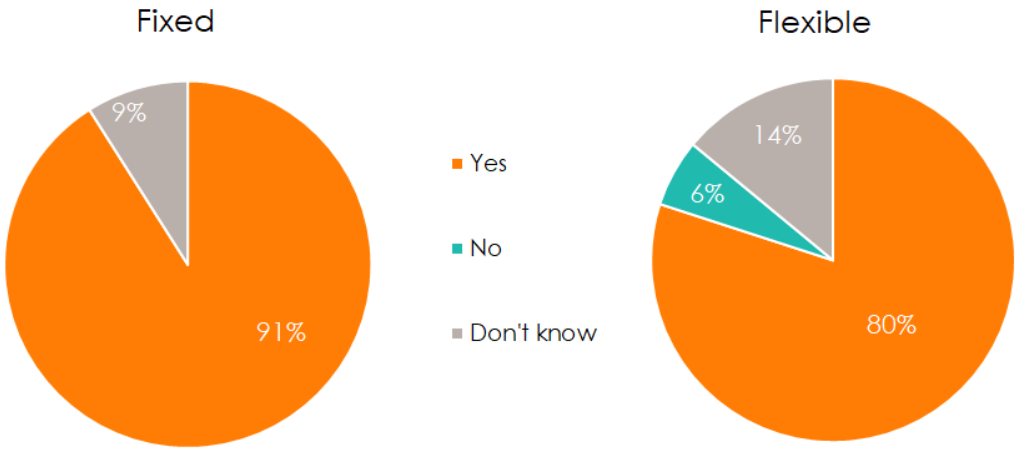


Q19. How effective do you think each of the following enforcement actions has been in reducing further harm to the industry?
Base: All non-consumer credit flexible firms aware of enforcement action being imposed in the last 12 months: Issuing a fine – 2024-25 (4,250), 2023-24 (5,011); Limiting activities – 2024-25 (3,514), 2023-24 (4,136), Withdrawing authorised status – 2024-25 (3,211), 2023-24 (3,884), Launching a criminal prosecution – 2024-25 (2,006), 2023-24 (2,312), Issuing a public censure – 2024-25 (1,876), 2023-24 (2,077)

Looking at a longer timeframe, beyond the 12-month reference period discussed above, firms were asked whether they were aware of the FCA ever withdrawing permissions from any firms or individuals (***Figure 4.8***).

Overall, 91% of fixed firms said they were aware of the FCA having withdrawn permissions, broadly consistent with the 95% recorded in 2023-24. Among flexible firms, 80% were aware of the FCA taking this enforcement action, an increase from 78% in 2023-24, with a similar decrease in the percentage of flexible firms answering don't know.

Figure 4.8 – Whether aware of the FCA withdrawing permissions from any firms or individuals by year

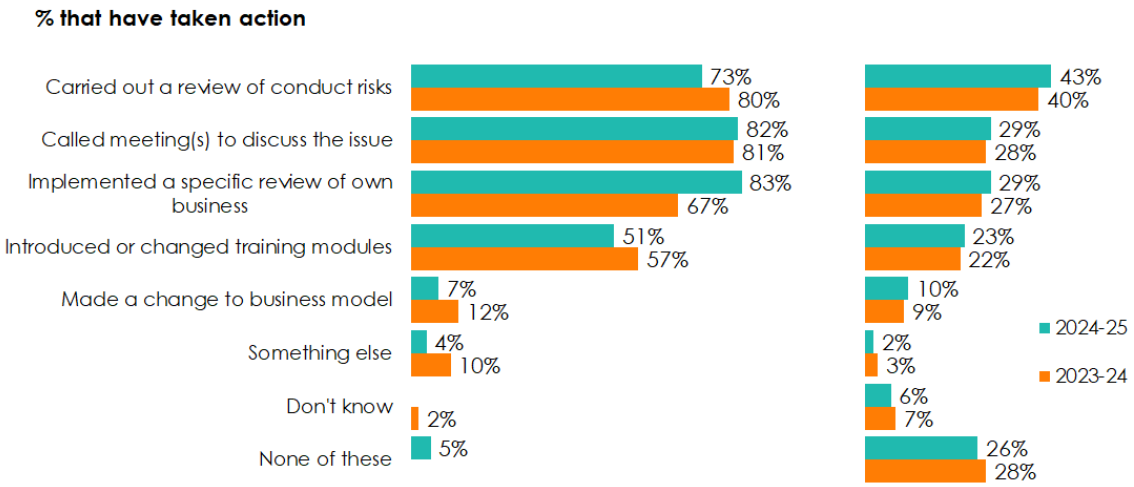


Q18/20. As far as you are aware, has the FCA withdrawn permissions from any firms or individuals?
Base: All non-consumer credit firms who are aware that FCA have limited/withdrawn permissions or authorised status; Fixed (46), Flexible (5,349)

While enforcement action by the FCA is designed to deal directly with problem firms who don't meet the expected standards, awareness of such an action may also have an effect on other firms and encourage firms to review and adapt their standards. To assess the impact of FCA enforcement actions on firms' actual behaviour, firms were asked if they had taken any actions in response to FCA enforcement actions against another firm or individual (***Figure 4.9***).

Fixed firms were more likely than flexible firms to have taken at least one action: 95% of fixed firms stated they had acted as a result of FCA enforcement actions against another firm or individual, compared to 68% of flexible firms.

Figure 4.9 – Actions firms have taken in response to FCA enforcement actions against another firm or individual



Q21. Thinking now about ANY enforcement action the FCA has taken as a result of poor business practices by another firm or individual. What actions, if any, have your firm taken in response to such enforcement action?
Base: All non-consumer credit firms: Fixed – 2024-25 (46), 2023-24 (47); Flexible – 2024-25 (5,349), 2023-24 (6,561)

The most common actions taken by fixed firms were calling meetings to discuss an issue (82%) and implementing a specific review of their own business (83%), with the latter more likely to be cited as an action compared to 2023-24 (67%).

The response by flexible firms was broadly consistent with 2023-24, but there was an increase in the proportion of flexible firms carrying out a review of conduct risks (43%, up from 40% in 2024-25) and a decrease in the number of flexible firms answering none of these (26%, down from 28%).

5 Regulatory burden

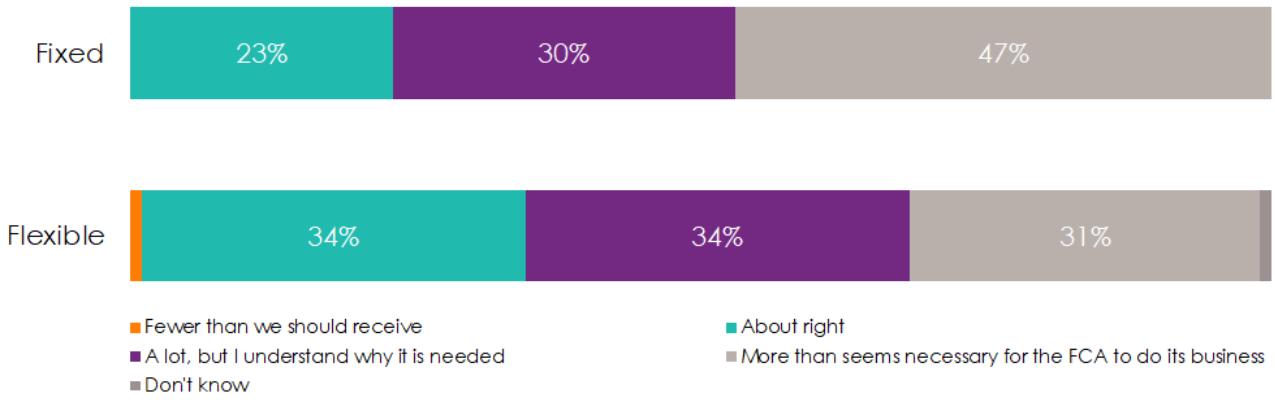
This chapter explores how firms engage with, and are affected by, regulatory requirements.

5.1 Information requests

The FCA may request information and data from the firms it regulates, either on a voluntary basis or through its statutory powers, to support its supervisory and enforcement functions. Firms were asked how they felt about the number of data and information requests they receive from the FCA and their attitudes towards providing such data and information.

In relation to the number of data requests received, 23% of fixed firms felt that the number of data and information requests received was about right, 30% felt they received a lot but understood the reasons for them and 47% felt they received more requests than necessary. (***Figure 5.1***).

Figure 5.1 – How firms felt about the number of data/ information requests they receive

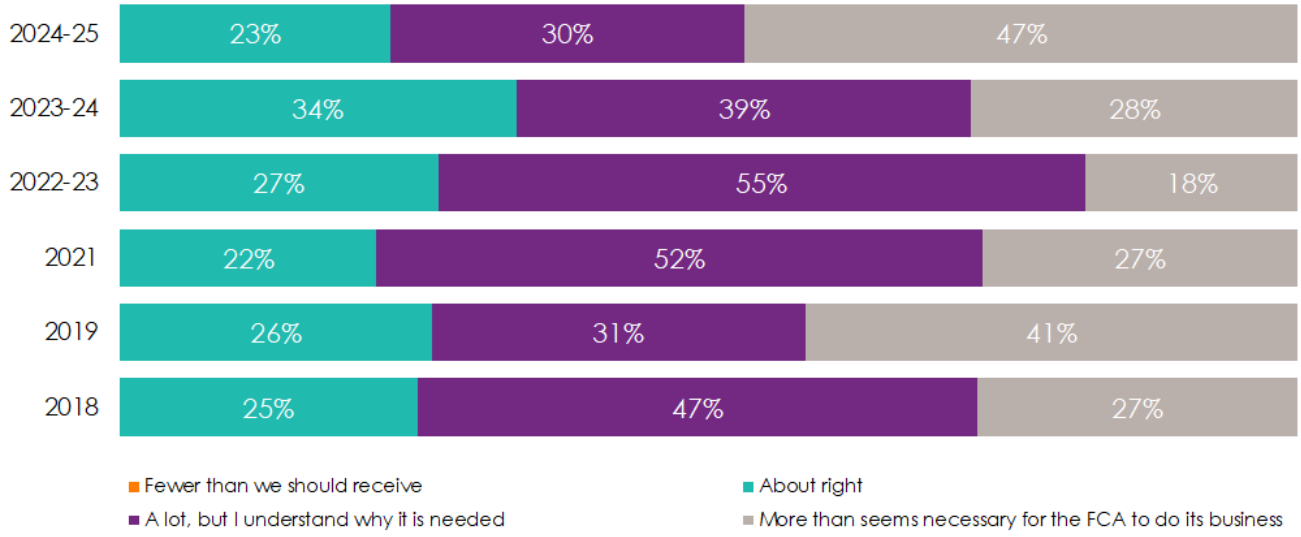


Q29. Which of the following best describes how you feel about the number of data/ information requests your firm receives from the FCA?
Base: All non-consumer credit firms; Fixed (46), Flexible (5,349)

By comparison, flexible firms were broadly split with 34% feeling that the number of data and information requests received was about right, 34% felt that they received a lot, but understood the reasons for them, while 31% felt there were more requests than necessary.

Concern among fixed firms had notably grown since 2023-24, with an increase in the number of firms who felt they received more requests than necessary (47%, up from 28%) (***Figure 5.2***).

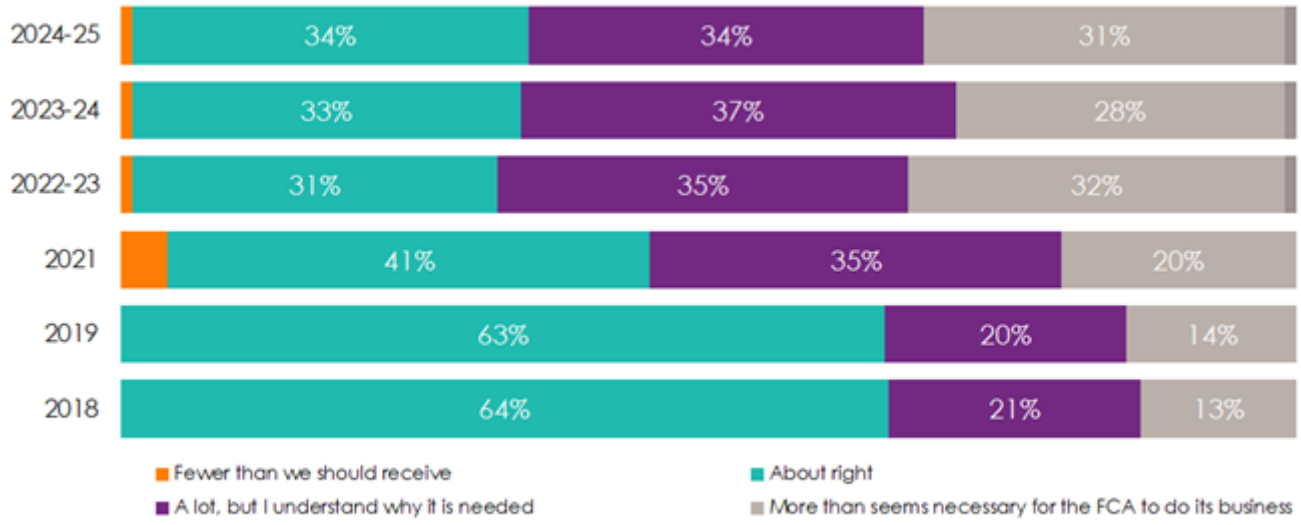
Figure 5.2 - How *fixed firms* felt about the number of data/ information requests they receive by year



Q29. Which of the following best describes how you feel about the number of data/ information requests your firm receives from the FCA?
Base: All non-consumer credit fixed firms: 2018 (65); 2019 (71); 2021 (58); 2022-23 (60); 2023-24 (47); 2024-25 (46)

The views of flexible firms have been more consistent over recent survey waves. However, while the proportion who considered the number of requests to be about right was broadly consistent (34%, compared to 33% in 2023-24), the proportion who considered the number of data/ information requests to be 'more than seems necessary' has increased from 28% in 2023-24 to 31% in 2024-25 (***Figure 5.3***).

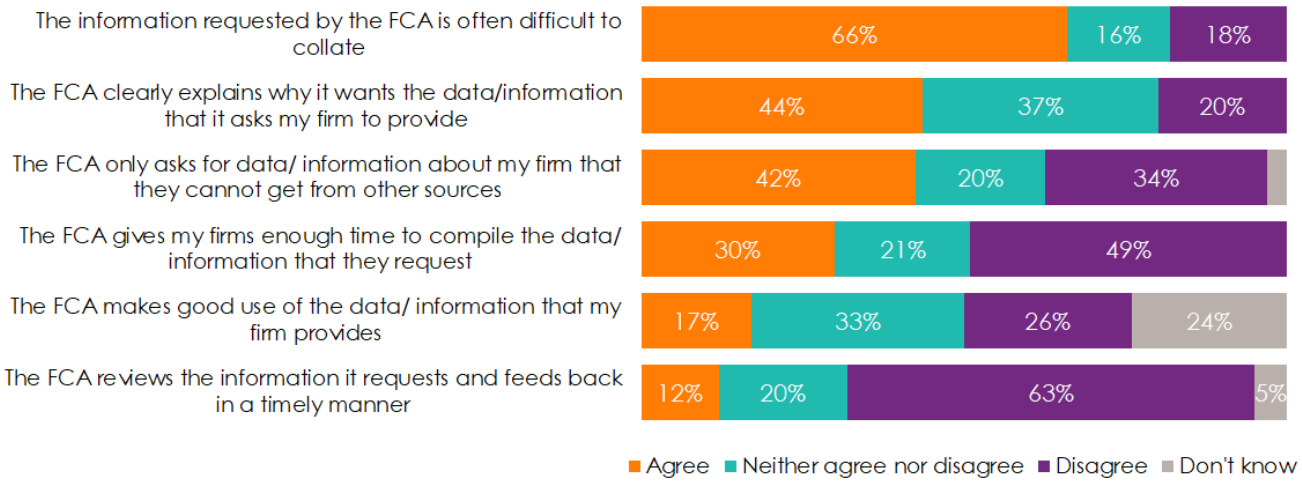
Figure 5.3 - How *flexible firms* felt about the number of data/ information requests they receive by year



Q29. Which of the following best describes how you feel about the number of data/ information requests your firm receives from the FCA?
Base: All non-consumer credit flexible firms: 2018 (2,548); 2019 (2,817); 2021 (3,551); 2022-23 (4,227); 2023-24(6,561); 2024-25 (5,349)

Firms were also asked about their attitude to specific aspects of the data and information requests they receive from the FCA. As was the case in 2023-24, views of fixed firms were notably less positive than flexible firms, possibly reflecting the greater complexity of the information requests they receive (***Figure 5.4***).

Figure 5.4 – Extent to which *fixed firms* agreed or disagreed with the following statements about data/ information requests received from the FCA



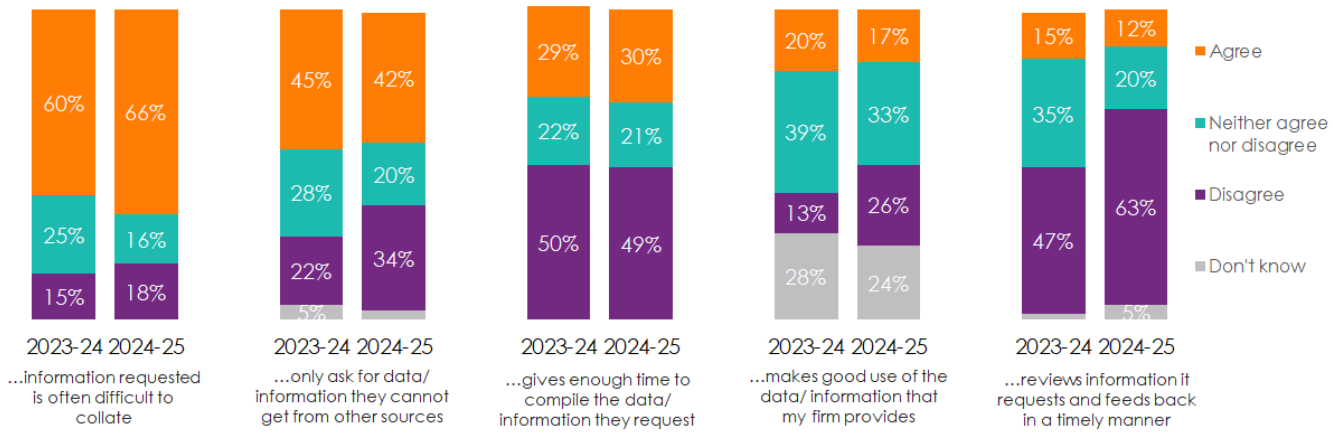
Q30. To what extent do you agree or disagree with the following statements about data/ information requests your firm receives from the FCA?
Base: All non-consumer credit fixed firms (46)

Overall, 66% of fixed firms agreed that the **information requested by the FCA is often difficult to collate**. To compound this, 49% *disagreed* the FCA gives firms **enough time to compile the data / information that they request** (***Figure 5.5***).

There was an increase in the proportion of fixed firms disagreeing that the FCA:

- **reviews the information it requests and feeds back in a timely manner** (63%, up from 47% in 2023-24)
- **only asks for data/ information that they cannot get from other sources** (34%, up from 22% in 2023-24)
- **makes good use of the data/ information provided** (26%, up from 13% in 2023-24).

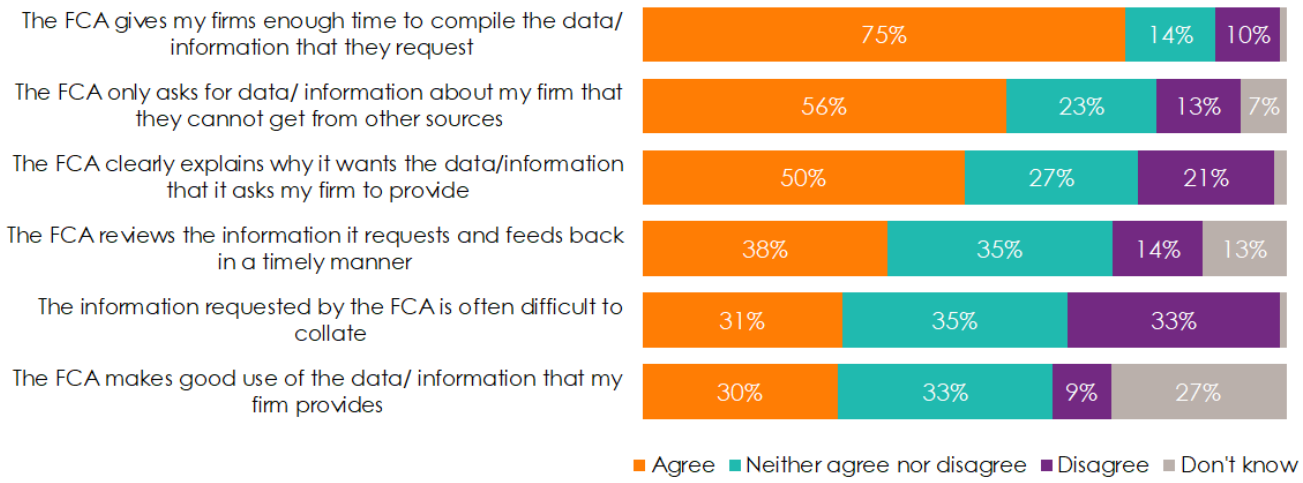
Figure 5.5 - *Fixed firms'* attitudes about data/ information requests received from the FCA by year



Q30. To what extent do you agree or disagree with the following statements about data/ information requests your firm receives from the FCA?
Base: All non-consumer credit fixed firms 2023-24 (47); 2024-25(46)

By comparison, the attitudes of flexible firms were more positive than fixed firms for all statements ***(Figure 5.6)***.

Figure 5.6 – Extent to which *flexible firms* agreed or disagreed with the following statements about data/ information requests your firm receives from the FCA

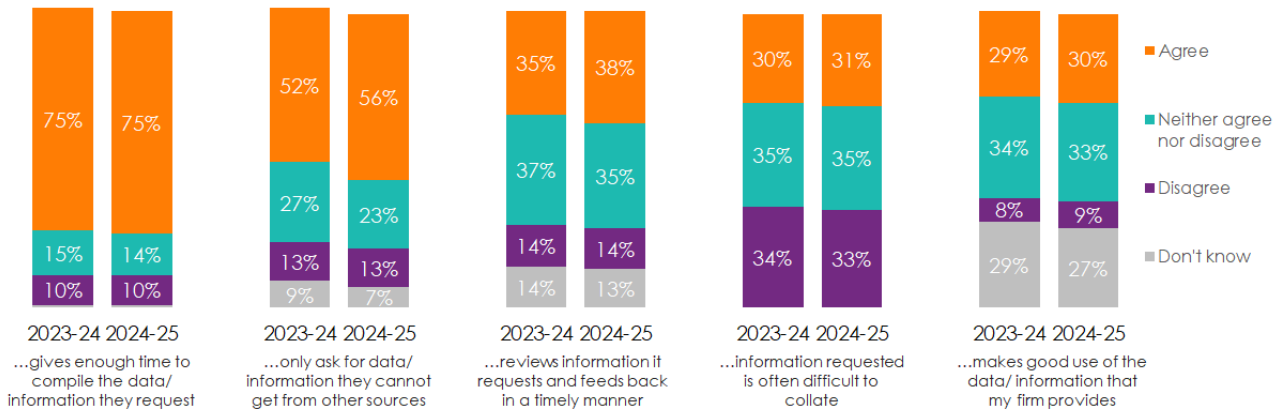


Q30. To what extent do you agree or disagree with the following statements about data/ information requests your firm receives from the FCA?
Base: All non-consumer credit flexible firms (5,349)

Overall, 75% of flexible firms agreed that the **FCA gives enough time to process requests**, with 10% disagreeing. There was an increase in the proportion of flexible firms which agreed that the **FCA only asks for data/ information they cannot get from other sources** (56%, up from 52% in 2023-24) ***(Figure 5.7)***. Half (50%) agreed that the **FCA clearly explains why it wants the data / information** (while 21% disagreed).

While around three in ten flexible firms agreed that the **information requested is often difficult to collate** (31%), a similar proportion (33%) disagreed. There was an increase in the proportion of flexible firms which agreed that the **FCA reviews and feeds back in a timely manner** (38%, up from 35% in 2023-24). Firms were more likely to agree (30%) than to disagree (9%, up slightly from 8% in 2023-24) that the **FCA makes good use of the data.**

Figure 5.7 – *Flexible firms'* attitudes about data/ information requests received from the FCA by year

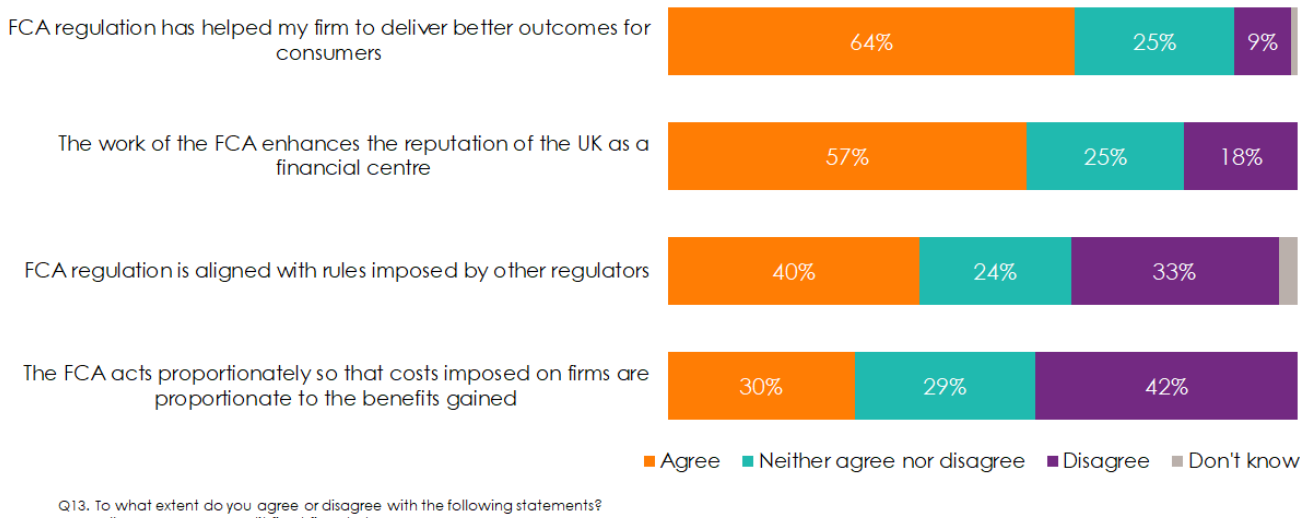


Q30. To what extent do you agree or disagree with the following statements about data/ information requests your firm receives from the FCA?
Base: All non-consumer credit flexible firms 2023-24 (6,561); 2024-25(5,349)

5.2 Impact of regulation

Firms were shown a series of statements to gauge their views on the impact of FCA regulation on the industry as a whole ***(Figure 5.8)***.

Figure 5.8 – *Fixed firms'* agreement with statements about FCA regulation



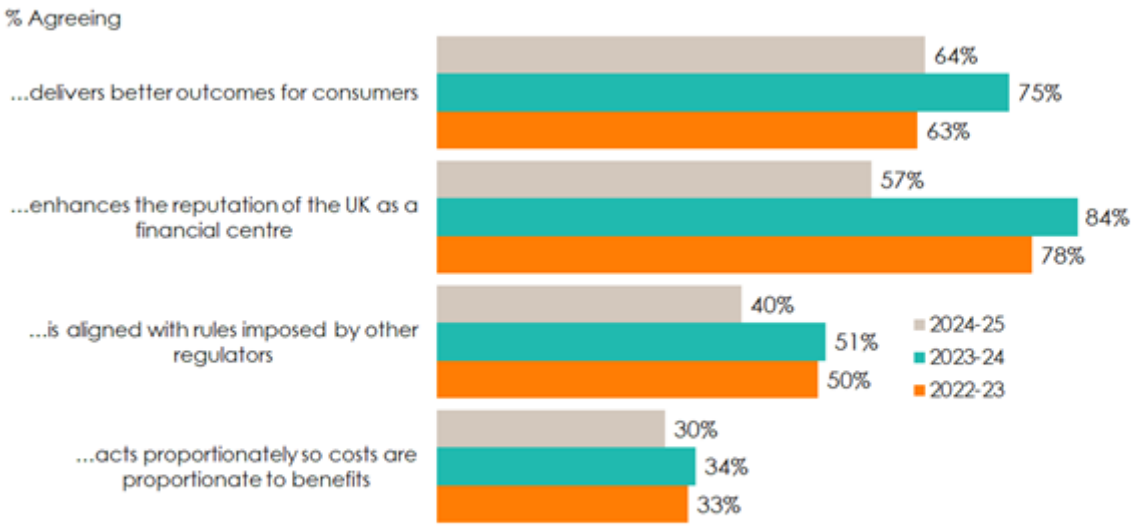
Q13. To what extent do you agree or disagree with the following statements?
Base: All non-consumer credit fixed firms (46)

Overall, 64% of fixed firms agreed that FCA regulation **delivers better outcomes for consumers.** There was a statistically significant decrease in the proportion of fixed firms agreeing that FCA regulation enhances the reputation of the UK as a financial centre (57%, down from 84% in 2023-24) (***Figure 5.9***).

Overall, 40% of fixed firms agreed that FCA regulation is **aligned with rules imposed by other regulators**, but 33% disagreed. Furthermore, 42% disagreed that the FCA **acts proportionately in terms of weighing up costs against benefits**, with 30% agreeing and the remaining 29% being non-committal.

There was also a decrease in agreement that **FCA regulation has helped their firm to deliver better outcomes for consumers** (64%, down from 75% in 2023-24).

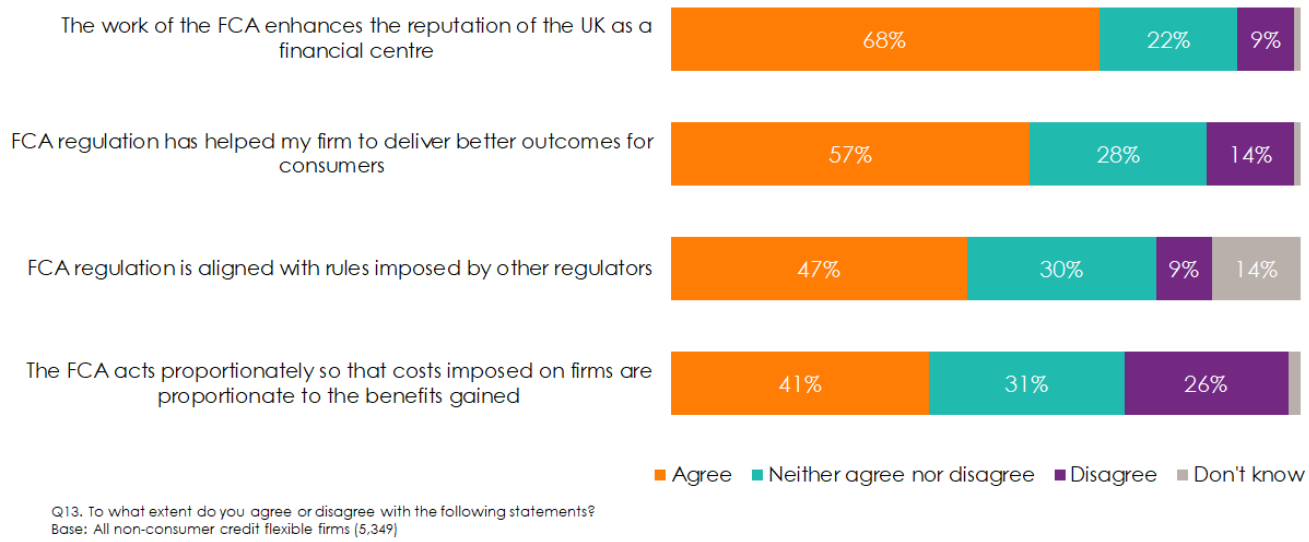
Figure 5.9 – *Fixed firms'* agreement with statements about FCA regulation by year



Q13. To what extent do you agree or disagree with the following statements?
Base: All non-consumer credit firms: Fixed – 2024-25 (46); 2023-24 (47); 2022-23 (60)

By comparison, 68% of flexible firms agreed that FCA **regulation enhances the reputation of the UK as a financial centre** (down from 73% in 2023-24) and 57% agreed that FCA regulation **delivers better outcomes for consumers** (down from 60% in 2023-24) (***Figures 5.10 and 5.11***).

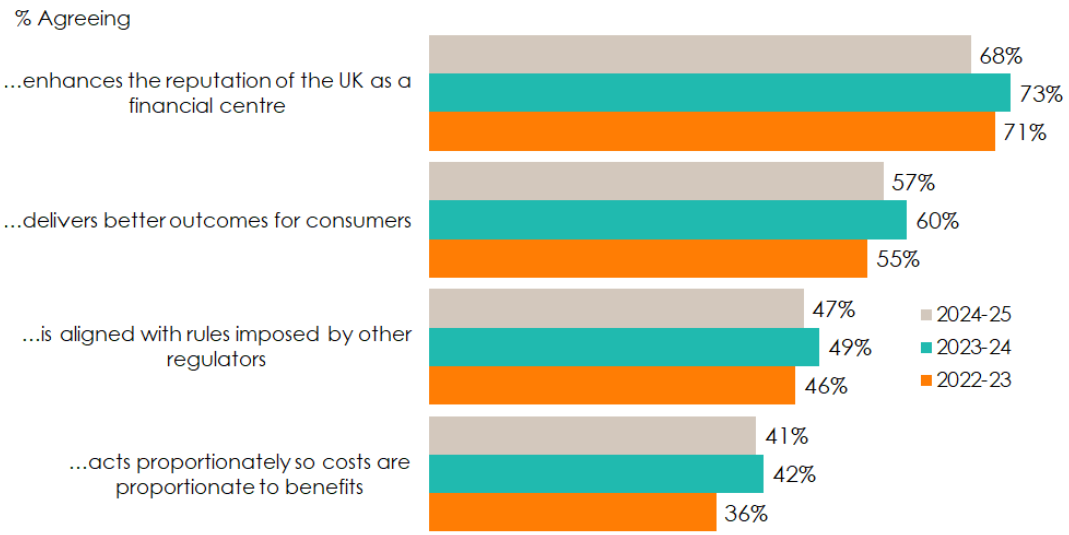
Figure 5.10 – *Flexible firms'* agreement with statements about FCA regulation



Q13. To what extent do you agree or disagree with the following statements?
Base: All non-consumer credit flexible firms (5,349)

Furthermore, 47% of flexible firms agreed at FCA regulation is **aligned with rules imposed by other regulators** (down from 49% in in 2023-24), while 41% agreed that the FCA **acts proportionately in terms of weighing up costs against benefits**, with 26% disagreeing and the remaining 31% non-committal.

Figure 5.11 – *Flexible firms'* agreement with statements about FCA regulation by year

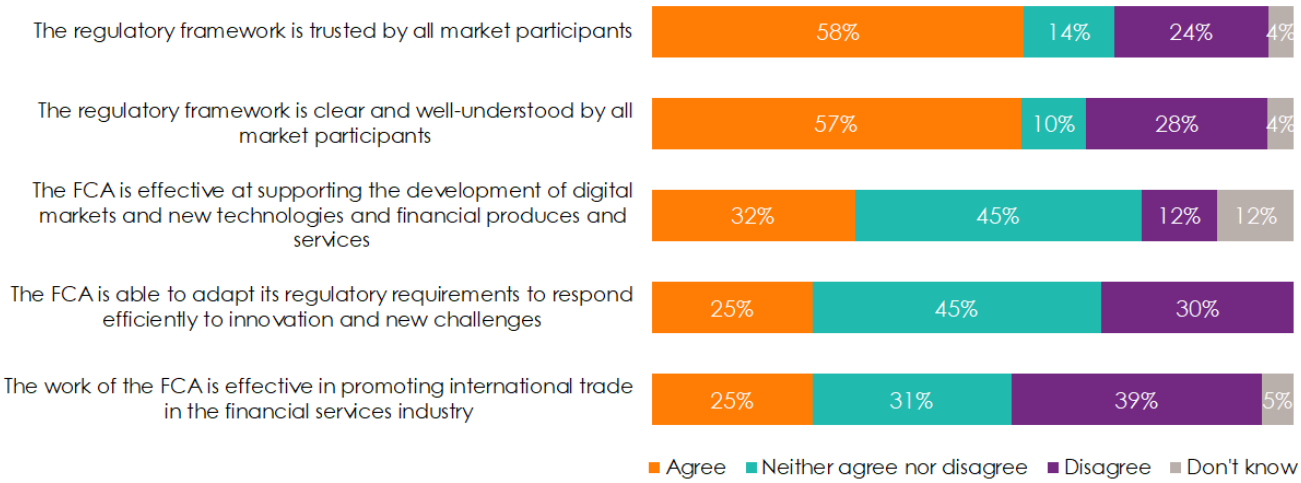


Q13. To what extent do you agree or disagree with the following statements?
Base: All non-consumer credit firms; Flexible – 2024-25 (5,349); 2023-24 (6,561); 2022-23 (4,227)

Firms were also shown an additional battery of statements relating to FCA regulation and the regulatory framework.

On a positive note, 58% of fixed firms agreed the **regulatory framework is trusted by all market participants**, while a similar proportion (57%) agreed the **regulatory framework is clear and well-understood**, although 24% and 28% disagreed, respectively (***Figure 5.12***).

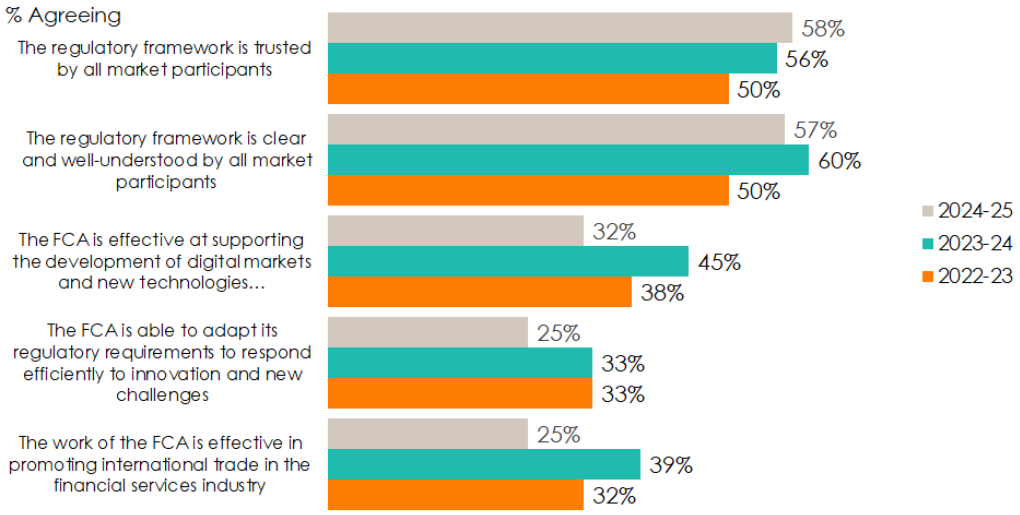
Figure 5.12 – *Fixed firms'* agreement with statements about FCA regulatory framework



Q14. To what extent do you agree or disagree with the following statements?
Base: All non-consumer credit fixed firms (46)

However, only 32% agreed that the FCA is effective at **supporting the development of digital markets** (down from 45% in 2023-24). Only 25% agreed that the FCA is able to **adapt its regulatory requirements to respond efficiently to innovation and new challenges** and 25% agreed it is **effective in promoting international trade in financial services** (down from 39% in 2023-24) (***Figure 5.13***).

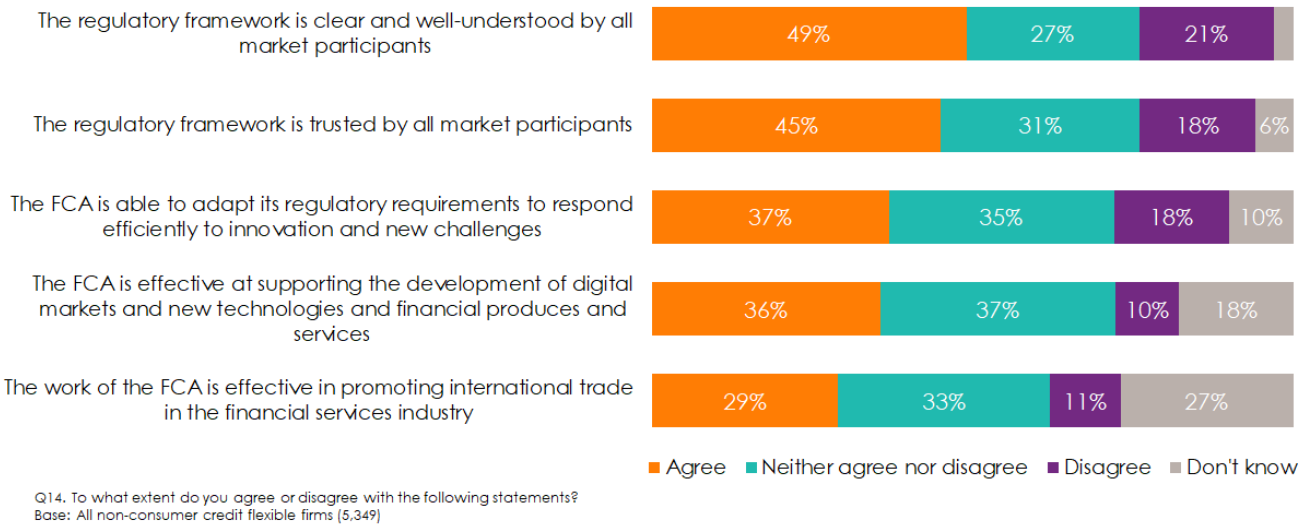
Figure 5.13 – *Fixed firms*' agreement with statements about FCA regulatory framework by year



Q14. To what extent do you agree or disagree with the following statements?
Base: All non-consumer credit firms: Fixed – 2024-25 (46); 2023-24 (47); 2022-23 (60)

Flexible firms were also most likely to agree that the **regulatory framework is clear and well-understood** (49%) and the **regulatory framework is trusted by all market participants** (45%, down from 48% in 2023-24) (***Figures 5.14 and 5.15***). However, these agreement levels are lower than those of fixed firms.

Figure 5.14 – *Flexible firms'* agreement with statements about FCA regulatory

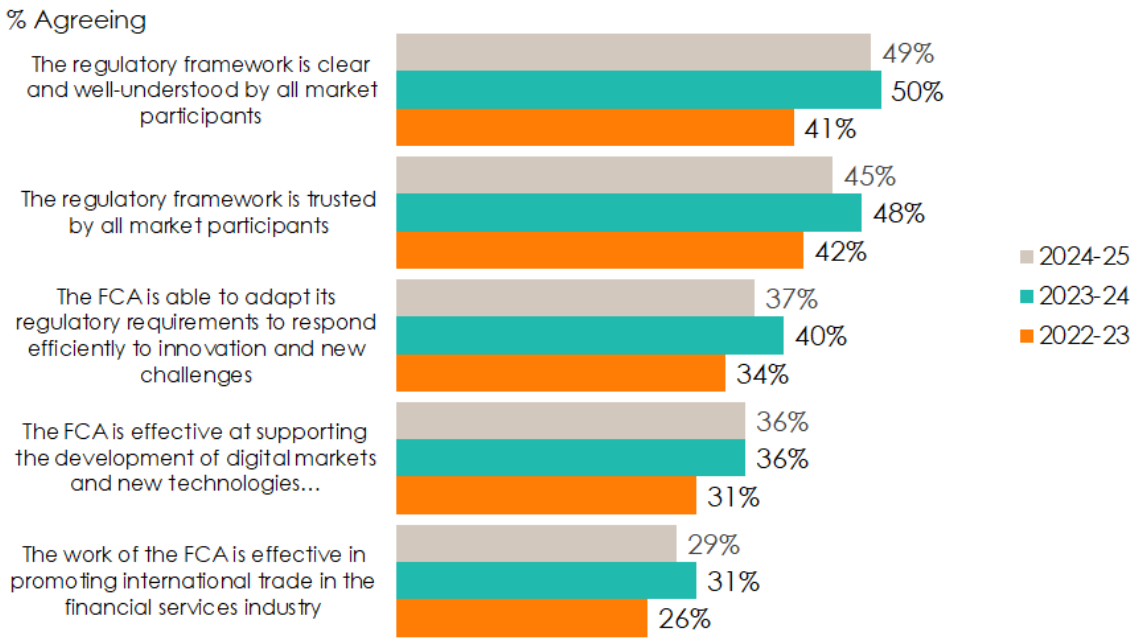


Q14. To what extent do you agree or disagree with the following statements?
Base: All non-consumer credit flexible firms (5,349)

Overall, 37% of flexible firms agreed that the FCA is able to **adapt its regulatory requirements to respond efficiently to innovation and new challenges** (down from 40% in 2023-24) and 36% agreed it is **effective at supporting the development of digital markets.**

There was a decrease in the proportion agreeing that the FCA is **effective in promoting international trade in financial services** (29%, down from 31% in 2023-24). A similar proportion of flexible firms (27%) reported that they didn't know if the FCA was effective in promoting international trade in financial services.

Figure 5.15 – *Flexible firms'* agreement with statements about FCA regulatory framework by year



Q14. To what extent do you agree or disagree with the following statements?
Base: All non-consumer credit firms: Flexible – 2024-25 (5,349); 2023-24 (6,561); 2022-23 (4,227)

6 Communication and Engagement

This chapter covers firms' views on:

- The frequency and nature of their contact with the FCA.
- How effective they felt the FCA was at communicating with them.
- How they thought the FCA could improve its communications.

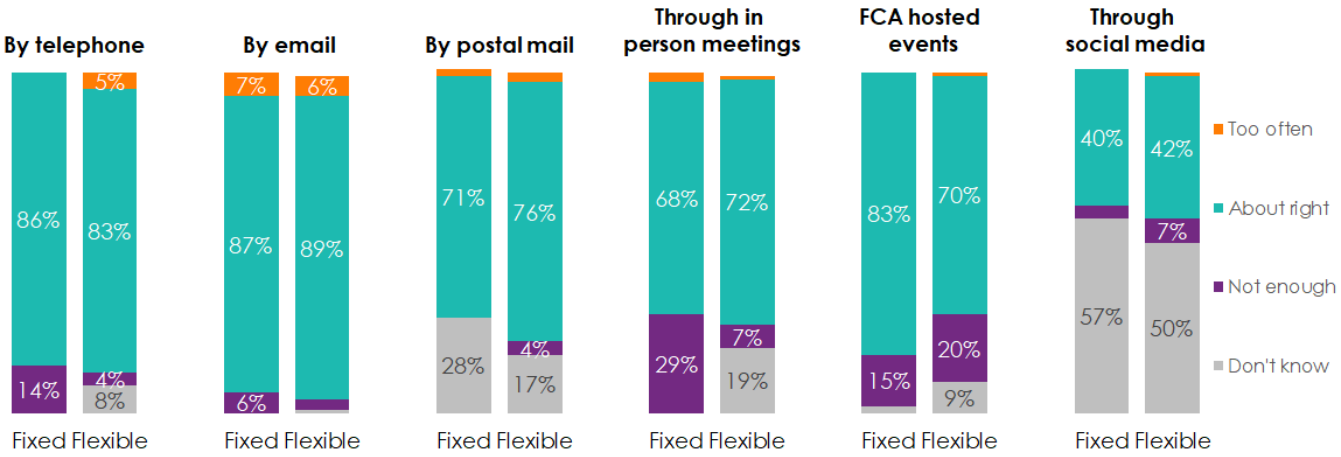
6.1 Regularity of contact with the FCA

Firms were asked about the regularity of contact from the FCA via different channels. In general, a majority of both fixed and flexible firms reported that the frequency of contact from the FCA via each channel was about right.

However, 29% of fixed firms said that they would still like more in-person meetings (in line with the 30% recorded in 2023-24), with only 3% stating these occurred too often. Similarly, 15% of fixed firms would like to see more FCA hosted events, with no firms reporting they occurred too often (***Figure 6.1***).

In comparison, 20% of flexible firms reported that there were not enough FCA hosted events, while 7% of flexible firms said they would like more-in person meetings.

Figure 6.1 – Perceived frequency of contact



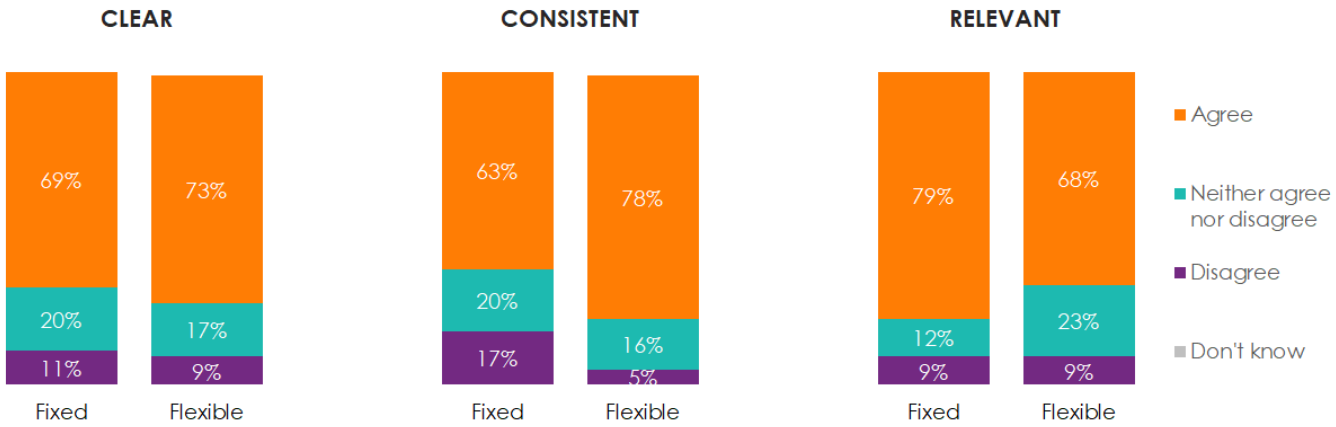
Q11. Thinking about the different channels of communication, would you say that the FCA contacts your firm too often, not enough, or would you say the level of contact is about right?
Base: All non-consumer credit firms; Fixed (46), Flexible (5,349)

6.2 Quality of contact with the FCA

Firms were asked about the quality of communications from the FCA in terms of whether they were clear, consistent and relevant.

More than six in ten fixed and flexible firms agreed that communications were clear, consistent and relevant, with fixed firms most likely to agree that communications were relevant (79%) and least likely to agree they were consistent (63%) (***Figure 6.2***).

Figure 6.2 -Perceived consistency, clarity and relevance of the FCA's communications



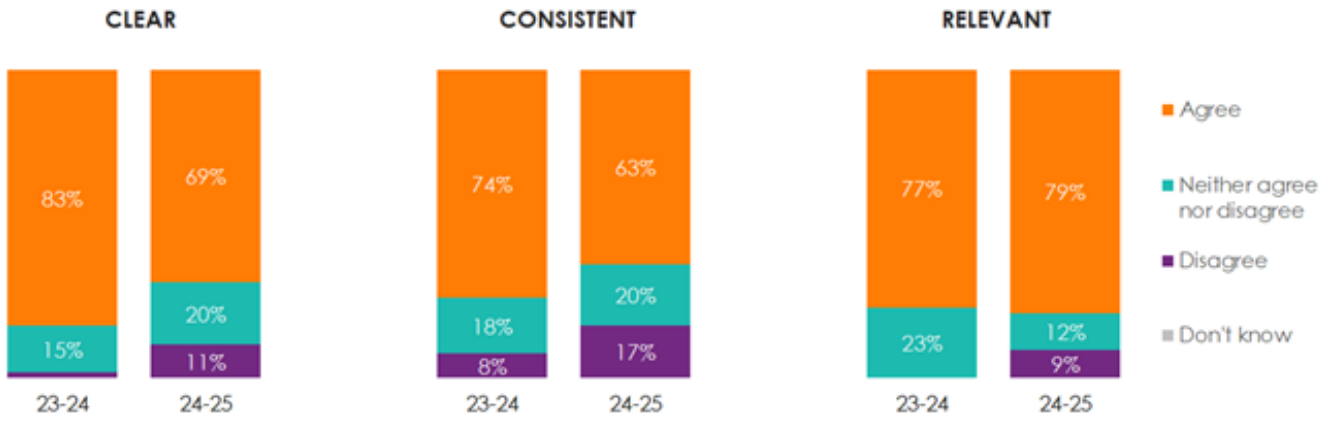
Q10. To what extent do you agree or disagree with the following statements? "Overall, the FCA's communications to my firm are…"
Base: All non-consumer credit firms; Fixed (46), Flexible (5,349)

Conversely, flexible firms were most likely to agree that communications were consistent (78%) and least likely to agree they were relevant (68%).

Looking at the results compared to 2023-24, the proportion of fixed firms agreeing that communications were clear has fallen from 83% in 2032-24 to 69% in 2024-25, with the proportion disagreeing at 11%, up from 2% in 2023-24. There was a similar pattern for the consistency of communications, with 63% of fixed firms agreeing that communications were consistent (down from 74% in 2023-24) and 17% disagreeing (up from 8% in 2023-24).

The proportion of fixed firms disagreeing that communications were relevant was also higher (9%, compared with no firms in 2023-24; ***Figure 6.3***) although agreement levels were broadly unchanged over this period.

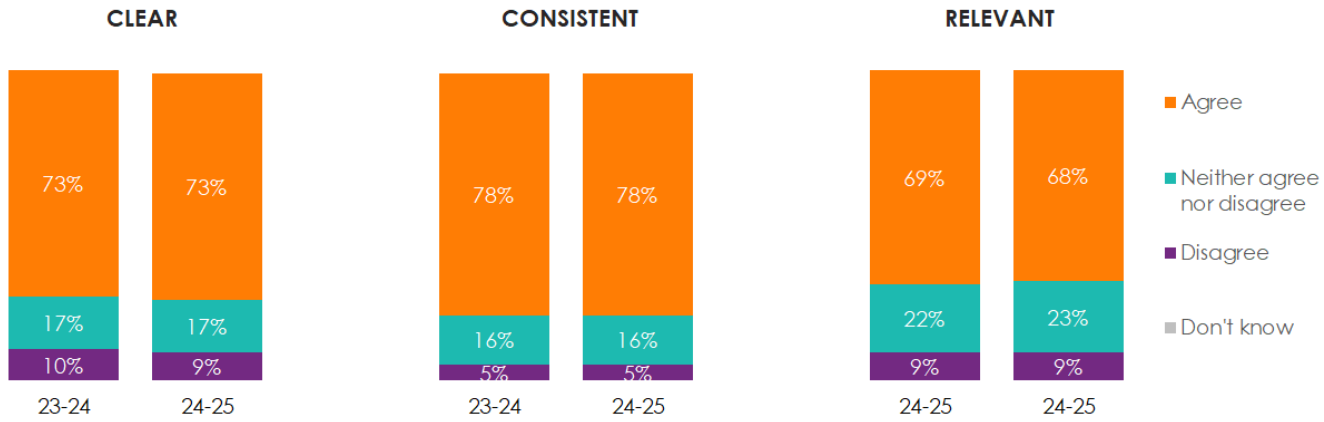
Figure 6.3 - *Fixed firms'* perceived consistency, clarity and relevance of the FCA's communications by year



Q10. To what extent do you agree or disagree with the following statements? "Overall, the FCA's communications to my firm are…"
Base: All non-consumer credit firms: Fixed firms – 2023-24 (47); 2024-25 (46)

By comparison, flexible firms' perceptions were almost identical on all three measures compared to 2023-24 (***Figure 6.4***).

Figure 6.4 - *Flexible firms'* perceived consistency, clarity and relevance of the FCA's communications by year



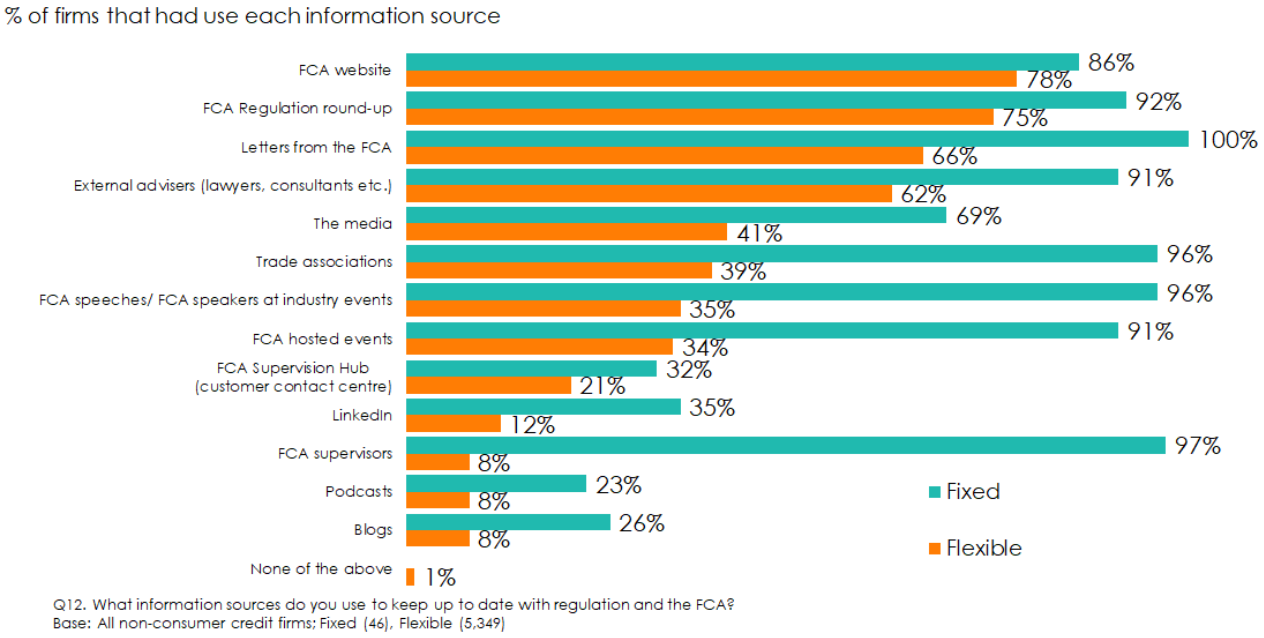
Q10. To what extent do you agree or disagree with the following statements? "Overall, the FCA's communications to my firm are…"
Base: All non-consumer credit firms: Flexible firms 2023-24 (6,561); 2024-25 (5,349)

6.3 FCA communications

Firms used a wide range of information sources to learn about regulation and the FCA. In fact, all fixed firms and 99% of flexible firms reported using at least one named source, although fixed firms were more likely to engage with each individual type of information source asked about.

To inform themselves, all fixed firms used FCA letters, 97% used FCA supervisors, 96% used trade associations, 96% used FCA speeches/ FCA speakers at industry events, 92% used FCA regulation round-up, 91% used external consultants and 91% used FCA hosted events. Blogs and podcasts were the least used sources, with 26% using blogs and 23% using podcasts ***(Figure 6.5)***.

Figure 6.5 - Firms' use of information sources to learn about regulation and the FCA in the last 12 months



Q12. What information sources do you use to keep up to date with regulation and the FCA?
Base: All non-consumer credit firms: Fixed (46), Flexible (5,349)

Flexible firms cited 4 main sources for learning about regulation and the FCA. These were similar to the most common sources used by fixed firms, albeit at lower levels. Overall, 78% cited the FCA website, 75% cited FCA regulation round-up, 66% cited letters from the FCA and 62% cited external advisers. On average, fixed firms relied on an average of nine different sources, whereas flexible firms relied on an average of five different sources.

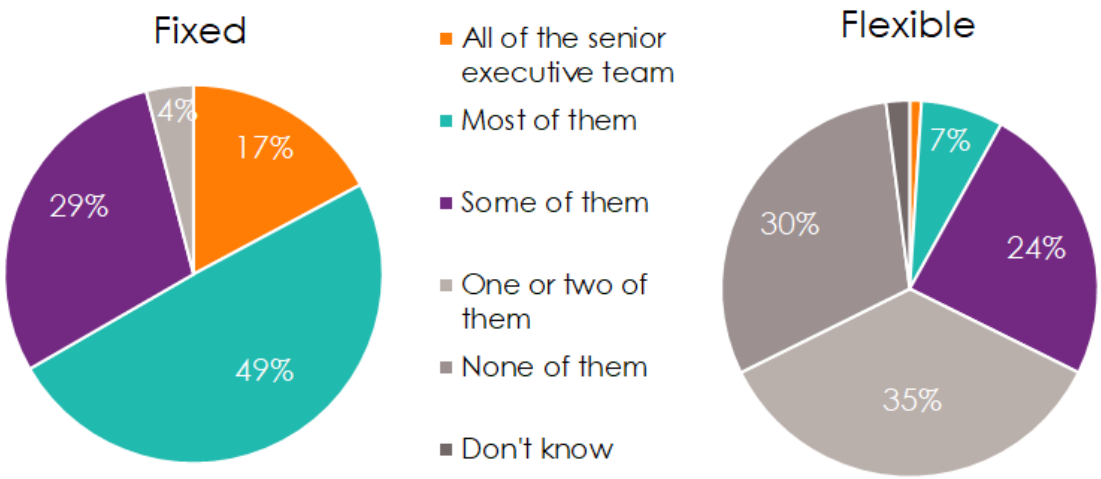
Flexible firms were more likely to rely on external advisers in 2024-25 (62%, up from 60%) and the media (41%, up from 39%), but less likely to rely on FCA hosted events (34%, down from 39%) or letters from the FCA (66%, down from 68%).

Firms were also asked about their awareness of the FCA's senior executive team and about their presence at industry events and presence more generally, for the first time in 2024-25.

Firms were initially reminded of the composition of the FCA's senior executive team before being asked how many of the individuals on the FCA's senior executive team their firm was aware of. Overall, 17% of fixed firms said they were aware of all members of the senior team, with a further 49% aware of most of them (***Figure 6.6***). In comparison, 4% said they were only aware of one or two of them, with all fixed firms aware of at least one member.

Awareness was lower among flexible firms: only 1% said they were aware of all members of the senior team, with 7% aware of most of them. Flexible firms were most likely to say they were only aware of one or two of them (35%), although 30% of flexible firms said they were unaware of any of the senior team.

Figure 6.6 – Firms' awareness of the FCA's senior executive team

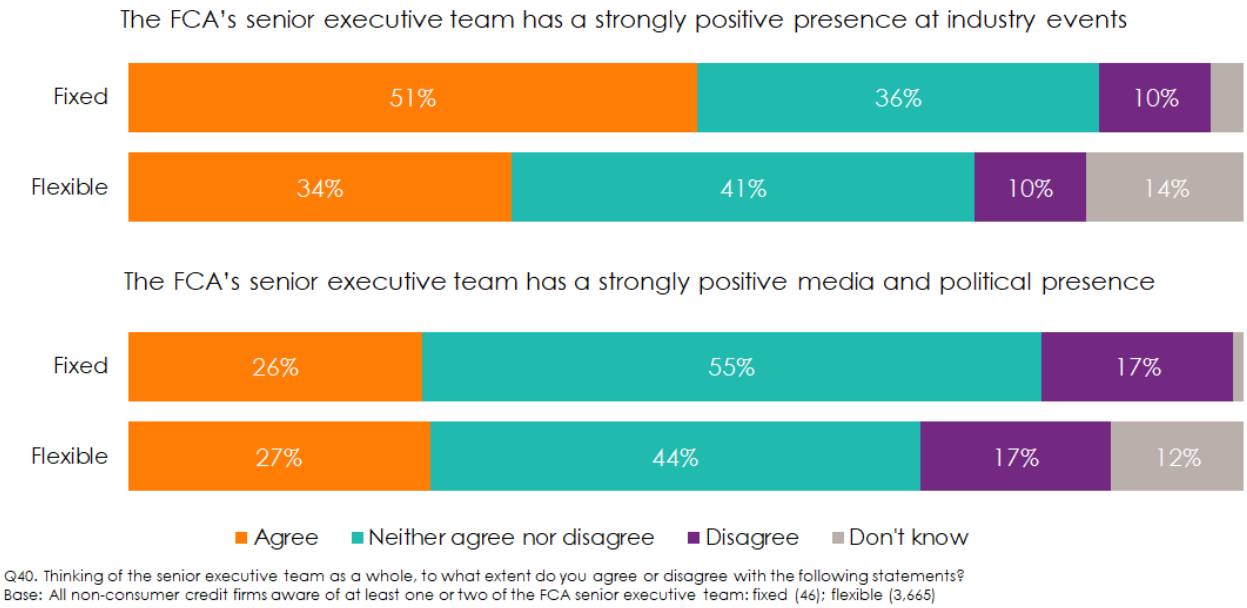


Q39. Before today, how many of the FCA's senior executive team was your firm aware of?
Base: All non-consumer credit firms; Fixed (46), Flexible (5,349)

Firms aware of at least one member of the FCA's senior executive team were then asked whether they were a strongly positive presence at industry events and whether they had a strongly positive media and political presence (***Figure 6.7***).

Overall, 51% of fixed firms agreed they had a strongly positive presence at industry events, with 10% disagreeing and 36% non-committal. However, only 26% agreed they had a strongly positive media and political presence, with 55% non-committal and 17% disagreeing.

Figure 6.7 – Firms' views on the FCA's senior executive team



Q40. Thinking of the senior executive team as a whole, to what extent do you agree or disagree with the following statements?
Base: All non-consumer credit firms aware of at least one or two of the FCA senior executive team: fixed (46); flexible (3,665)

Among flexible firms, 34% agreed that the FCA's senior executive team had a strongly positive presence at industry events. While only 10% disagreed, 41% were non-committal and 14% didn't know. In addition, 27% agreed they had a strongly positive media and political presence, with 17% disagreeing and 44% again non-committal.

7 Consumer Credit firms - Performance of the FCA as a regulator

In April 2014 the FCA took over the regulation of the UK's consumer credit firms – marking a significant increase in the number of firms the FCA regulates.

The consumer credit category encompasses a range of different types of organisation, including Credit Brokers; Debt Advice Firms; High-Cost Lenders; Motor Finance Providers; Retail Finance Providers; Credit Reference Agencies and Providers of Credit Information Services; Debt Purchasers; Debt Collectors and Debt Administrators; Mainstream Consumer Credit Lenders; and Peer-to-Peer Lending Platforms.

As in previous reports, we present the results of the consumer credit firms separately and they are not incorporated into the headline figures presented in the preceding chapters. This has allowed the consumer credit firms to have a voice while also maintaining key trend data for non-consumer credit firms.

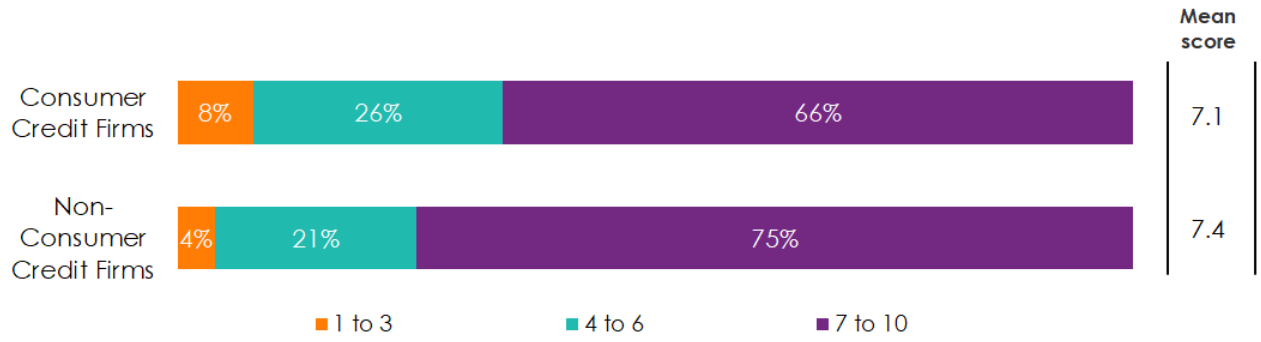
Throughout chapters 7 to 10, comparisons are made between consumer credit firms (CC firms) and non-consumer credit firms (non-CC firms). This first consumer credit-focused chapter focuses on metrics which relate to the FCA's performance as a regulator.

7.1 Satisfaction with relationship with the FCA

Firms were asked to rate how satisfied they are with the relationship they have with the FCA on a scale of 1 to 10, with 1 being extremely dissatisfied and 10 being extremely satisfied. Individual scores were grouped into bands to represent 'low' (1 to 3), 'moderate' (4 to 6), and 'high' (7 to 10) levels of satisfaction ***(Figure 7.1)***.

A lower proportion of consumer credit firms (66%) rated their satisfaction as 'high' compared with non-consumer credit firms (75%), and slightly more expressed low satisfaction (8%) compared with non-consumer credit firms (4%). Satisfaction among consumer credit firms was unchanged compared with 2023-24.

Figure 7.1 – Satisfaction with the relationship with the FCA (CC vs. non-CC firms)



Q1. Taking into account all of your firm's dealings with the FCA, how satisfied are you with the relationship?
Base: All consumer credit firms (2,174); All non-consumer credit firms (5,395)

7.2 Effectiveness of the FCA

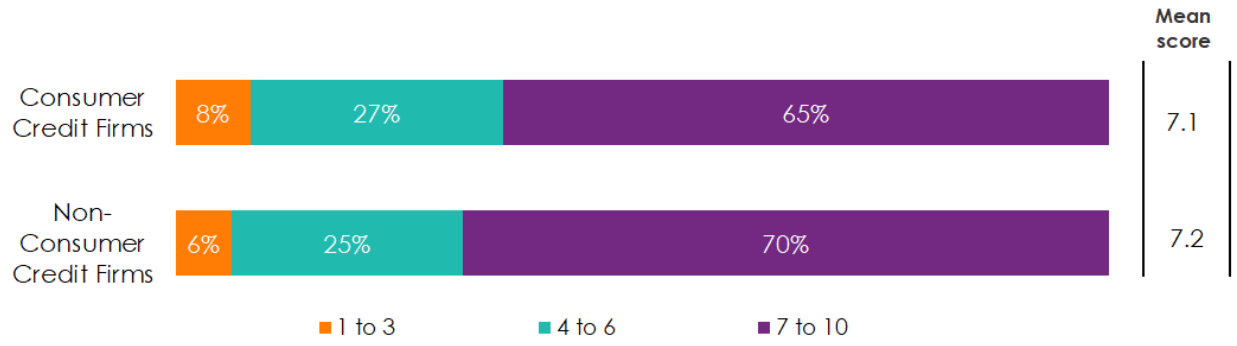
Firms were asked to rate the effectiveness of the FCA in regulating the financial services industry in the past year, using a scale from 1 (representing 'not at all effective') to 10 ('extremely effective'). Individual scores were again grouped into bands to represent 'low' (1 to 3), 'moderate' (4 to 6), and 'high' (7 to 10) levels of perceived effectiveness ***(Figure 7.2)***.

For consumer credit firms, ratings of the efficacy of the FCA were very closely aligned with their ratings of their overall satisfaction with the FCA. Overall, 65% of consumer credit firms gave a high effectiveness score and 8% gave a low effectiveness score.

A slightly higher proportion of non-consumer credit firms gave a high effectiveness score (70% compared with 65% for consumer credit firms). Nevertheless, the mean effectiveness score for consumer credit firms (7.1) was broadly in line with that of non-consumer credit firms (7.2).

The proportion of consumer credit firms which gave the FCA a high effectiveness score decreased between 2023-24 (70%) and 2024-25 (65%). This was largely mirrored by an increase in the proportion of consumer credit firms that gave the FCA a moderate effectiveness rating, which rose from 23% in 2023-24 to 27% in 2024-25.

Figure 7.2 – Rating of how effective the FCA has been in regulating the financial services industry (CC vs. non-CC firms)



Q2. Overall, from your firm's perspective, how effective has the FCA been in regulating the financial services industry in the last year?
Base: All consumer credit firms (2,174); All non-consumer credit firms (5,395)

7.3 Drivers of satisfaction and effectiveness

Statistical exploration of the data shows the factors that are important in driving levels of satisfaction with the FCA, and perceptions of its effectiveness among consumer credit firms. ***Figure 7.3*** plots the FCA's performance on the y-axis against each factor's level of importance in driving satisfaction and effectiveness on the x-axis. The equivalent analysis for non-consumer credit firms can be found in Section 1.3.

There are two key areas where the FCA needs to focus on to maintain and improve satisfaction:

- To continue doing well in areas which are important drivers of satisfaction and where it is already performing well (top right quadrant).
- To improve in areas where it is not doing so well (bottom left and right quadrants).

Figure 7.3 shows that, amongst consumer credit firms, the FCA is performing well in terms of its operational objectives of securing an appropriate degree of protection for consumers and protecting/enhancing the integrity of the UK financial system. This mirrors the strong performance for these metrics amongst non-consumer credit firms.

For consumer credit firms, the FCA also had a positive performance in terms of enhancing the reputation of the UK as a financial centre and providing guidance that was consistent between FCA staff and the leadership of the FCA.

Although the consistency of the FCA's communications to consumer credit firms was a relative strength, there was a need to improve both the relevance and clarity of communications to this group.

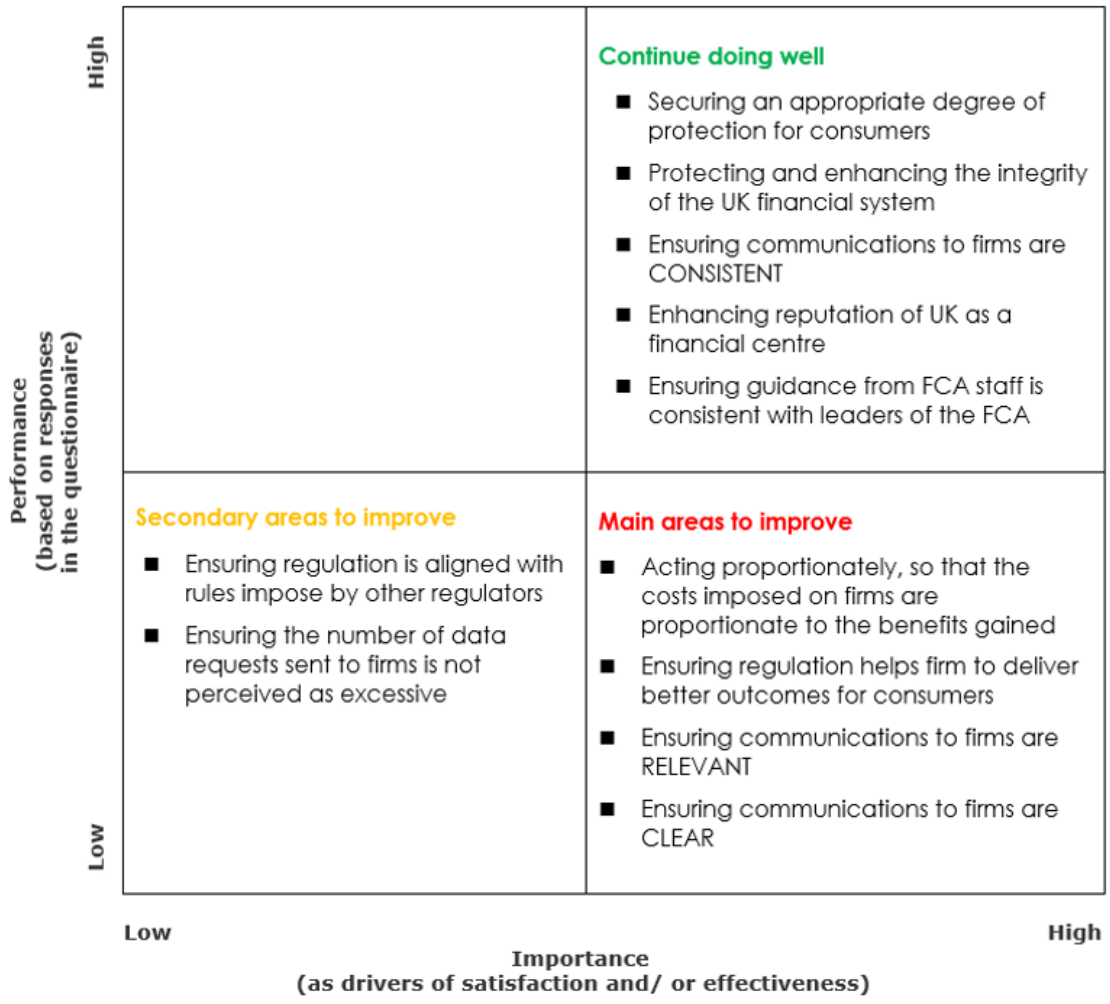
In common with non-consumer credit firms, another key area of improvement (bottom right quadrant) was the need to act proportionately so that costs imposed on firms are proportionate to the benefits gained. For consumer credit firms this was the single most important area for improvement as it had the lowest performance scores and amongst the highest importance scores.

The other main area for improvement concerned the need for FCA regulation to help firms deliver better outcomes for consumers.

Secondary areas for improvement, which appear in the bottom left quadrant, are those areas where FCA performance is also relatively low, but which are less important to firms. The main secondary areas to improve for consumer credit firms were:

- Ensuring regulation is aligned with rules impose by other regulators.
- Ensuring the number of data requests sent to firms is not perceived as excessive.

Figure 7.3 – Key Driver Analysis: key areas to maintain and improve (CC firms)



7.4 Performance against objectives

Firms were asked how confident they felt that the FCA's oversight of the industry delivers on its objectives, including the single strategic objective of ensuring financial markets function well and the three operational objectives (**Figure 7.4**).

Overall, 82% of consumer credit firms were confident in the FCA's ability to **secure protection for consumers**, 78% were confident in its ability to **protect and enhance the integrity of the UK financial system** and 77% were confident in its ability to ensure **relevant financial markets function well**.

Consumer credit firms were a little less confident that the FCA could deliver on its objective to **promote effective competition**, with 70% being confident of this.

Compared with non-consumer credit firms, consumer credit firms were less confident that the FCA was delivering in terms of ensuring relevant financial markets function well (77% compared with 83% of non-consumer firms) and protecting and enhancing the integrity of the UK financial system (78% compared with 82% of non-consumer credit firms).

However, consumer credit firms were more confident that the FCA was delivering in terms of promoting effective competition (70% compared with 68% of non-consumer credit firms).

For these four metrics, the data for consumer credit firms was essentially stable between 2023-24 and 2024-25.

Figure 7.4 – Confidence that the FCA's oversight delivers on its statutory objectives (CC vs. non-CC firms)

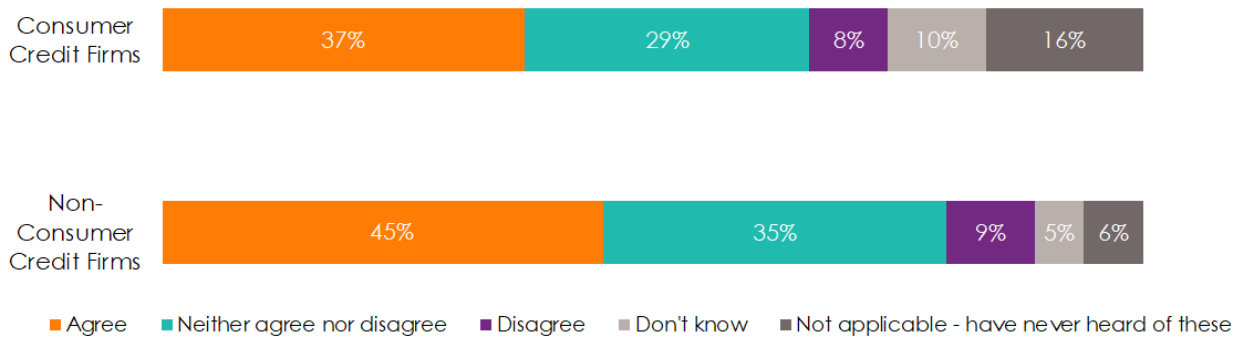
Q3. How confident are you that the FCA's oversight of the industry delivers on the following statutory objectives?
Base: All consumer credit firms (2,174); All non-consumer credit firms (5,395)

7.5 Understanding of the FCA's outcomes and performance metrics

Firms were asked to what extent they agreed or disagreed that the FCA's outcomes and performance metrics are clear. Overall, 37% of consumer credit firms agreed that the outcome metrics were clear, while 29% neither agreed nor disagreed, and 8% disagreed. There was a degree of uncertainty around this topic, with 10% of consumer credit firms responding that they didn't know if the outcomes and performance metrics were clear, while a further 16% indicated that they had never heard of these metrics (**Figure 7.5**).

Consumer credit firms were less likely than non-consumer credit firms to agree that these metrics were clear (37% compared with 45%).

Figure 7.5 – Agreement that the FCA's outcomes and performance metrics are clear (CC vs. non-CC firms)



Q7. To what extent do you agree or disagree that the FCA's outcomes and performance metrics are clear?
Base: All consumer credit firms (2,174); All non-consumer credit firms (5,395)

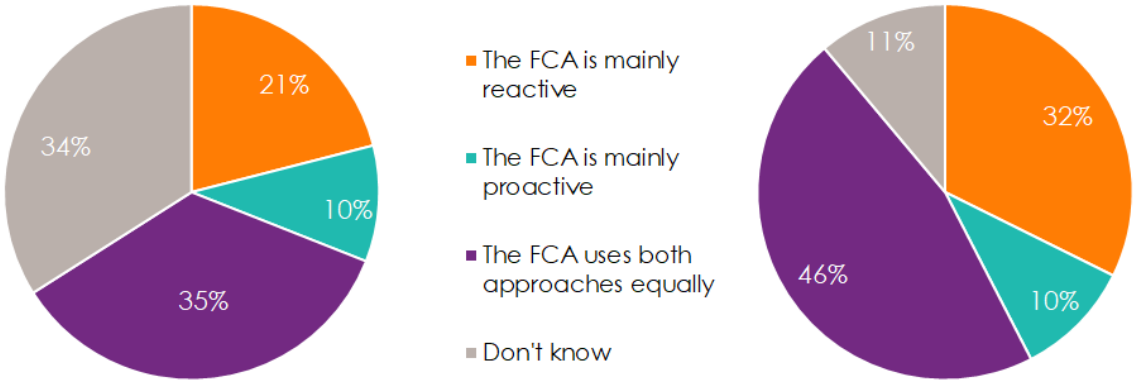
7.6 Identifying risks

When asked for their view of the FCA's approach to identifying risk, 21% of consumer credit firms thought that the FCA was mainly reactive, 10% thought the FCA was mainly proactive, and 35% thought that the FCA uses proactive and reactive approaches equally. There was also a relatively large amount of uncertainty on this topic, with 34% of consumer credit firms indicating that they did not know if the FCA was proactive or reactive in identifying risk.

Consumer credit firms were less likely to think that the FCA is mainly reactive in identifying risk (21% compared with 32% of non-consumer credit firms) and less likely to think the FCA is equally proactive and reactive (35% compared with 46% of non-consumer credit firms). Instead, consumer credit firms tended to be more uncertain about this topic (34% gave a 'don't know' response compared with 11% of non-consumer credit firms).

The data for consumer credit firms was essentially stable between 2023-24 and 2024-25.

Figure 7.6 – Perceptions of the FCA's approach to identifying risk (CC vs. non-CC firms)



Q17. Which of the following best describes your view of the FCA's approach to identifying risk?
Base: All consumer credit firms (2,174); All non-consumer credit firms (5,395)

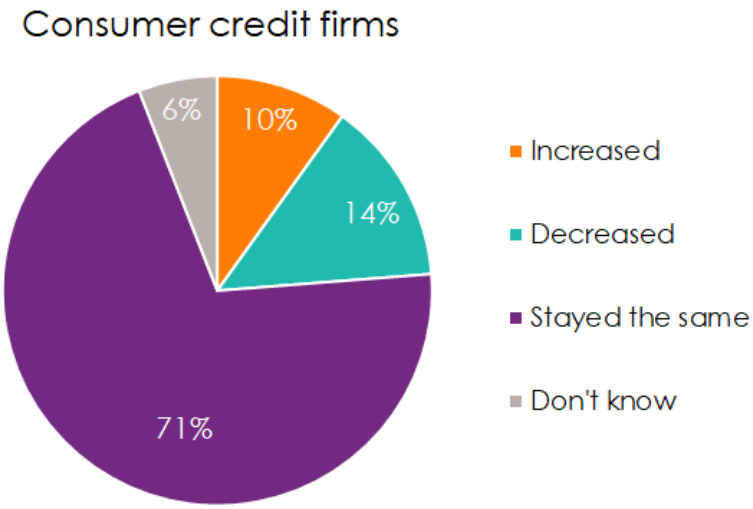
8 Consumer Credit firms - Trust and Confidence in FCA

This chapter examines the extent to which firms trust the FCA as an organisation and have confidence in FCA staff.

8.1 Overall trust in the FCA

Firms were asked how their trust in the FCA had changed over the last 12 months. Seven in ten consumer credit firms (71%) said that their level of trust had stayed the same over the last 12 months ***(Figure 8.1)***. However, more consumer credit firms said that their trust had decreased (14%), than increased (11%).

Figure 8.1 – How *consumer credit firms'* level of trust in the FCA has changed over the last 12 months

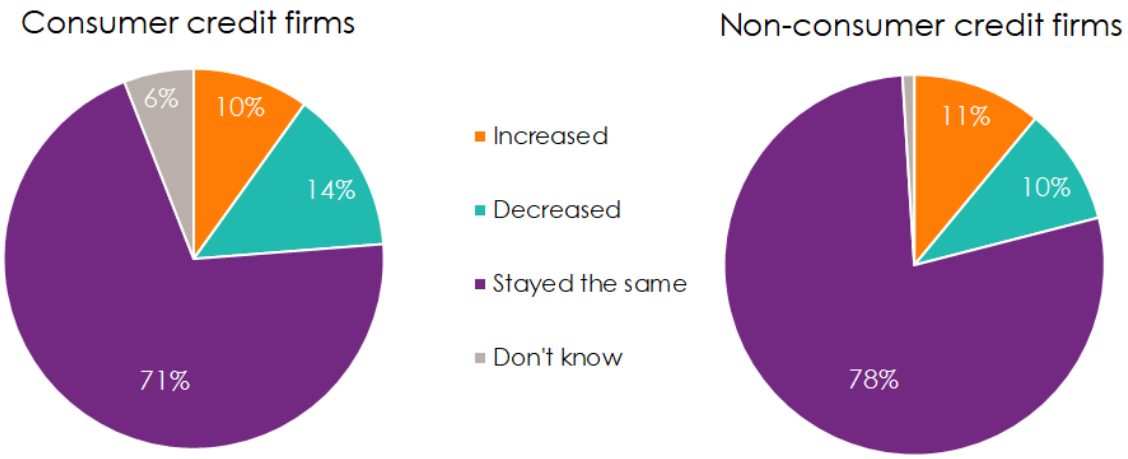


Q8. Over the last 12 months, would you say your firm's trust in the FCA has…
Base: All consumer credit firms (2,174)

Levels of trust among consumer credit firms have fallen over the last 12 months. The proportion of consumer credit firms who said that their trust had decreased went up from 10% in 2023-24 to 14%.

Consumer credit firms were more likely than non-consumer credit firms to report a decrease in trust over the last 12 months (14% and 10% respectively) ***(Figure 8.2)***. Consumer credit firms were also less likely than non-consumer credit firms to say that their level of trust had stayed the same (71% and 78% respectively).

Figure 8.2 – How *consumer credit and non-consumer credit firms'* level of trust in the FCA has changed over the last 12 months

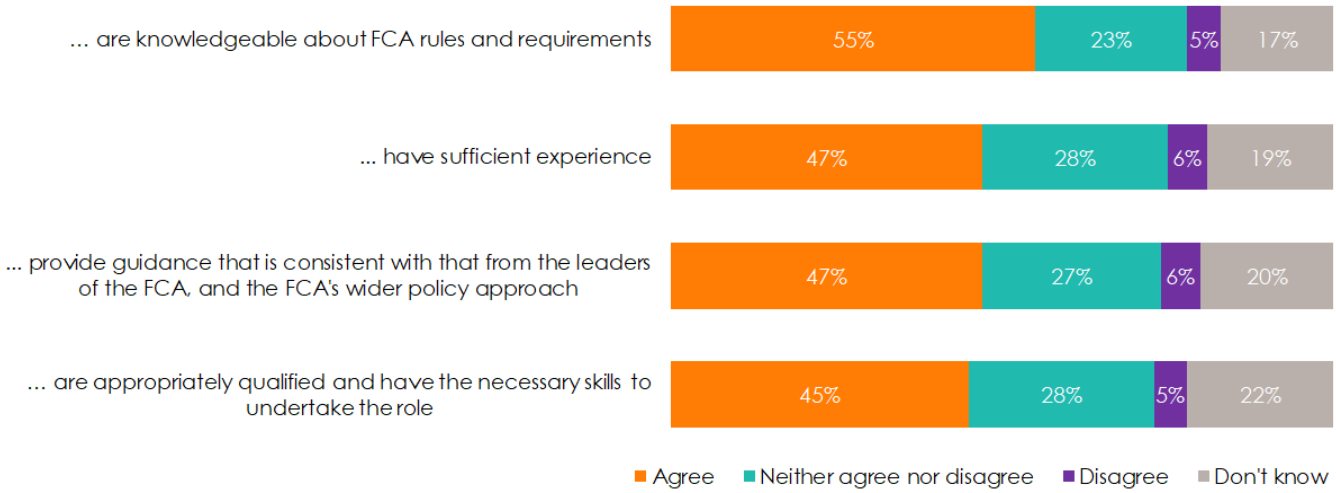


Q8. Over the last 12 months, would you say your firm's trust in the FCA has…
Base: All consumer credit firms (2,174); All non-consumer credit firms (5,395)

8.2 Assessment of FCA supervisors/staff

Firms were asked to what extent they agreed or disagreed with a series of statements about FCA staff ***(Figure 8.3)***. Overall, 55% of consumer credit firms agreed that FCA staff are knowledgeable about FCA rules and requirements (down from 60% in 2023-24). In addition, 47% agreed that FCA staff have sufficient experience (down from 54% in 2023-24) and provide guidance which is consistent with that from the leaders of the FCA and the FCA's wider policy approach (down from 51% in 2023-24), while 45% agreed that FCA staff are appropriately qualified and have the necessary skills to undertake the role (down from 51% in 2023-24).

Figure 8.3 – Extent to which *consumer credit firms* agree that FCA staff…

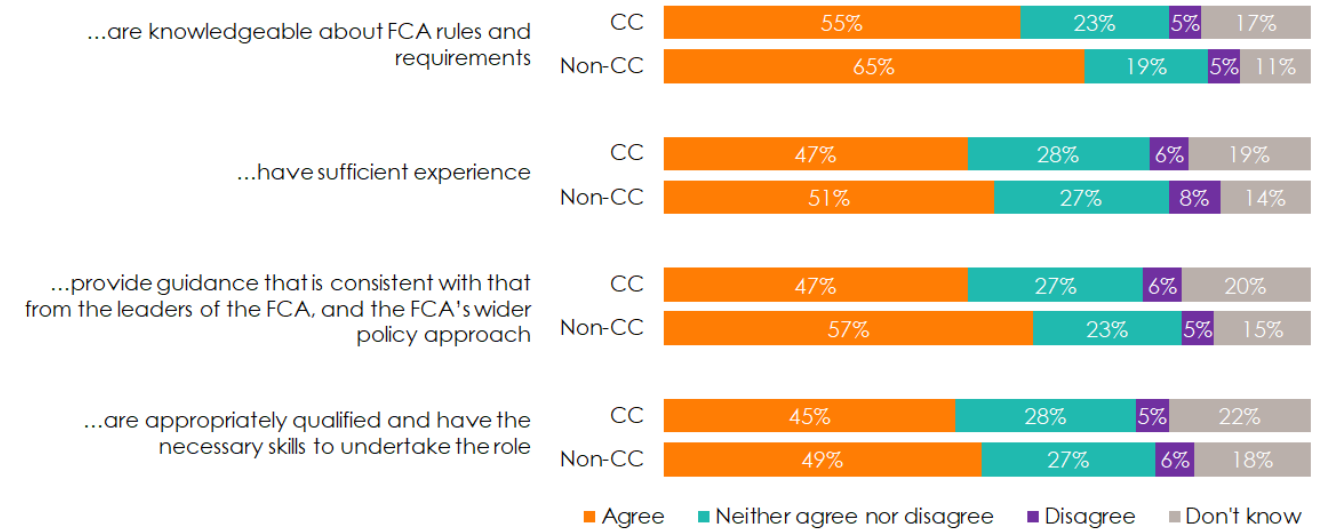


Q25. In relation to FCA staff, to what extent to do you agree or disagree with the following statements?
Base: All consumer credit flexible firms (2,174)

Consumer credit firms were generally less positive than non-consumer credit firms about FCA staff, reporting lower agreement across the four statements ***(Figure 8.4)***.

Overall, 65% of non-consumer credit firms agreed that FCA staff are knowledgeable about FCA rules and requirements (compared with 55% of consumer credit firms), whilst 51% thought that FCA staff have sufficient experience (compared with 47% of consumer credit). Around half of non-consumer credit firms (49%) agreed that FCA staff are appropriately qualified and have the necessary skills (compared with 45% of consumer credit firms) and 57% agreed that guidance provided by staff is consistent with leaders and the wider policy approach (compared with 47% of consumer credit firms).

Figure 8.4 – Extent to which *consumer credit firms* and *non-consumer credit flexible firms* agree that FCA staff…



Q25. In relation to your FCA supervisors, to what extent to do you agree or disagree with the following statements?
Base: All consumer credit flexible firms (2,174); All non-consumer credit flexible firms (5,349)

9 Consumer Credit firms – Regulatory burden

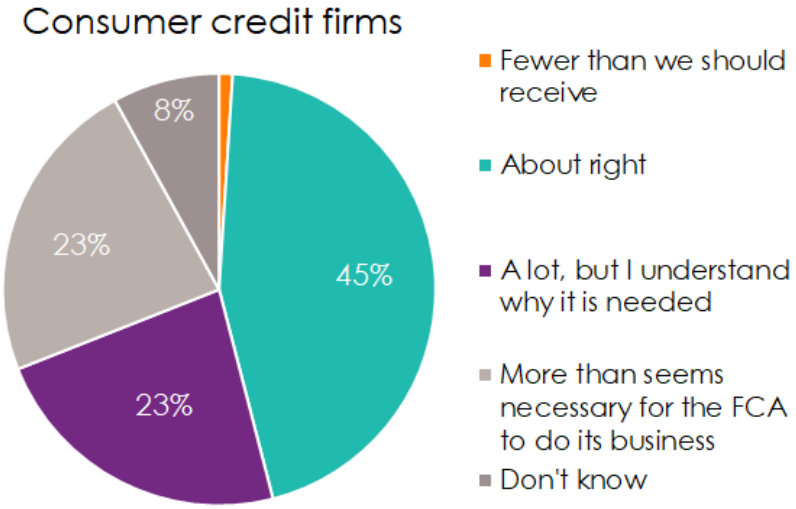
This chapter explores how consumer credit firms engage with, and are affected by, regulatory requirements.

9.1 Information requests

The FCA may request information and data from the firms it regulates, either on a voluntary basis or through its statutory powers, to support its supervisory and enforcement functions. Firms were asked how they felt about the number of data and information requests they receive from the FCA and their attitudes towards providing such data and information.

Overall, 45% of consumer credit firms felt that the number of data/information requests they receive from the FCA is about right ***(Figure 9.1)***. In addition, 23% felt that the number of requests is a lot but that they understand why they are needed. However, the same proportion (23%) felt that they receive more requests than is necessary for the FCA to do its business. A very small proportion (1%) said that they receive fewer requests than they should.

Figure 9.1 – *Consumer credit firms'* perceived emphasis on the number of data/information requests firms receive from the FCA

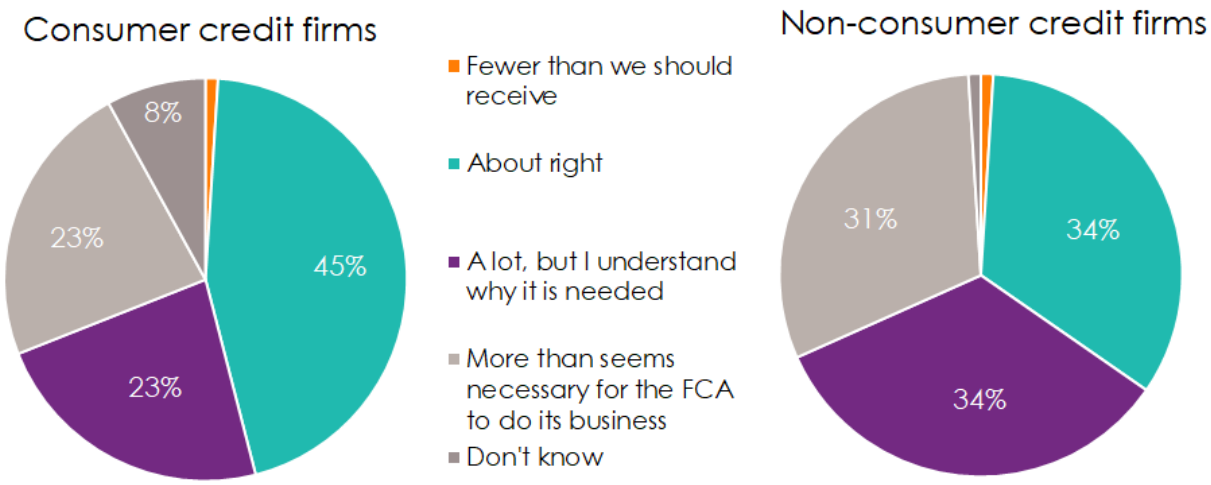


Q29. Which of the following best describes how you feel about the number of data/ information requests your firm receives from the FCA?
Base: All consumer credit firms (2,174)

The proportion of consumer credit firms saying that they receive more requests than is necessary has increased from 19% in 2023 to 23% in 2024-25.

Consumer credit firms were more likely than non-consumer credit firms to say that the number of requests they receive from the FCA requests were 'about right' (45% and 34% respectively) ***(Figure 9.2)***. Consumer credit firms were also less likely than non-consumer credit firms to say that the number of requests they receive were 'a lot, but I understand why it is needed' or 'more than seems necessary…' (both 23%, compared with 34% and 31% of non-consumer credit firms).

Figure 9.2 - *Consumer credit firms'* and *non-consumer credit firms'* perceived emphasis on the number of data/information requests firms receive from the FCA



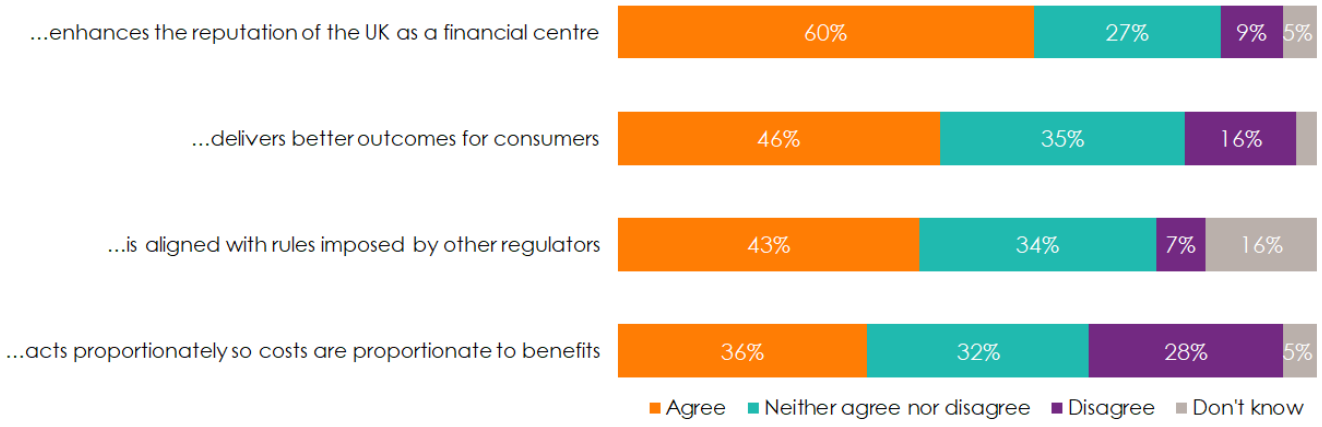
Q29. Which of the following best describes how you feel about the number of data/ information requests your firm receives from the FCA?
Base: All consumer credit firms (2,174); All non-consumer credit firms (5,395)

9.2 Impact of regulation

Firms were asked to what extent they agreed with a series of four statements about FCA regulation ***(Figure 9.3)***.

Overall, 60% of consumer credit firms agreed that FCA regulation enhances the reputation of the UK as a financial centre (down from 67% in 2023-24), while 46% agreed that it delivers better outcomes for consumers (down from 52% in 2023-24). In addition, 43% felt that FCA regulation is aligned with rules imposed by other regulators (down from 49% in 2023-24) while 36% felt that the FCA acts proportionately so costs to firms are proportionate to benefits (down from 41% in 2023-24).

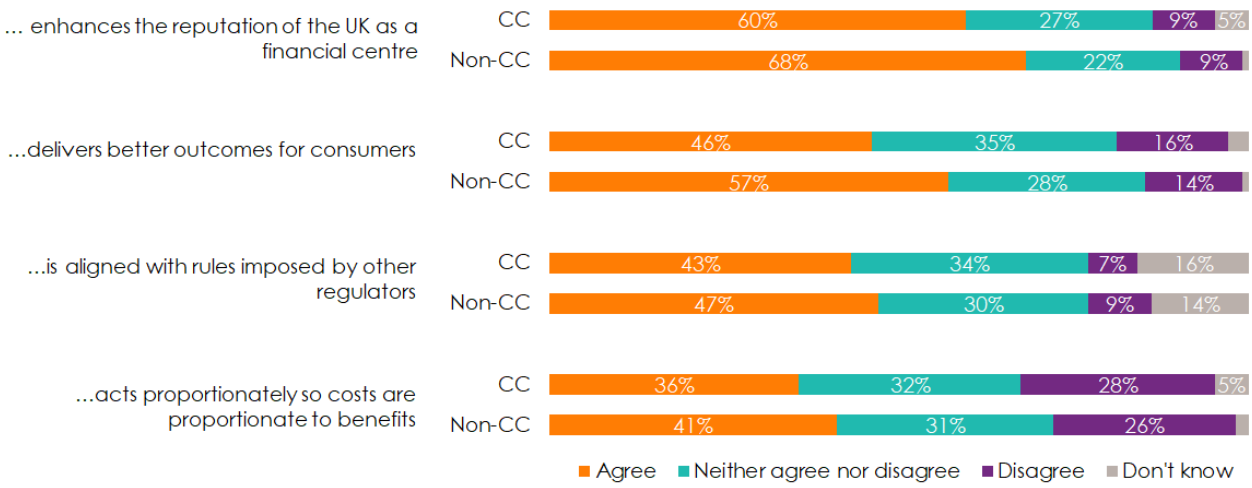
Figure 9.3 – Extent to which *consumer credit firms* agreed with statements about FCA regulation



Q13. To what extent do you agree or disagree with the following statements?
Base: All consumer credit firms (2,174)

Consumer credit firms were generally less positive about FCA regulation than non-consumer credit firms ***(Figure 9.4)***. Overall, 60% agreed that FCA regulation enhances the reputation of the UK as a financial centre (compared with 68% of non-consumer credit firms), while more than four in ten (46%) agreed that it delivers better outcomes for consumers (compared with 57% of non-consumer credit firms). In addition, 43% felt that FCA regulation is aligned with rules imposed by other regulators (compared with 47% of non-consumer credit firms) while more than a third (36%) felt that the FCA acts proportionately so costs to firms are proportionate to benefits (compared with 41% of non-consumer credit firms).

Figure 9.4 - Extent to which *consumer credit firms* and *non-consumer credit firms* agreed with statements about FCA regulation



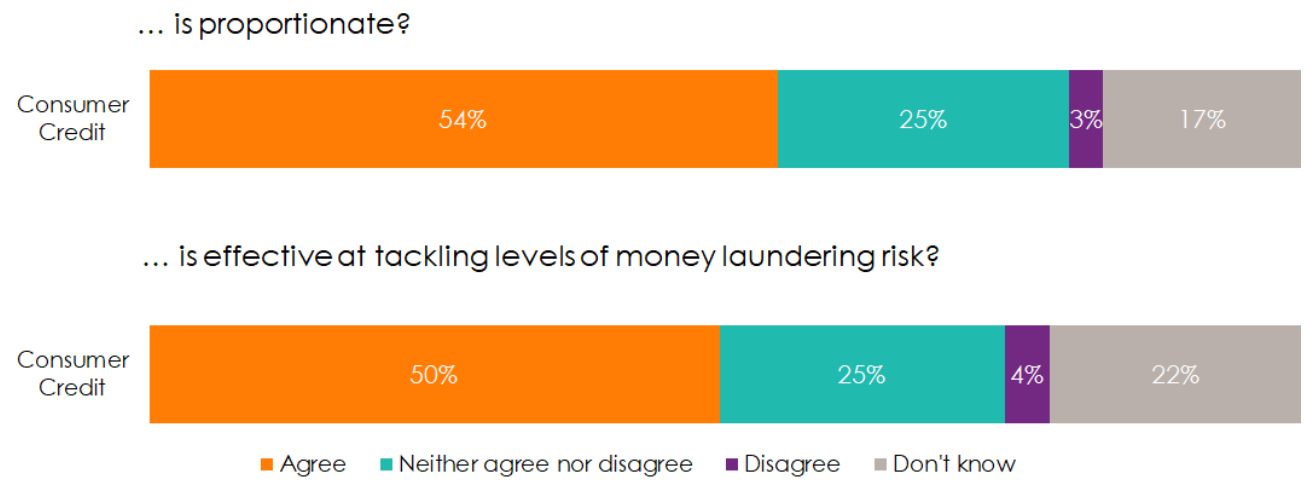
Q13. To what extent do you agree or disagree with the following statements?
Base: All consumer credit firms (2,174); all non-consumer credit firms (5,395)

In 2024-25 two new questions were introduced which asked firms to what extent they agreed or disagreed that the FCA's anti-money laundering systems (AML) and controls response is proportionate, and whether they felt that the FCA was effective at tackling levels of money laundering risk. These 2 questions help support the 'fighting financial crime' theme in our new strategy.

More than half of consumer credit firms (54%) agreed that the FCA's AML systems and control response is proportionate, whilst 3% disagreed ***(Figure 9.5)***. A quarter (25%) did not offer a view, stating that they neither agreed nor disagreed.

Furthermore, 50% of consumer credit firms agreed that the AML and controls response is effective at tackling levels of money laundering risk. Again, a minority (4%) disagreed and a quarter (25%) said that they neither agreed nor disagreed (25%).

Figure 9.5 - Extent to which *consumer credit firms* agree that FCA's anti-money laundering (AML) systems and controls response…

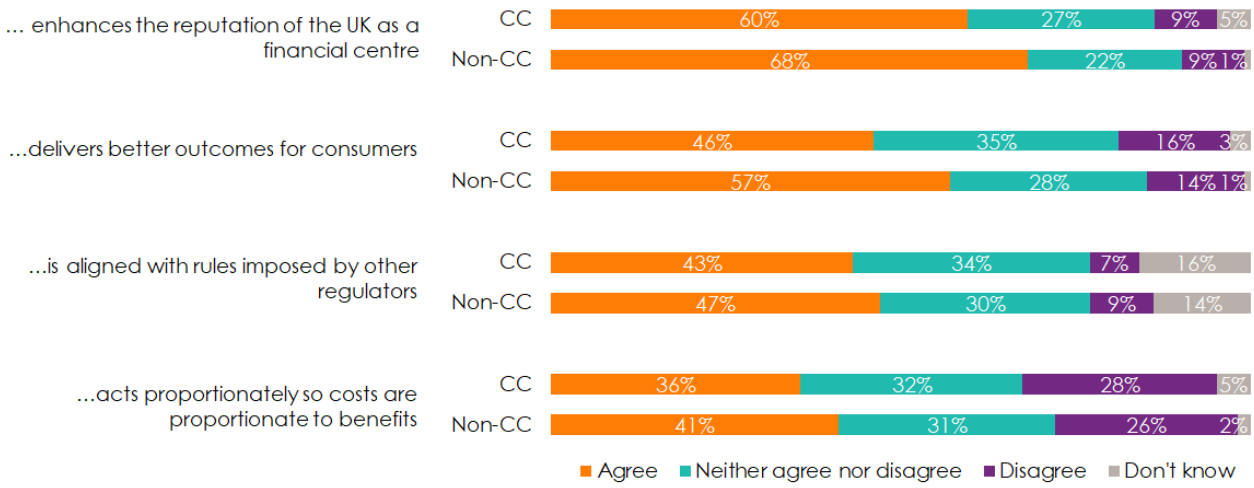


Q37. To what extent do you agree that the FCA's anti-money laundering (AML) systems and controls response is proportionate?
Q38. To what extent do you agree that the FCA's anti-money laundering (AML) systems and controls response is effective at tackling levels of money laundering risk?
Base: All consumer credit firms (2,174), all non-consumer credit firms (5,395)

Consumer credit firms generally perceived the FCA's AML systems and controls response less positively than non-consumer credit firms ***(Figure 9.6)***. Overall, 78% of non-consumer credit firms agreed that AML systems and control response were proportionate, and 67% felt that this is effective at tackling levels of money laundering risk. These levels of agreement are higher than those of consumer credit firms (54% and 50% respectively).

The proportion of consumer credit firms answering 'Don't know' (17% and 22% respectively) was, statistically, significantly higher than non-consumer credit firms (5% and 10% respectively.

Figure 9.6 - Extent to which *consumer credit firms* and *non-consumer credit firms* agree that FCA's anti-money laundering (AML) systems and controls response…



Q13. To what extent do you agree or disagree with the following statements?
Base: All consumer credit firms (2,174); all non-consumer credit firms (5,395)

10 Consumer Credit firms - Communication and Engagement

This chapter covers consumer credit firms' views on:

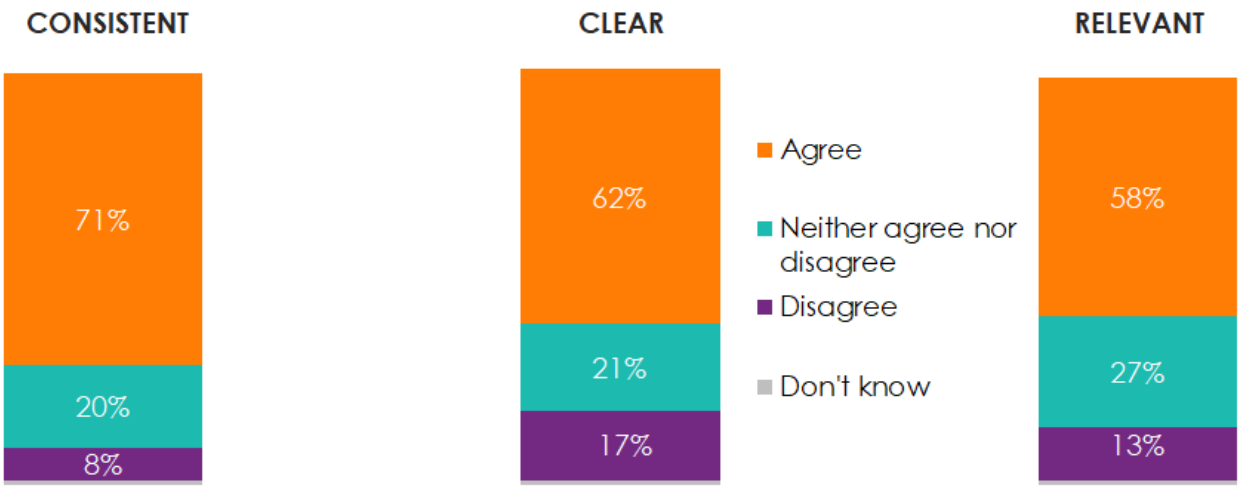
- The frequency and nature of their contact with the FCA.
- How effective they felt the FCA was at communicating with them.
- How they thought the FCA could improve its communications.

10.1 Quality of contact with the FCA

Firms were asked about the quality of communication from the FCA and the extent to which they agreed or disagreed that they are clear, consistent and relevant ***(Figure 10.1)***.

Overall, 71% of consumer credit firms agreed that FCA communications are consistent, 62% agreed that they are clear and fewer than six in ten (58%) agreed that they are relevant.

Figure 10.1 - Extent to which *consumer credit firms* agree or disagree that FCA communications are clear, consistent and relevant

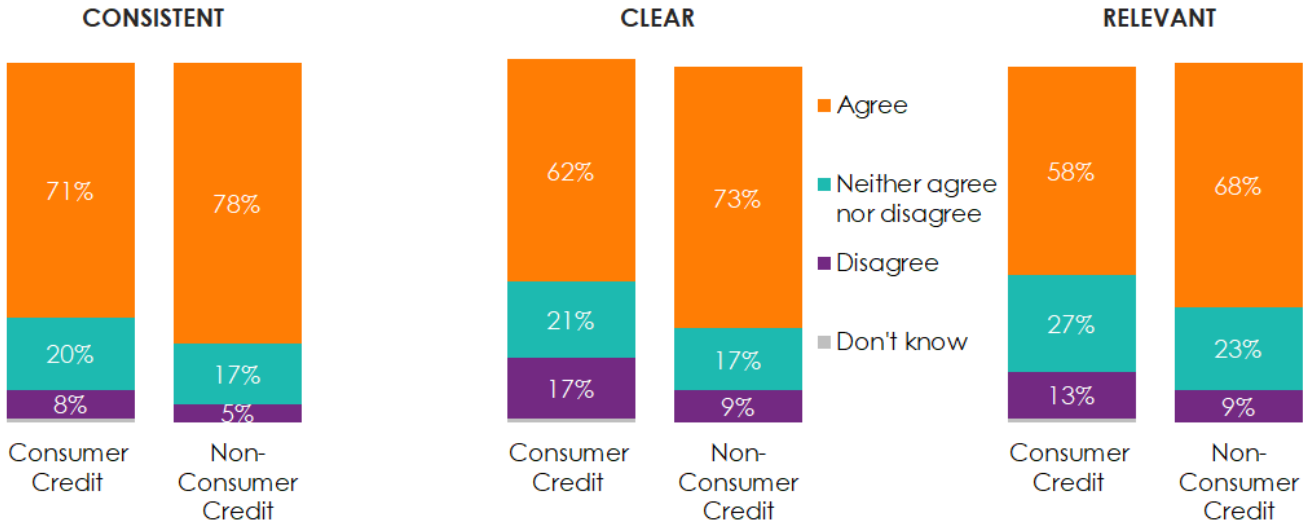


Q10. To what extent do you agree or disagree with the following statements? "Overall, the FCA's communications to my firm are…"
Base: All consumer credit firms (2,174)

These findings have not changed since 2023-24.

Compared with non-consumer credit firms, consumer credit firms were less likely to agree, and more likely to disagree, that FCA communications are clear, consistent and relevant ***(Figure 10.2)***. Overall, 71% of consumer credit firms agreed that FCA communications are consistent (compared with 78% of non-consumer credit firms), 62% agreed that they are clear (compared with 73% of non-consumer credit firms) and 58% agreed that they are relevant (compared with 68% of non-consumer credit firms).

Figure 10.2 - Extent to which *consumer credit firms* and *non-consumer credit firms* agree that FCA's communications are clear, consistent and relevant



Q10. To what extent do you agree or disagree with the following statements? "Overall, the FCA's communications to my firm are…"
Base: All consumer credit firms (2,174); All non-consumer credit firms (5,395)

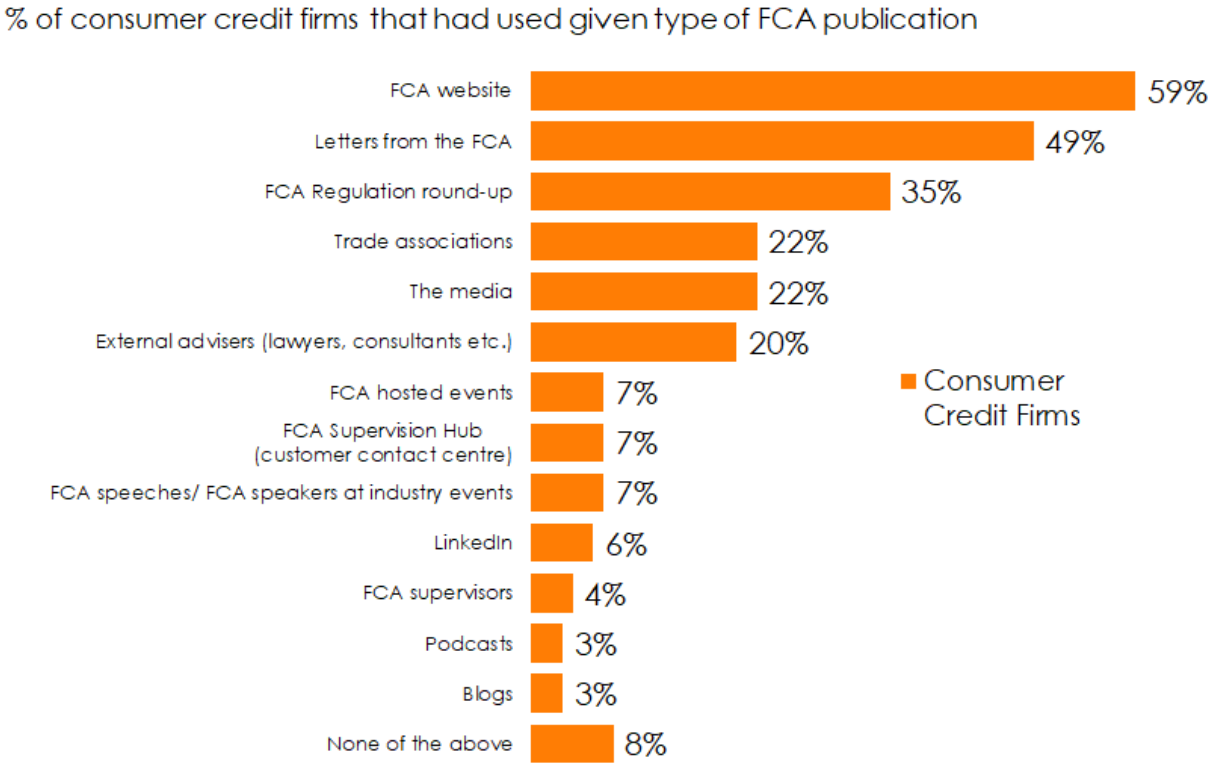
10.2 FCA communications

Firms were asked which information sources they use to keep up to date with regulation and the FCA ***(Figure 10.3)***.

The source most widely used by consumer credit firms was the FCA website (59%), followed by letters from the FCA (49%) and the FCA Regulation round up (35%). The sources used the least by consumer credit firms were blogs (3%), podcasts (3%) and FCA supervisors (4%).

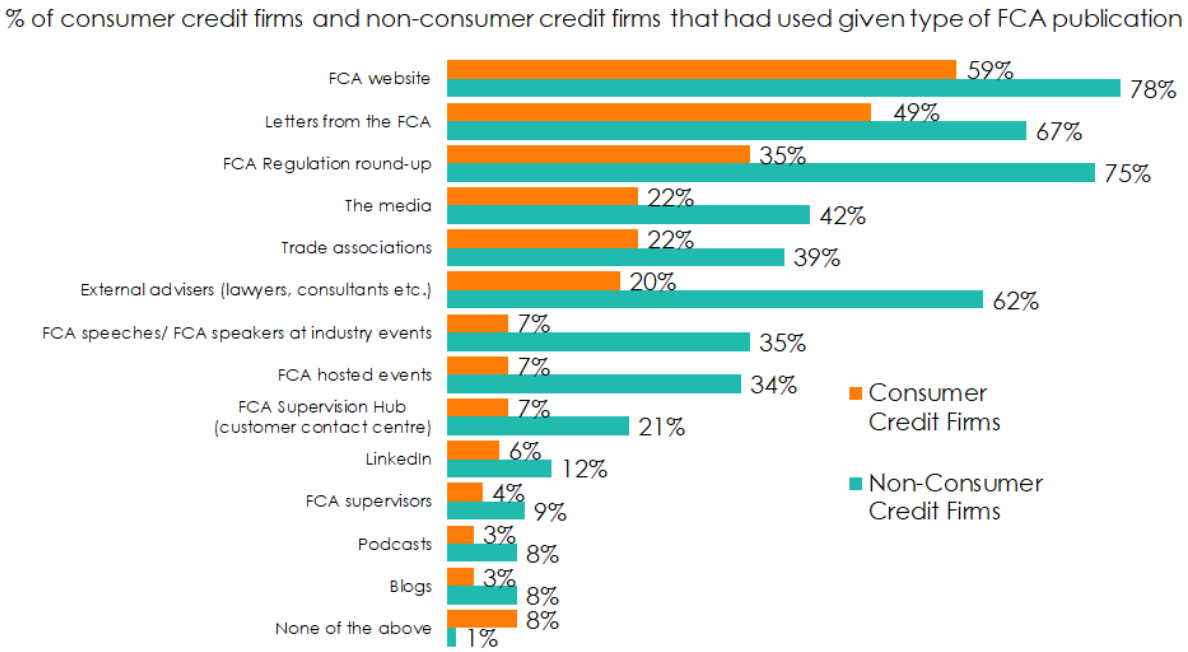
Reported use of various sources of information among consumer credit firms was largely consistent with 2023-24, with the exception of the FCA website. The percentage of consumer credit firms who said that they used the FCA website has fallen from around two thirds (65%) in 2023-24 to around six in ten (59%) in 2024-25.

Figure 10.3 – *Consumer credit firms'* use of information sources to keep up to date with regulation and the FCA



Consumer credit firms were less likely than non-consumer credit firms to use every information source. For example, 20% of consumer credit firms reported using external advisers (lawyers, consultants etc.) compared with 62% of non-consumer credit firms.

Figure 10.4 - *Consumer credit firms'* and *non-consumer credit firms'* use of information sources to keep up to date with regulation and the FCA



Q12. What information sources do you use to keep up to date with regulation and the FCA?
Base: All consumer credit firms (2,174); All non-consumer credit firms (5,395)

11 Consumer Credit firms – Differences by Portfolio

The following chapter focuses on five key portfolios within the wider population of consumer credit firms:

- Credit Brokers
- Debt Advice Firms
- High-Cost Lenders
- Motor Finance Providers
- Retail Finance Providers

It should be noted that the consumer credit (CC) population also encompasses a range of other portfolios, including: Credit Reference Agencies and Providers of Credit Information Services; Debt Purchasers, Debt Collectors and Debt Administrators; Mainstream Consumer Credit Lenders; and Peer-to-Peer Lending Platforms. It was not possible to report on these portfolios due to low sample sizes.

Credit Brokers account for 71% of the total weighted CC firm sample. As such, Credit Brokers have a strong influence on the reported data for the CC portfolio as a whole.

All data in this chapter are sourced from the 2024-25 wave of the survey and focus on a subset of key survey metrics for which there were portfolio differences of note.

To maximise the sample size for each portfolio, only variables based on the full sample of CC firms are included in this chapter.

11.1 Overview

There was variability in the responses for each CC portfolio – no single portfolio group was consistently the most or the least positive.

Although Credit Broker Firms were amongst the most positive for many of the metrics, their overall satisfaction with the FCA was only average. They were also only averagely positive about the efficacy of the FCA over the past year ***(Table 11.1)***[7].

[7] Conditional formatting has been applied to Table 11.1. This formatting compares the values in each row against one another. In each row, values which are comparatively high (demonstrating a relatively positive attitude towards the FCA) are highlighted in green. Values that are comparatively low (demonstrating a relatively negative attitude towards the FCA) are highlighted in red. Values that are closer to the average for each metric are coloured yellow or orange.

Debt Advice Firms were also positive in their responses to many of the metrics but held less positive perceptions of FCA staff and communications than firms in other CC portfolios.

High-Cost Lenders held some of the least positive attitudes towards the FCA, despite relatively positive attitudes regarding FCA staff and communications.

Although Motor Finance Providers had the highest overall satisfaction with FCA, they were the most likely to report that their trust in the FCA had decreased over the past year. They were also the least likely to view the FCA's communications as clear and consistent.

Retail Finance Providers had the lowest overall satisfaction with the FCA and were the least positive about the relevance of the FCA's communications. Nevertheless, they had a high level of confidence that the FCA delivers on its statutory objective of ensuring that relevant financial markets function well.

Table 11.1 – Summary of CC portfolio attitudes towards FCA (overleaf)

	Total CC	Credit Brokers	Debt Advice Firms	High-Cost Lenders	Motor Finance Providers	Retail Finance Providers
Overall satisfaction with relationship with FCA (Proportion giving a rating of 7+ out of 10)	66%	66%	66%	65%	69%	61%
How effective the FCA has been in regulating the financial services industry in the last year (Proportion giving a rating of 7+ out of 10)	65%	65%	71%	51%	62%	65%
Stability of trust in the FCA over the last 12 months (Proportion reporting that their trust in FCA has stayed the same)	71%	69%	78%	69%	65%	78%
Net change in trust in the FCA over the last 12 months (Proportion reporting that trust has increased minus proportion reporting trust has decreased)	-4%	-5%	4%	-6%	-15%	-3%
Confidence that the FCA delivers on its statutory objective of... ensuring relevant financial markets function well (Proportion Very/Fairly Confident)	77%	78%	79%	64%	68%	79%
Confidence that the FCA delivers on its statutory objective of... securing an appropriate degree of protection for consumers (Proportion Very/Fairly Confident)	82%	84%	80%	73%	82%	81%
Confidence that the FCA delivers on its statutory objective of... protecting and enhancing the integrity of the UK financial system (Proportion Very/Fairly Confident)	78%	79%	81%	66%	72%	78%
Confidence that the FCA delivers on its statutory objective of... promoting effective competition in the interests of consumers in the financial markets (Proportion Very/Fairly Confident)	70%	73%	66%	51%	65%	66%
Agreement that overall, the FCA's communications to my firm are CLEAR (Proportion Agree Strongly/Agree)	62%	62%	58%	64%	55%	60%
Agreement that overall, the FCA's communications to my firm are CONSISTENT (Proportion Agree Strongly/Agree)	71%	71%	70%	74%	64%	72%

Agreement that overall, the FCA's communications to my firm are RELEVANT (Proportion Agree Strongly/Agree)	58%	60%	54%	55%	63%	51%
Agreement that the work of the FCA enhances the reputation of the UK as a financial centre (Proportion Agree Strongly/Agree)	60%	61%	73%	45%	48%	56%
Agreement that the FCA acts proportionately, so that the costs imposed on firms are proportionate to the benefits gained (Proportion Agree Strongly/Agree)	36%	38%	35%	23%	29%	26%
Agreement that FCA regulation has helped firm to deliver better outcomes for consumers (Proportion Agree Strongly/Agree)	46%	47%	49%	41%	38%	38%
Agreement that FCA regulation is aligned with rules imposed by other regulators (Proportion Agree Strongly/Agree)	43%	45%	37%	29%	35%	37%
How feel about the number of data/ information requests your firm receives from the FCA (Proportion saying the number is 'About right')	45%	49%	60%	16%	23%	30%
Agreement that FCA staff are knowledgeable about FCA rules and requirements (Proportion Strongly agree/Agree)	55%	56%	42%	58%	52%	52%
Agreement that FCA staff have sufficient experience (Proportion Strongly agree/Agree)	47%	50%	36%	44%	42%	39%
Agreement that FCA staff are appropriately qualified and have the necessary skills to undertake the role (Proportion Strongly agree/Agree)	45%	48%	30%	42%	41%	39%
Agreement that guidance provided by FCA staff is consistent with that from the leaders of the FCA, and the FCA's wider policy approach Awareness of FCA's senior executive team (Aware of at least one member of senior executive team)	47%	49%	36%	44%	51%	42%
Base	*2,174*	*1,433*	*204*	*161*	*59*	*228*

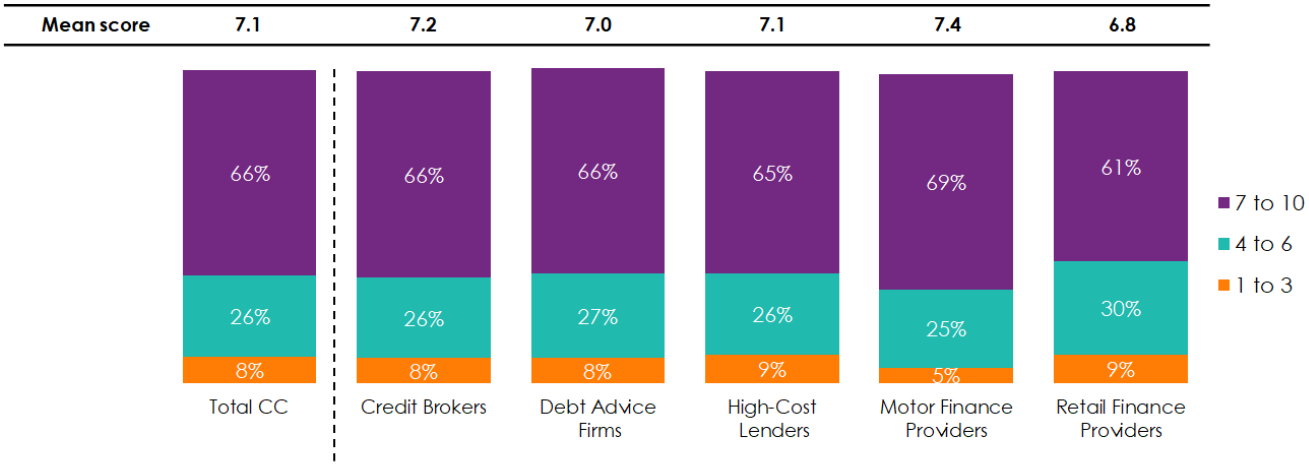
11.2 Satisfaction with relationship with the FCA (by CC portfolio)

Taking account of all their dealings with the FCA, firms were asked to rate how satisfied they were with the relationship they have with the FCA on a scale of 1 to 10. Individual scores were grouped into bands to represent 'low' (1 to 3), 'moderate' (4 to 6), and 'high' (7 to 10) levels of satisfaction (***Figure 11.1***).

The overall mean satisfaction score for CC firms was in the 'high' range (7.1). Retail Finance Providers were the only CC portfolio whose mean satisfaction fell into the 'moderate' range (6.8).

Fewer than one in ten firms in each of the five CC portfolios gave a 'low' satisfaction rating, ranging from 5% (Motor Finance Providers) to 9% amongst High-Cost Lenders and Retail Finance Providers.

Figure 11.1 – Satisfaction with the relationship with the FCA (by CC portfolio)



Q1. Taking into account all of your firm's dealings with the FCA, how satisfied are you with the relationship?
Base: All consumer credit firms: Total (2,174); Credit Brokers (1,433) Debt Advice Firms (204) High-Cost Lenders (161) Motor Finance Providers (59) Retail Finance Providers (228)
Mean Score: 10 = Extremely satisfied, 1 = Extremely dissatisfied

11.3 Perceived effectiveness of the FCA (by CC portfolio)

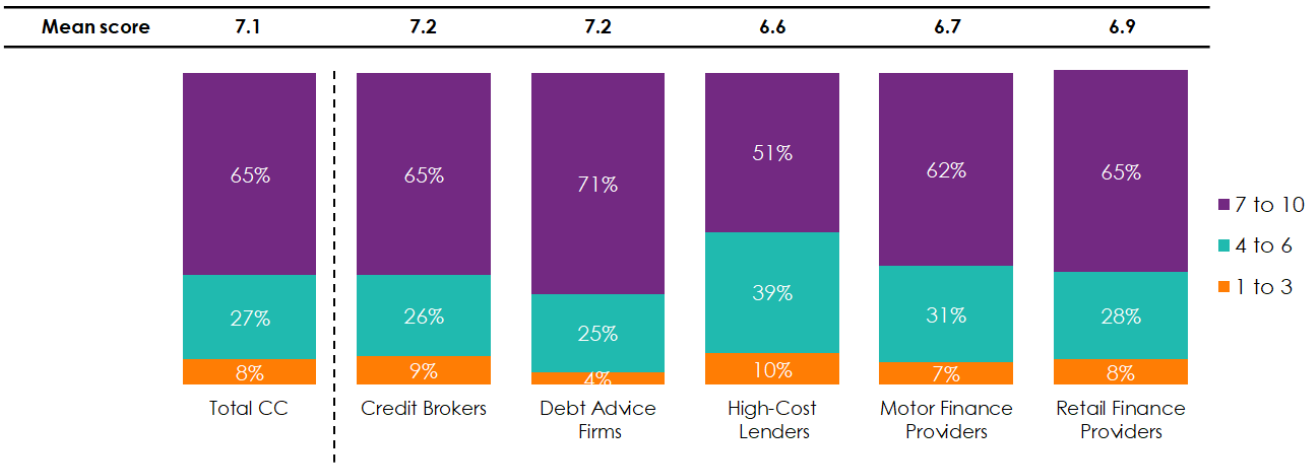
Firms were asked to rate the effectiveness of the FCA in regulating the financial services industry in the past year, using a scale from 1 (representing 'not at all effective') to 10 ('extremely effective'). Individual scores were again grouped into bands to represent 'low' (1 to 3), 'moderate' (4 to 6), and 'high' (7 to 10) levels of perceived effectiveness.

Among the total population of CC firms, the mean effectiveness score was 7.1 (***Figure 11.2***). Firms in the High-Cost Lenders portfolio (6.6) and the Motor Finance Providers portfolio (6.7) had the lowest mean scores.

The proportion of firms giving a high effectiveness rating ranged from 51% among High-Cost Lenders to 71% among Debt Advice Firms.

Relatively few firms gave a low effectiveness rating in each of the five CC portfolios, ranging from 4% in the Debt Advice Firms portfolio to 10% in the High-Cost Lenders portfolio.

Figure 11.2 – Rating of how effective the FCA has been in regulating the financial services industry (by CC portfolio)



Q2. Overall, from your firm's perspective, how effective has the FCA been in regulating the financial services industry in the last year?
Base: All consumer credit firms; Total (2,174); Credit Brokers (1,433) Debt Advice Firms (204) High-Cost Lenders (161) Motor Finance Providers (59) Retail Finance Providers (228)
Mean Score: 10 = Extremely effective, 1 = Not at all effective

11.4 Change in trust in the FCA (by CC portfolio)

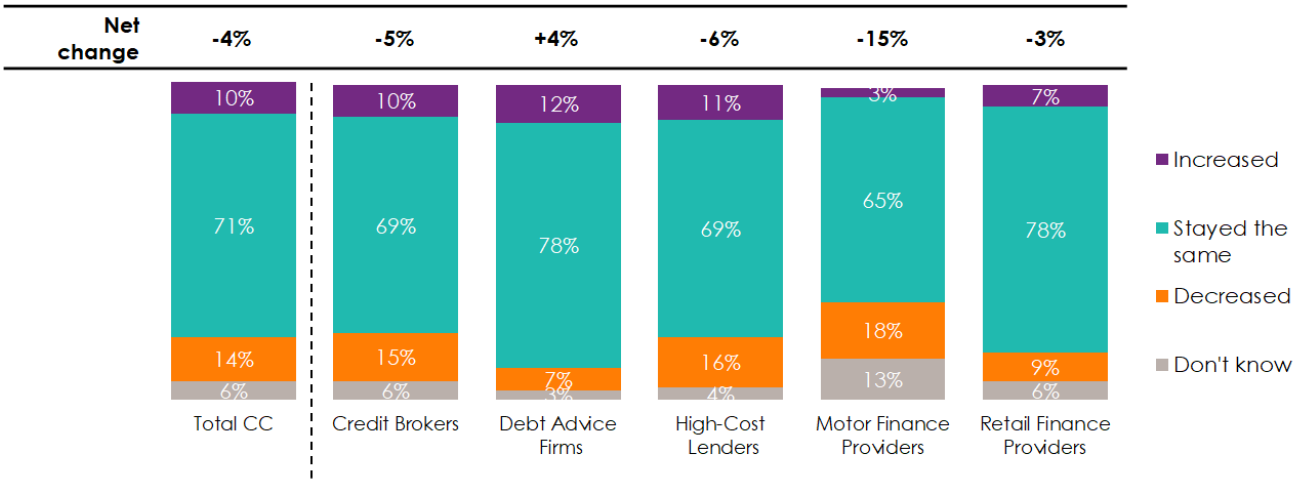
Firms were asked whether their trust in the FCA had increased, decreased or stayed the same over the last 12 months (***Figure 11.3***). A net 'change in trust' metric has been calculated by subtracting the proportion of firms reporting that their trust in the FCA had decreased from the proportion of firms reporting that their trust in the FCA had increased. The overall net change in trust for the total population of CC firms was -4% (i.e. more CC firms reported that their trust had decreased than reported their trust had increased).

Most firms in each of the five CC portfolios reported that their trust levels had remained the same, ranging from 65% for Motor Finance Providers up to 78% for Debt Advice Firms and Retail Finance Providers.

Motor Finance Providers were the most likely to report that their trust in the FCA had decreased over the past 12 months (18%) and the least likely to report that their trust in the FCA had increased (3%), giving a net change in trust score of -15%.

Debt Advice Firms was the only CC portfolio with a positive net change in trust (+4%), with 12% reporting an increase in their trust of the FCA and 7% reporting a decrease over the past 12 months.

Figure 11.3 – Past 12 month change in trust in the FCA (by CC portfolio)



Q8. Over the last 12 months, would you say your firm's trust in the FCA has…
Base: All consumer credit firms; Total (2,174); Credit Brokers (1,433) Debt Advice Firms (204) High-Cost Lenders (161) Motor Finance Providers (59) Retail Finance Providers (228)
Net change = Increased minus Decreased

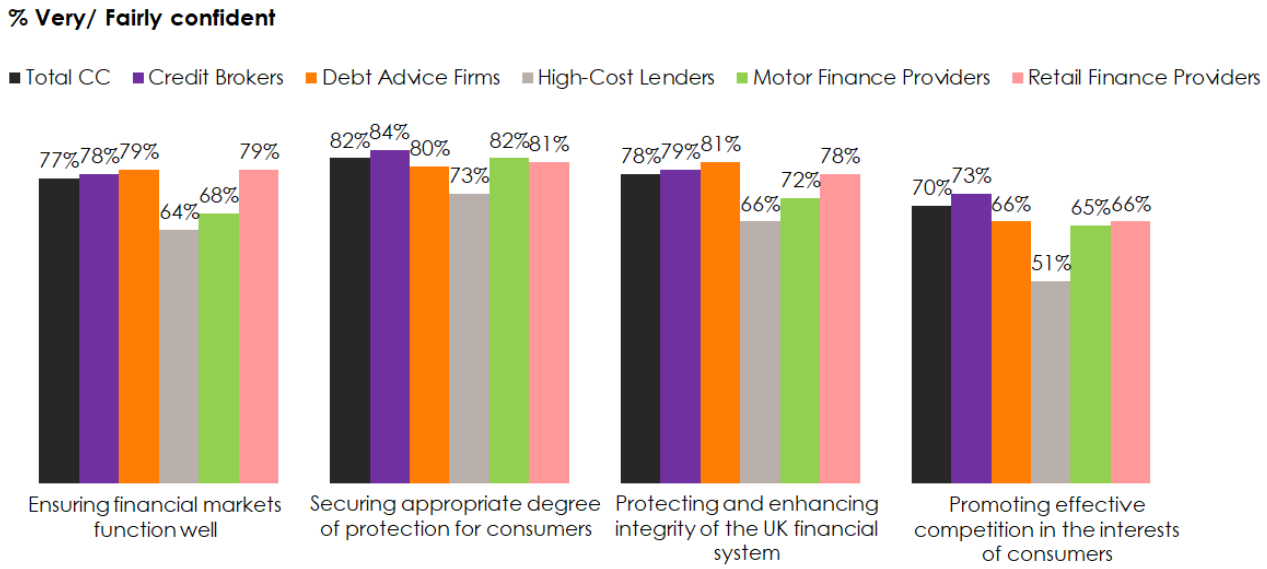
11.5 Delivery of the FCA's statutory objectives (by CC portfolio)

Firms were asked how confident they were that the FCA's oversight of the industry delivers on each of its four statutory objectives (***Figure 11.4***).

Amongst the total population of CC firms, 82% were very or fairly confident that the FCA's oversight delivers on its objectives of securing an appropriate degree of protection for consumers, higher than protecting and enhancing the integrity of the UK financial system (78%) and ensuring relevant financial markets function well (77%). In comparison, 70% agreed that FCA oversight delivers on the objective of promoting effective competition in the interests of consumers in the financial markets.

For all four of these metrics, the High-Cost Lenders portfolio was the least likely to have confidence in the FCA's oversight. Of particular note, only around half of High-Cost Lenders (51%) were confident that FCA oversight delivers on the objective of promoting effective competition in the interests of consumers in the financial markets.

Figure 11.4 – Confidence that FCA oversight delivers on its statutory objectives (by CC portfolio)



Q3. How confident are you that the FCA's oversight of the industry delivers on the following statutory objectives?
Base: All non-Consumer Credit firms (2,174), Credit Brokers (1,433), Debit Advice Firms (204), High Cost Lenders (161), Motor Finance Providers (59), Retail Finance Providers (228)

11.6 Delivery of the FCA's communications (by CC portfolio)

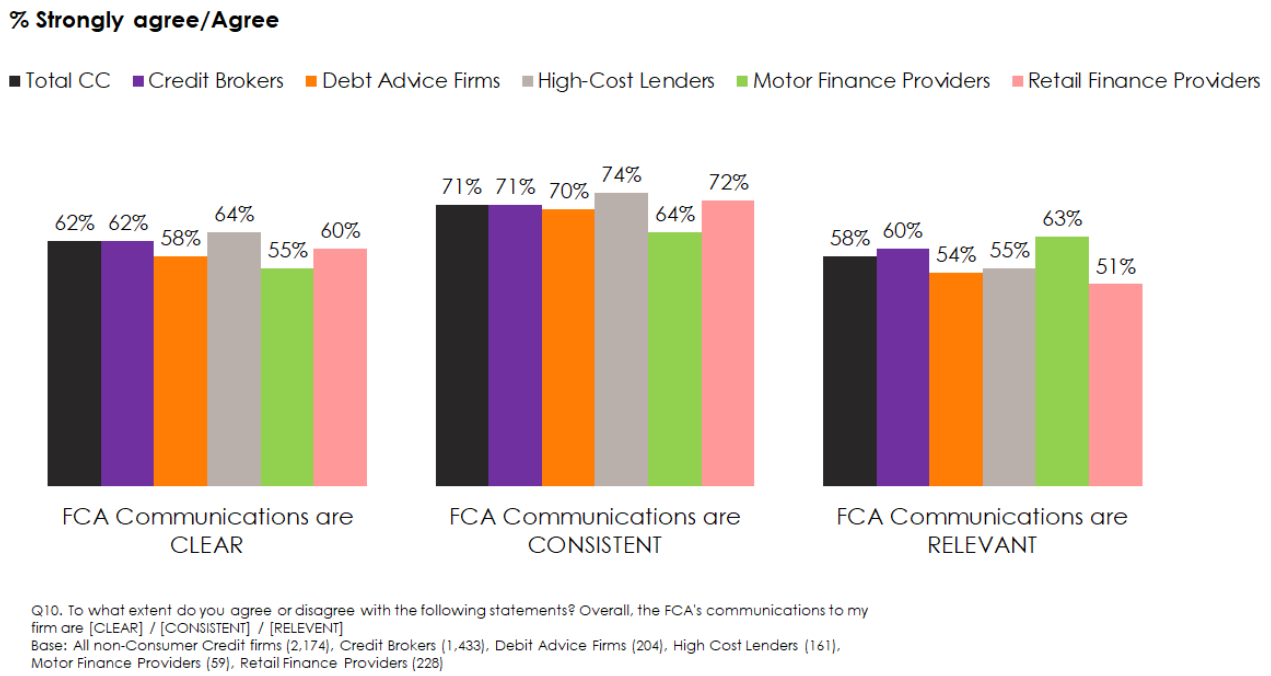
Firms were asked the extent to which they agreed or disagreed that the FCA's communications to their firm are clear, consistent and relevant (***Figure 11.5***).

Motor Finance Firms were the least likely to agree that the FCA's communications were clear (55%) and consistent (64%) but were the most likely to agree that the FCA's communications were relevant (63%).

In contrast, High-Cost Lenders were the most likely to agree that the FCA's communications were clear (64%) and consistent (74%) but less positive in terms of the relevance of the communications (55%).

Retail Finance Providers were the least likely to agree that the FCA's communications were relevant (51%).

Figure 11.5 – Perceptions of FCA communications (by CC portfolio)



Q10. To what extent do you agree or disagree with the following statements? Overall, the FCA's communications to my firm are [CLEAR] / [CONSISTENT] / [RELEVENT]
Base: All non-Consumer Credit firms (2,174), Credit Brokers (1,433), Debit Advice Firms (204), High Cost Lenders (161), Motor Finance Providers (59), Retail Finance Providers (228)

11.7 Perceptions of the FCA's work and regulations (by CC portfolio)

Firms were asked the extent to which they agreed or disagreed with several statements relating to the FCA's work and regulations (***Figure 11.6***).

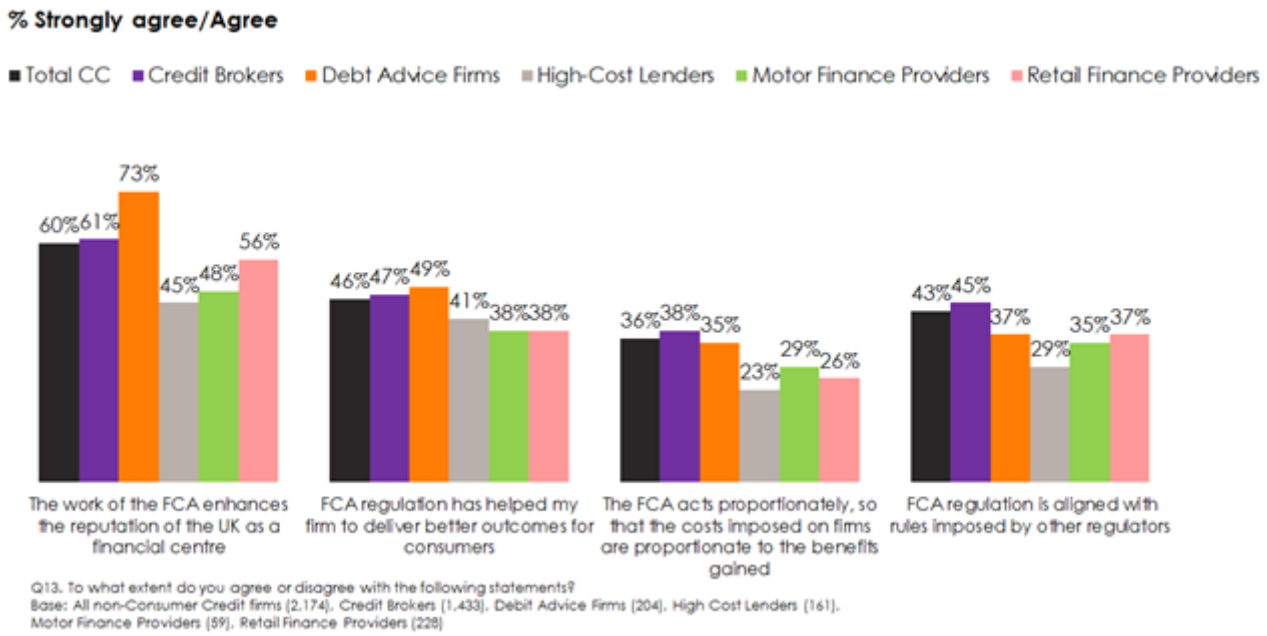
Although 60% of CC firms agreed that the work of the FCA enhances the reputation of the UK as a financial centre, there was substantial variance across the CC portfolios. Agreement ranged from 45% for High-Cost Lenders and 48% for Motor Finance Providers, up to 73% for Debt Advice Firms.

Slightly less than half of CC firms (46%) agreed that FCA regulation has helped their firm to deliver better outcomes for consumers. Agreement in this respect was lowest for Motor Finance Providers (38%) and Retail Finance Providers (also 38%).

Overall, 36% of CC firms agreed that the FCA acts proportionately, so that the costs imposed on firms are proportionate to the benefits gained. High-Cost Lenders (23%) and Retail Finance Providers (26%) were least likely to agree that the FCA acts proportionately.

Credit Brokers were the most likely to agree that FCA regulation is aligned with rules imposed by other regulators (45%) and High-Cost Lenders were the least likely to agree (29%). There was, however, a relatively high 'don't know' response to this question for CC firms, ranging from 10% for Motor Finance Providers up to 23% for Debt Advice Firms.

Figure 11.6 – Perceptions of the FCA's work and regulations (by CC portfolio)



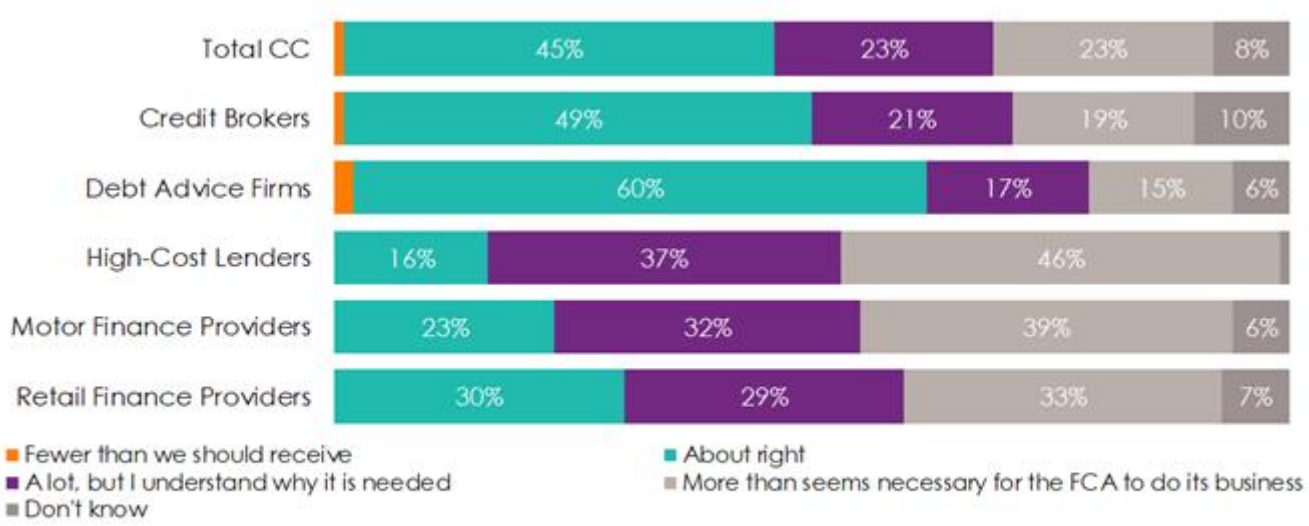
Q13. To what extent do you agree or disagree with the following statements?
Base: All non-Consumer Credit firms (2,174), Credit Brokers (1,433), Debit Advice Firms (204), High Cost Lenders (161), Motor Finance Providers (59), Retail Finance Providers (228)

11.8 Attitudes towards the number of data/information requests from the FCA (by CC portfolio)

Firms were asked how they felt about the number of data/information requests their firm receives from the FCA (***Figure 11.7***). Overall, around two thirds of CC firms felt that the number of data/information requests was either 'about right' (45%) or that there were 'a lot, but I understand why it is needed' (23%). By comparison, 23% indicated that they felt there were 'more than seems necessary for the FCA to do its business'.

The proportion of firms that felt there were more data/information requests than necessary was markedly higher for High-Cost Lenders (46%), Motor Finance Providers (39%) and Retail Finance Providers (33%). Debt Advice Firms were the least likely to feel that there were too many data/information requests (15%).

Figure 11.7 – Attitudes towards the number of data/information requests from the FCA (by CC portfolio)



Q29. Which of the following best describes how you feel about the number of data/ information requests your firm receives from the FCA?
Base: All non-Consumer Credit firms (2,174), Credit Brokers (1,433), Debit Advice Firms (204), High Cost Lenders (161), Motor Finance Providers (59), Retail Finance Providers (228)

11.9 Attitudes towards FCA staff (by CC portfolio)

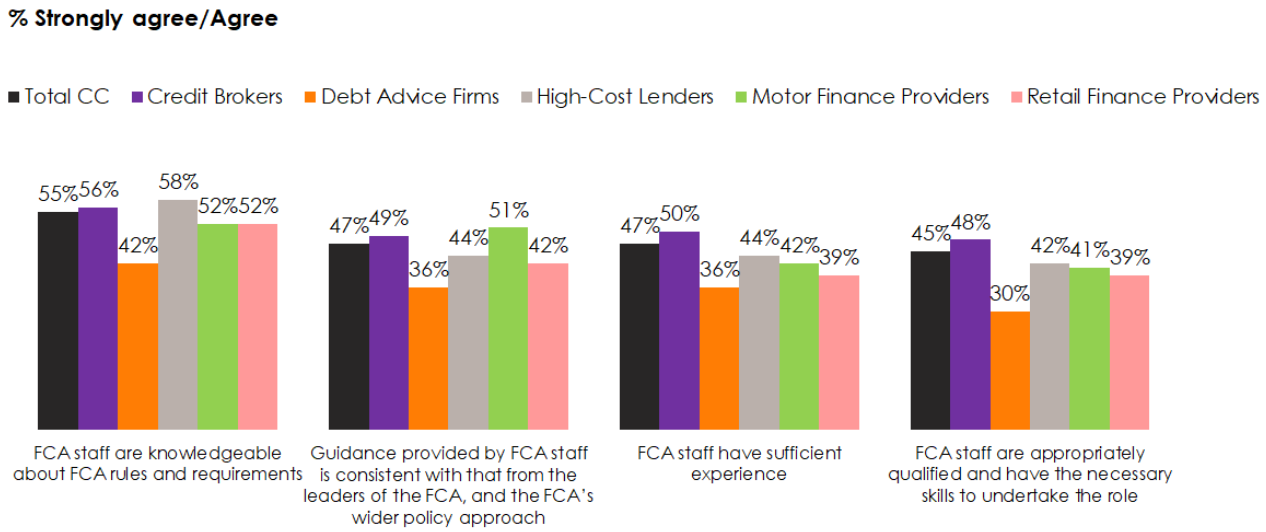
Firms were asked the extent to which they agreed or disagreed with several statements relating to FCA staff (***Figure 11.8***).

Compared with other CC portfolios, Debt Advice Firms consistently held the least positive attitudes towards FCA staff. Only 30% of Debt Advice Firms agreed that FCA staff are appropriately qualified and have the necessary skills to undertake the role. However, the comparatively low agreement scores for Debt Advice Firms were driven by a high 'don't know' response for this portfolio, ranging from 35% for 'FCA staff are knowledgeable about FCA rules and requirements' up to 44% for 'FCA staff are appropriately qualified and have the necessary skills to undertake the role'. This suggests that contact with FCA staff may be limited for many Debt Advice Firms.

Amongst the total population of CC firms, the level of 'don't know' response was lower, but still substantial, ranging from 17% for 'FCA staff are knowledgeable about FCA rules and requirements' up to 22% for 'FCA staff are appropriately qualified and have the necessary skills to undertake the role'.

The Credit Brokers portfolio was amongst the most positive about FCA staff, particularly in terms of agreement that FCA staff are knowledgeable about FCA rules and requirements (56%). High-Cost Lenders were also relatively likely to agree with this staff attribute (58%).

Figure 11.8 – Attitudes towards FCA staff (by CC portfolio)



Q25. To what extent to do you agree or disagree with the following statements?
Base: All non-Consumer Credit firms (2,174), Credit Brokers (1,433), Debit Advice Firms (204), High Cost Lenders (161), Motor Finance Providers (59), Retail Finance Providers (228)

12 Sector level analysis for amongst Non-Consumer Credit firms

The following chapter focuses on the seven key sectors that the FCA oversees, comparing data for these specific sectors with the overall total for all non-consumer credit (non-CC) firms. All data in this chapter are sourced from the 2024-25 wave of the survey and focus on a subset of key survey metrics.

To maximise the sample size for each sector, only variables which are based on the full sample of non-CC firms are included in this chapter.

12.1 Overview

As was the case in 2023-24, there were relatively consistent patterns in the way that firms in different non-CC sectors typically perceived the FCA in 2024-25 ***(Table 12.1)***[8].

For each of the selected metrics, firms in the Retail Banking and Payments & Digital Assets sector held amongst the most positive views of the FCA. For 21 of the 23 measures, they gave the most positive responses of any sector. For the remaining two measures, they gave the second most positive responses of any sector.

Firms in the Investment Management sector also had an above average level of positivity towards the FCA for most of the selected metrics.

Conversely, firms in the Retail Investments sector consistently held some of the least positive views of the FCA. They were the least positive of any of the sectors for 18 of the 23 measures.

Firms in the Pensions and Retirement Income sector tended to give the most varied responses. For example, while they had strongly positive views towards some of the FCA's statutory objectives, their response to metrics relating to competition and growth were amongst the most negative.

Attitudes towards the FCA from firms in the other sectors tended to occupy the middle ground, with those in the Retail Lending and Wholesale sectors tending towards slightly above average positivity, and those in the General Insurance and Protection sector being somewhat more negative.

[8] Conditional formatting has been applied to Table 12.1. This formatting compares the values in each row against one another. In each row, values which are comparatively high (demonstrating a relatively positive attitude towards the FCA) are highlighted in green. Values that are comparatively low (demonstrating a relatively negative attitude towards the FCA) are highlighted in red. Values that are closer to the average for each metric are coloured yellow or orange.

Table 12.1 – Summary of non-CC sector attitudes towards FCA	Total non-CC	General Insurance & Protection	Investment Manage-ment	Pensions & Retirement Income	Retail Banking + Payments & Digital Assets	Retail Investments	Retail Lending	Wholesale Financial Markets
Overall satisfaction with relationship with FCA (Proportion giving a rating of 7+ out of 10)	75%	74%	80%	72%	82%	69%	77%	75%
How effective the FCA has been in regulating the financial services industry in the last year (Proportion giving a rating of 7+ out of 10)	70%	68%	78%	68%	80%	62%	76%	70%
Confidence that the FCA delivers on its statutory objective of... ensuring relevant financial markets function well (Proportion Very/Fairly Confident)	83%	82%	89%	92%	89%	76%	86%	86%
Confidence that the FCA delivers on its statutory objective of... securing an appropriate degree of protection for consumers (Proportion Very/Fairly Confident)	84%	85%	88%	85%	94%	77%	88%	85%
Confidence that the FCA delivers on its statutory objective of... protecting and enhancing the integrity of the UK financial system (Proportion Very/Fairly Confident)	82%	81%	89%	91%	89%	75%	85%	85%
Confidence that the FCA delivers on its statutory objective of... promoting effective competition in the interests of consumers in the financial markets (Proportion Very/Fairly Confident)	68%	66%	71%	60%	75%	60%	76%	68%
Confidence that FCA's oversight of the industry delivers on the secondary international competitiveness and growth objective (SICGO) (Proportion Very/Fairly Confident)	55%	56%	56%	45%	68%	47%	62%	58%
Understanding of what FCA is trying to achieve through the SICGO (Proportion understand Very/Fairly Well)	46%	47%	56%	47%	65%	34%	45%	55%
Agreement that overall, the FCA's communications to my firm are CLEAR (Proportion Agree Strongly/Agree)	73%	71%	80%	73%	84%	69%	69%	79%
Agreement that overall, the FCA's communications to my firm are CONSISTENT (Proportion Agree Strongly/Agree)	78%	80%	82%	76%	83%	75%	78%	80%
Agreement that overall, the FCA's communications to my firm are RELEVANT (Proportion Agree Strongly/Agree)	68%	65%	74%	73%	83%	62%	68%	68%
Agreement that the work of the FCA enhances the reputation of the UK as a financial centre (Proportion Agree Strongly/Agree)	68%	66%	76%	64%	80%	58%	75%	74%
Base	*5,395*	*1,000*	*613*	*53*	*506*	*1,915*	*813*	*495*

	Total non-CC	General Insurance & Protection	Investment Manage-ment	Pensions & Retirement Income	Retail Banking + Payments & Digital Assets	Retail Investments	Retail Lending	Wholesale Financial Markets
Agreement that the FCA acts proportionately, so that the costs imposed on firms are proportionate to the benefits gained (Proportion Agree Strongly/Agree)	41%	37%	51%	37%	61%	30%	46%	48%
Agreement that the regulatory framework is trusted by all market participants (Proportion Agree Strongly/Agree)	45%	44%	55%	41%	63%	32%	49%	56%
Agreement that the work of the FCA is effective in promoting international trade in the financial services industry (Proportion Agree Strongly/Agree)	29%	28%	37%	9%	53%	18%	30%	38%
How feel about the number of data/ information requests your firm receives from the FCA (Proportion saying the number is 'About right')	34%	28%	49%	57%	59%	20%	35%	51%
Agreement that the FCA's outcomes and performance metrics are clear (Proportion Strongly agree/Agree)	45%	45%	44%	45%	63%	39%	50%	41%
Agreement that the FCA's anti-money laundering (AML) systems and controls response is proportionate (Proportion Strongly agree/Agree)	78%	74%	78%	70%	86%	76%	83%	76%
Agreement that the FCA's anti-money laundering (AML) systems and controls response is effective at tackling levels of money laundering risk (Proportion Strongly agree/Agree)	67%	64%	72%	63%	81%	60%	72%	69%
Awareness of FCA's senior executive team (Aware of at least one member of senior executive team)	68%	63%	73%	74%	80%	69%	62%	73%
Agreement that the FCA's senior executive team has a strongly positive media and political presence(Proportion Strongly agree/Agree)	18%	18%	17%	15%	34%	13%	21%	22%
Agreement that firms that fail to meet the FCA's Threshold Conditions are identified promptly, with their status withdrawn where appropriate (Proportion Strongly agree/Agree)	53%	57%	53%	45%	64%	46%	56%	55%
Agreement that the FCA is quick to intervene to stop potential harm within the industry (Proportion Strongly agree/Agree)	52%	58%	53%	39%	72%	39%	61%	54%
Base	*5,395*	*1,000*	*613*	*53*	*506*	*1,915*	*813*	*495*

For the remainder of this chapter, commentary is provided on a subset of the metrics in Table 12.1. These have been picked on the basis that they meet a combination of some or all of the following criteria:

- They are cornerstones of firms' attitudes towards the FCA (for example 'Overall satisfaction').
- Sector differences are highly pronounced.
- Sector differences show patterns that diverge from the over-arching themes described in Section 12.1.
- They are a new measure that has been added to the survey in 2024-25.

12.2 Satisfaction with relationship with the FCA (by non-CC sector)

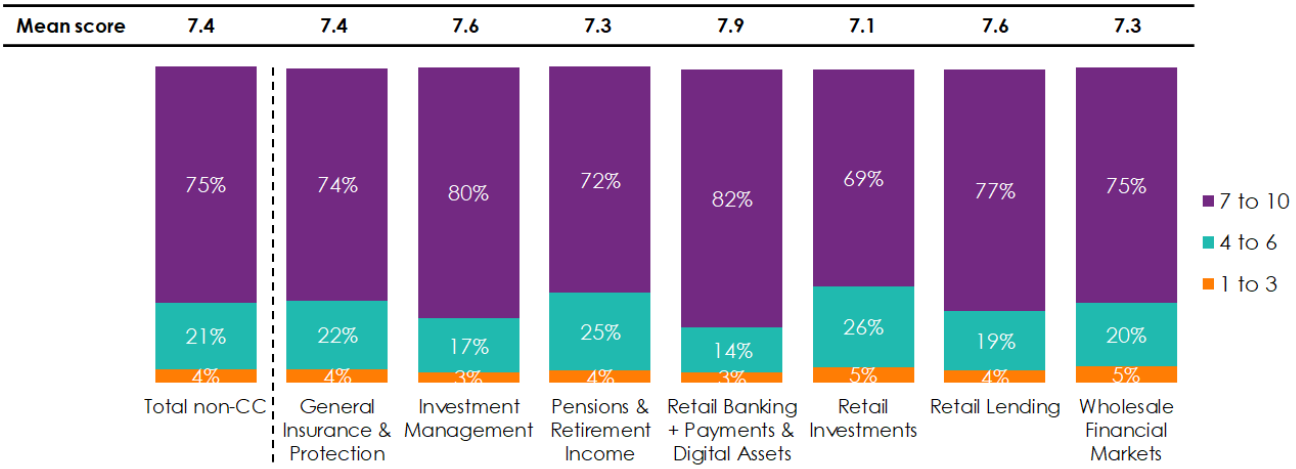
Taking account of all their dealings with the FCA, firms were asked to rate how satisfied they were with the relationship they have with the FCA on a scale of 1 to 10. Individual scores were grouped into bands to represent 'low' (1 to 3), 'moderate' (4 to 6), and 'high' (7 to 10) levels of satisfaction (***Figure 12.1***).

The mean satisfaction score for all seven sectors fell into the 'high' category and the overall mean satisfaction score was 7.4. Nevertheless, there was some variation in satisfaction levels according to sector. Satisfaction with the FCA relationship ranged from a mean of 7.9 in the Retail Banking and Payments & Digital Assets sector to 7.1 in the Pensions and Retirement Income sector.

Compared with all non-CC firms (75%), the proportion of firms with high satisfaction was notably higher in the Retail Banking and Payments & Digital Assets sector (82%) and the Investment Management (80%) sector.

The proportion of firms giving a low satisfaction rating was very low for all seven sectors, ranging from 3% in the Investment Management sector and the Retail Banking and Payments & Digital Assets sector to 5% in the Retail Investments and Wholesale Financial Markets sectors.

Figure 12.1 – Satisfaction with the relationship with the FCA (by non-CC sector)



Q1. Taking into account all of your firm's dealings with the FCA, how satisfied are you with the relationship?
Base: All non consumer credit firms: Total (5,395); General Insurance & Protection (1,000) Investment Management (613) Pensions & Retirement Income (53) Retail Banking + Payments & Digital Assets (506) Retail Investments (1,915) Retail Lending (813) Wholesale Financial Markets (495)
Mean Score: 10 = Extremely satisfied, 1 = Extremely dissatisfied

12.3 Perceived effectiveness of the FCA (by non-CC sector)

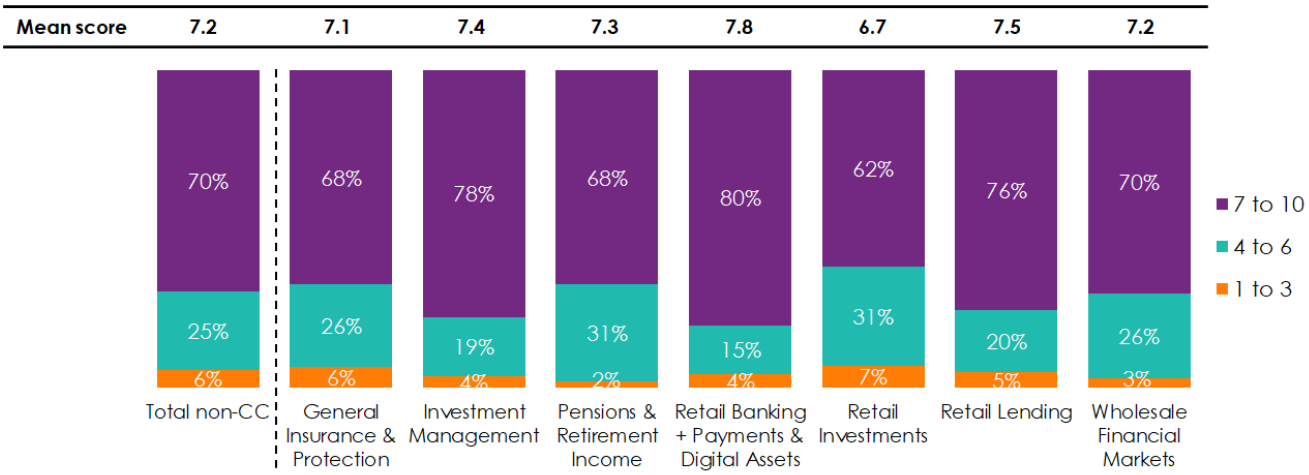
Firms were asked to rate the effectiveness of the FCA in regulating the financial services industry in the past year, using a scale from 1 (representing 'not at all effective') to 10 ('extremely effective'). Individual scores were again grouped into bands to represent 'low' (1 to 3), 'moderate' (4 to 6), and 'high' (7 to 10) levels of perceived effectiveness.

Among the total population of non-CC firms, the mean effectiveness score was 7.2 (***Figure 12.2***). Firms in the Retail Investments sector had the lowest mean score (6.7) while those in the Retail Banking and Payments & Digital Assets sector had the highest mean score (7.8).

Compared with all non-CC firms (70%), the proportion of firms giving a high effectiveness rating was notably higher in the Retail Banking and Payments & Digital Assets sector (80%), the Investment Management sector (78%) and the Retail Lending sector (76%).

The proportion of firms giving a low effectiveness rating ranged from 2% in the Pensions and Retirement Income sector to 7% in the Retail Investments sector.

Figure 12.2 – Rating of how effective the FCA has been in regulating the financial services industry (by non-CC sector)



Q2. Overall, from your firm's perspective, how effective has the FCA been in regulating the financial services industry in the last year?
Base: All non consumer credit firms: Total (5,395); General Insurance & Protection (1,000) Investment Management (613) Pensions & Retirement Income (53) Retail Banking + Payments & Digital Assets (506) Retail Investments (1,915) Retail Lending (813) Wholesale Financial Markets (495)
Mean Score: 10 = Extremely effective, 1 = Not at all effective

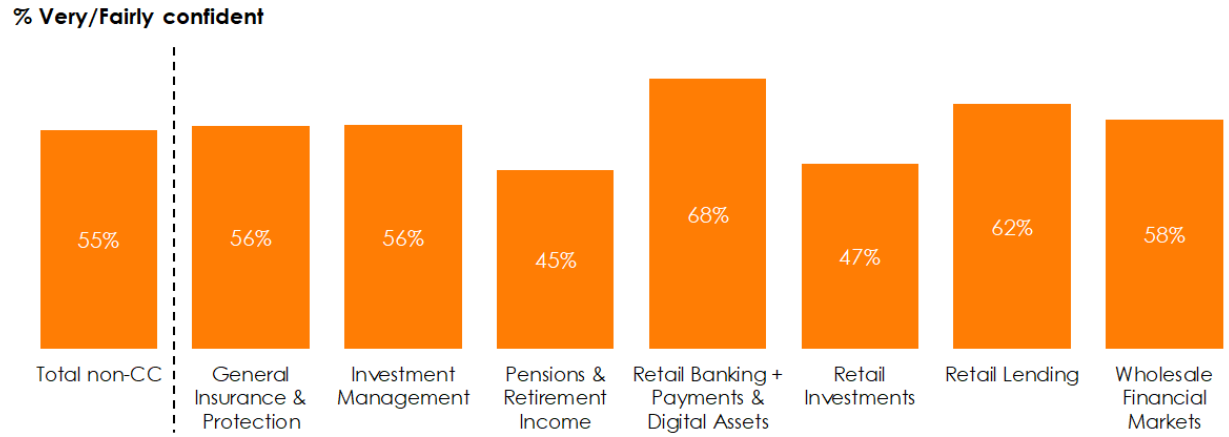
12.4 Perceived performance against the SICGO (by non-CC sector)

Firms were asked how confident they were that the FCA's oversight of the industry delivers on its secondary international competitiveness and growth objective (SICGO) (***Figure 12.3***).

Firms in the Retail Banking and Payments & Digital Assets sector were clearly the most likely to agree that they were confident in the FCA's oversight relating to the SICGO (68%). Those in the Retail Lending sector (62%) were also notably more confident in this respect when compared with all non-CC firms (55%).

Those in the Pensions and Retirement Income sector (45%) and those in the Retail Investments sector (47%) were the least likely to be confident that the FCA's oversight of the industry delivers on the SICGO.

Figure 12.3 – Confidence that the FCA's oversight of the industry delivers on the SICGO (by non-CC sector)



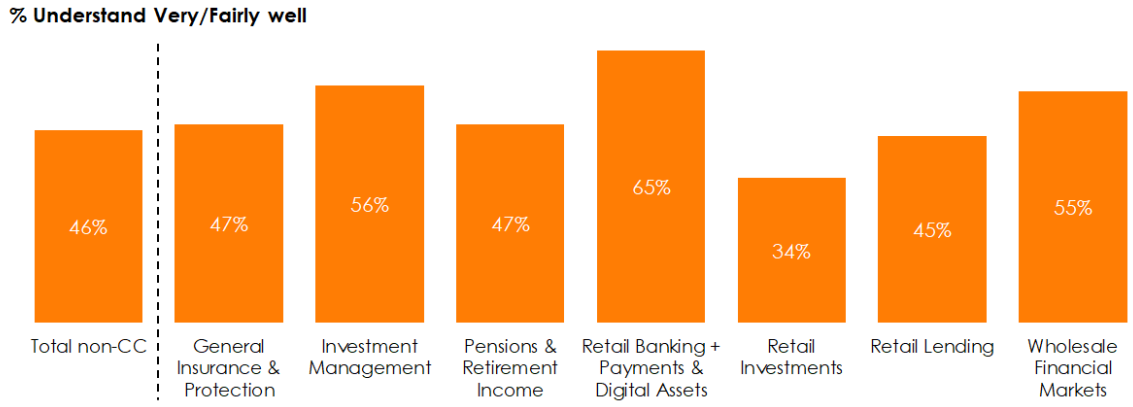
Q5. Alongside its primary strategic and operational objectives, the FCA has a secondary international competitiveness and growth objective (SICGO). How confident are you that the FCA's oversight of the industry delivers on this objective?
Base: All non consumer credit firms: Total (5,395); General Insurance & Protection (1,000) Investment Management (613) Pensions & Retirement Income (53) Retail Banking + Payments & Digital Assets (506) Retail Investments (1,915) Retail Lending (813) Wholesale Financial Markets (495)

Firms were also asked how well they understood what the FCA is trying to achieve through the SICGO (***Figure 12.4***).

Overall, 46% of non-CC firms reported that they understood, either very well or fairly well, what the FCA was trying to achieve through the SICGO. This proportion was markedly higher for firms in the Retail Banking and Payments & Digital Assets sector (65%) and was also notably higher for the Investment Management sector (56%) and the Wholesale Financial Markets sector (55%).

Firms in the Retail Investments sector (34%) were clearly the least likely to report that they understood the FCA's aims relating to the SICGO.

Figure 12.4 – Understanding of what the FCA is trying to achieve through the SICGO (by non-CC sector)



Q6. How well would you say your firm understands what the FCA is trying to achieve through the secondary international competitiveness and growth objective (SICGO)?
Base: All non consumer credit firms: Total (5,395); General Insurance & Protection (1,000) Investment Management (613) Pensions & Retirement Income (53) Retail Banking + Payments & Digital Assets (506) Retail Investments (1,915) Retail Lending (813) Wholesale Financial Markets (495)

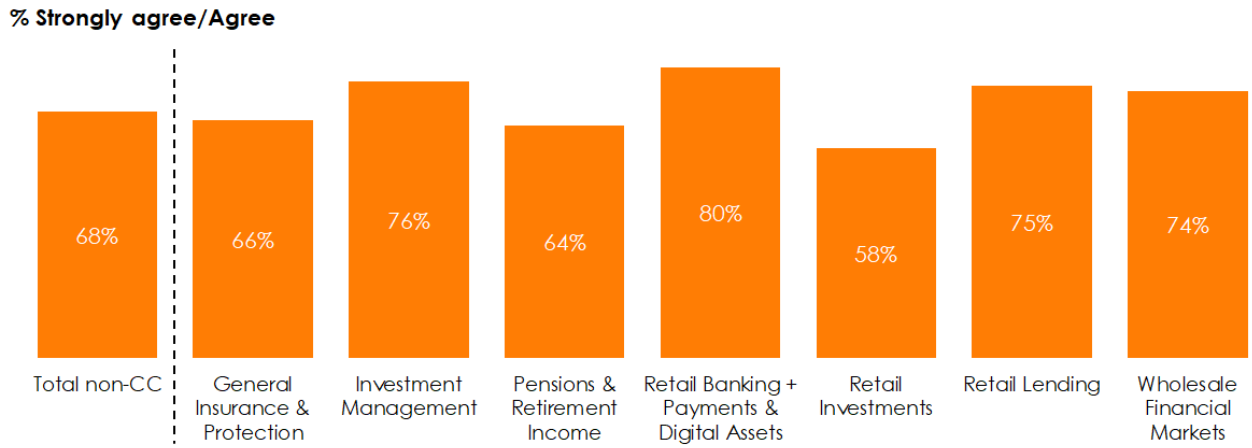
12.5 Whether the work of the FCA enhances the reputation of the UK as a financial centre (by non-CC sector)

Firms were asked to what extent they agreed or disagreed that the work of the FCA enhances the reputation of the UK as a financial centre (***Figure 12.5***).

Overall, 68% of non-CC firms agreed that the FCA's work enhanced the reputation of the UK as a financial centre. This proportion was highest for firms in the Retail Banking and Payments & Digital Assets sector (80%) and was also notably higher for firms in the Investment Management sector (76%), firms in the Retail Lending Sector (75%) and firms in the Wholesale Financial Markets sector (74%).

Firms in the Retail Investments sector were the least positive, with 58% agreeing that the FCA's work enhanced the reputation of the UK as a financial centre.

Figure 12.5 – Agreement that the work of the FCA enhances the reputation of the UK as a financial centre (by non-CC sector)



Q13. To what extent do you agree or disagree with the following statements? The work of the FCA enhances the reputation of the UK as a financial centre
Base: All non consumer credit firms: Total (5,395); General Insurance & Protection (1,000) Investment Management (613) Pensions & Retirement Income (53) Retail Banking + Payments & Digital Assets (506) Retail Investments (1,915) Retail Lending (813) Wholesale Financial Markets (495)

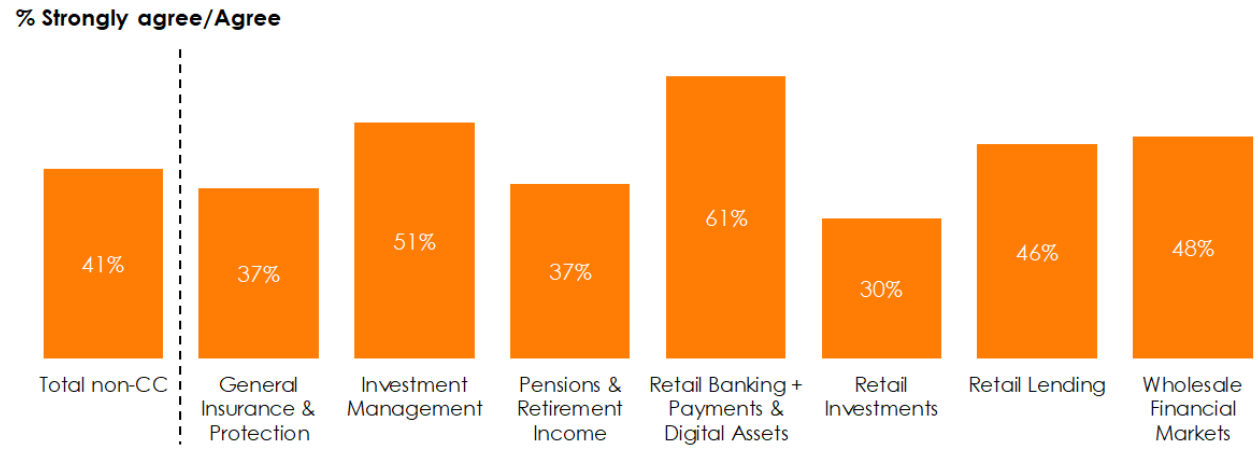
12.6 Whether the FCA acts proportionately (by non-CC sector)

Firms were asked to what extent they agreed or disagreed that the FCA acts proportionately, so that the costs imposed on firms are proportionate to the benefits gained (***Figure 12.6***).

Firms in the Retail Banking and Payments & Digital Assets sector were clearly the most likely to agree that the FCA acts proportionately (61%). Those in the Investment Management sector were also notably more likely to agree (51%) compared with all non-CC firms (41%).

Those in the Retail Investments sector (30%) were clearly the least likely to agree that the FCA acts proportionately.

Figure 12.6 – Agreement that the FCA acts proportionately, so that the costs imposed on firms are proportionate to the benefits gained (by non-CC sector)



Q13. To what extent do you agree or disagree with the following statements? The FCA acts proportionately, so that the costs imposed on firms are proportionate to the benefits gained.
Base: All non consumer credit firms: Total (5,395); General Insurance & Protection (1,000) Investment Management (613) Pensions & Retirement Income (53) Retail Banking + Payments & Digital Assets (506) Retail Investments (1,915) Retail Lending (813) Wholesale Financial Markets (495)

12.7 Whether the work of the FCA is effective in promoting international trade in the financial services industry (by non-CC sector)

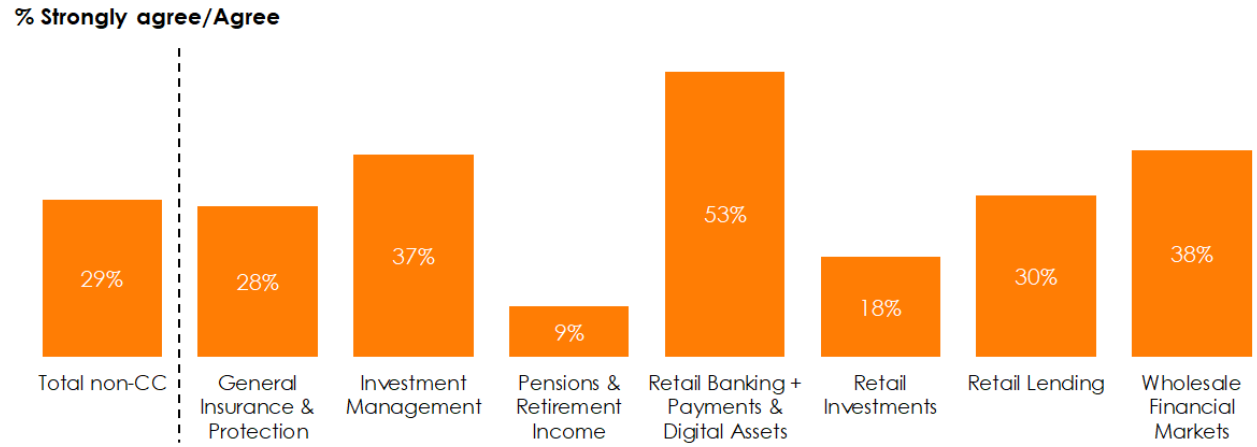
Firms were asked to what extent they agreed or disagreed that the work of the FCA is effective in promoting international trade in the financial services industry (***Figure 12.7***).

As was the case with many of the other metrics, firms in the Retail Banking and Payments & Digital Assets sector were the most likely to agree that the work of the FCA is effective in promoting international trade (53%). Those in the Investment Management sector (37%) and those in the Wholesale Financial Markets sector (38%) were also notably more likely to agree compared with all non-CC firms (29%).

Firms in the Pensions and Retirement income sector were, by a clear margin, the least positive in terms of their perceptions of the FCA's work in promoting international trade in financial services, with only 9% agreeing that the FCA's work was effective in this respect.

Once again, those in the Retail Investments sector were also amongst the least positive, with 18% agreeing that the work of the FCA is effective in promoting international trade in the financial services industry.

Figure 12.7 – Agreement that the work of the FCA is effective in promoting international trade in the financial services industry (by non-CC sector)



Q14. To what extent do you agree or disagree with the following statements? The work of the FCA is effective in promoting international trade in the financial services industry.
Base: All non consumer credit firms: Total (5,395); General Insurance & Protection (1,000) Investment Management (613) Pensions & Retirement Income (53) Retail Banking + Payments & Digital Assets (506) Retail Investments (1,915) Retail Lending (813) Wholesale Financial Markets (495)

12.8 Data / information requests firms receive from the FCA (by non-CC sector)

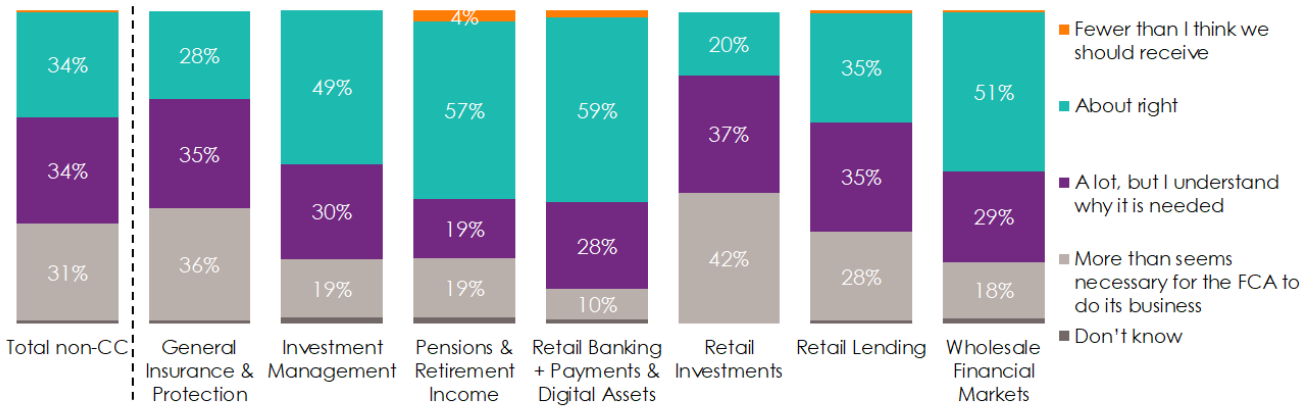
Firms were asked how they felt about the number of data/ information requests they receive from the FCA (***Figure 12.8***).

Overall, 34% of all non-CC firms thought that the number of data/ information requests they received from the FCA was about right. Firms in the Retail Banking and Payments & Digital Assets sector (59%) and firms in the Pensions and Retirement Income sector (57%) were the most likely to report that the number of data/ information requests from the FCA was about right.

Firms in the Investment Management sector (49%) and those in the Wholesale Financial Markets sector (51%) were also notably more likely than the total non-CC population to think that the number of data / information requests was about right.

Firms in the Retail Investments sector (42%), the General Insurance and Protection sector (36%), and the Retail Lending sector (28%) were the most likely to report that the FCA makes more data / information requests than seems necessary for the FCA to do its business.

Figure 12.8 – Views on the number of data / information requests firms receive from the FCA (by non-CC sector)



Q29. Which of the following best describes how you feel about the number of data/ information requests your firm receives from the FCA?
Base: All non consumer credit firms: Total (5,395); General Insurance & Protection (1,000) Investment Management (613) Pensions & Retirement Income (53) Retail Banking + Payments & Digital Assets (506) Retail Investments (1,915) Retail Lending (813) Wholesale Financial Markets (495)

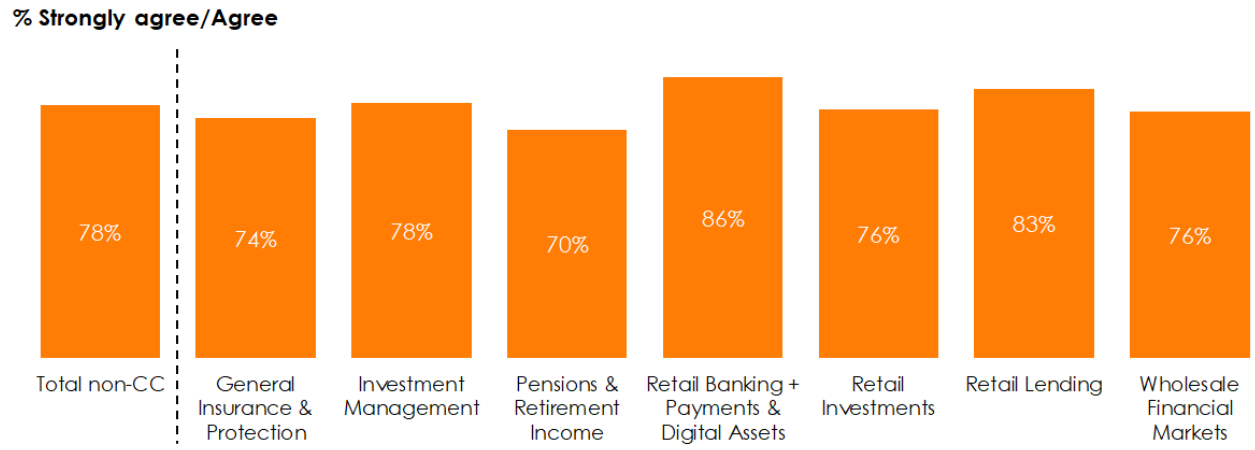
12.9 Proportionality of the FCA's anti-money laundering (AML) systems and controls response (by non-CC sector)

Firms were asked the extent to which they agreed that the FCA's anti-money laundering (AML) systems and controls response was proportionate (***Figure 12.9***).

Overall, 78% of non-CC firms agreed that the FCA's anti-money laundering (AML) systems and controls response was proportionate.

At least 7 in 10 firms in each sector agreed that the FCA's AML systems and controls were proportionate, ranging from 70% in the Pensions and Retirement Income sector up to 86% in the Retail Banking and Payments & Digital Assets sector. Agreement was also notably high in the Retail Lending sector (83%).

Figure 12.9 – Agreement that the FCA's anti-money laundering (AML) systems and controls response is proportionate (by non-CC sector)



Q37. To what extent do you agree that the FCA's anti-money laundering (AML) systems and controls response is proportionate?
Base: All non consumer credit firms: Total (5,395); General Insurance & Protection (1,000) Investment Management (613) Pensions & Retirement Income (53) Retail Banking + Payments & Digital Assets (506) Retail Investments (1,915) Retail Lending (813) Wholesale Financial Markets (495)

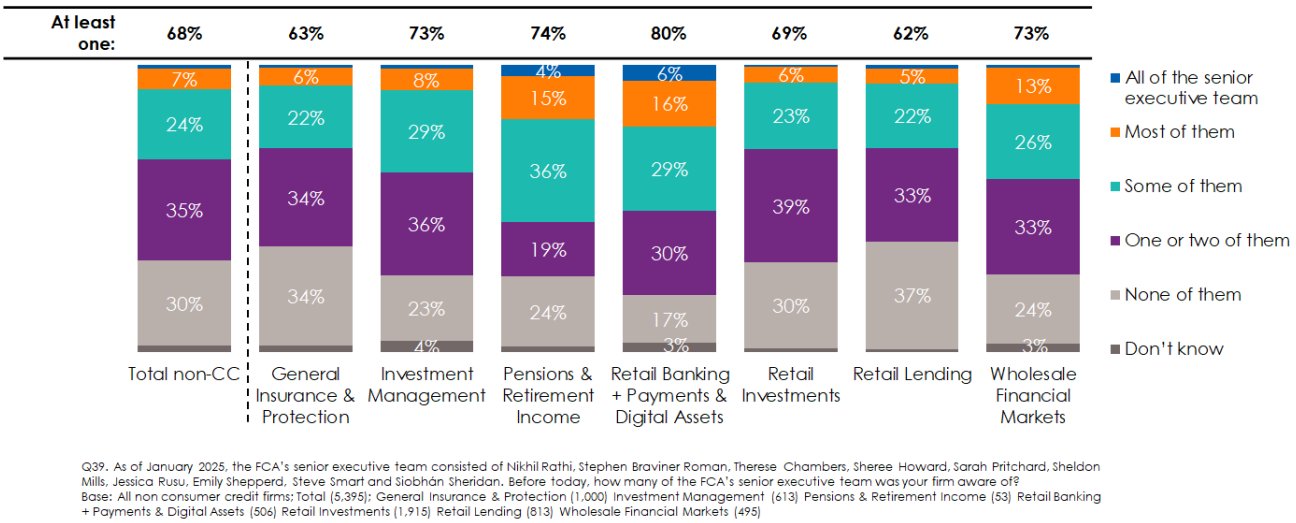
12.10 Awareness of the FCA's senior executive team (by non-CC sector)

Firms were prompted with the names of the FCA's senior executive team and were then asked how many of the senior executive team their firm was aware of (***Figure 12.10***). The prompted names were: Nikhil Rathi, Stephen Braviner Roman, Therese Chambers, Sheree Howard, Sarah Pritchard, Sheldon Mills, Jessica Rusu, Emily Shepperd, Steve Smart and Siobhán Sheridan. This represents the composition of the senior executive team as of January 2025, shortly prior to when the research was conducted.

Around two thirds of non-CC firms (68%) were aware of at least one member of the senior executive team. Firms in the Retail Banking and Payments & Digital Assets sector were the most likely to be aware of at least one member of the senior executive team (80%). Awareness was notably lower amongst firms in Retail Lending (62%) and firms in General Insurance and Protection (63%).

In all sectors, firms tended to report that they were aware of only 'one or two' or 'some' of the senior executive team. Even in Retail Banking and Payments & Digital Assets, where awareness was highest, only around one in five firms reported that they were aware of 'most' (16%) or 'all' (6%) of the senior executive team.

Figure 12.10 – Number of FCA's senior executive team known of (by non-CC sector)



Q39. As of January 2025, the FCA's senior executive team consisted of Nikhil Rathi, Stephen Braviner Roman, Therese Chambers, Sheree Howard, Sarah Pritchard, Sheldon Mills, Jessica Rusu, Emily Shepperd, Steve Smart and Siobhán Sheridan. Before today, how many of the FCA's senior executive team was your firm aware of?
Base: All non consumer credit firms; Total (5,395); General Insurance & Protection (1,000) Investment Management (613) Pensions & Retirement Income (53) Retail Banking + Payments & Digital Assets (506) Retail Investments (1,915) Retail Lending (813) Wholesale Financial Markets (495)

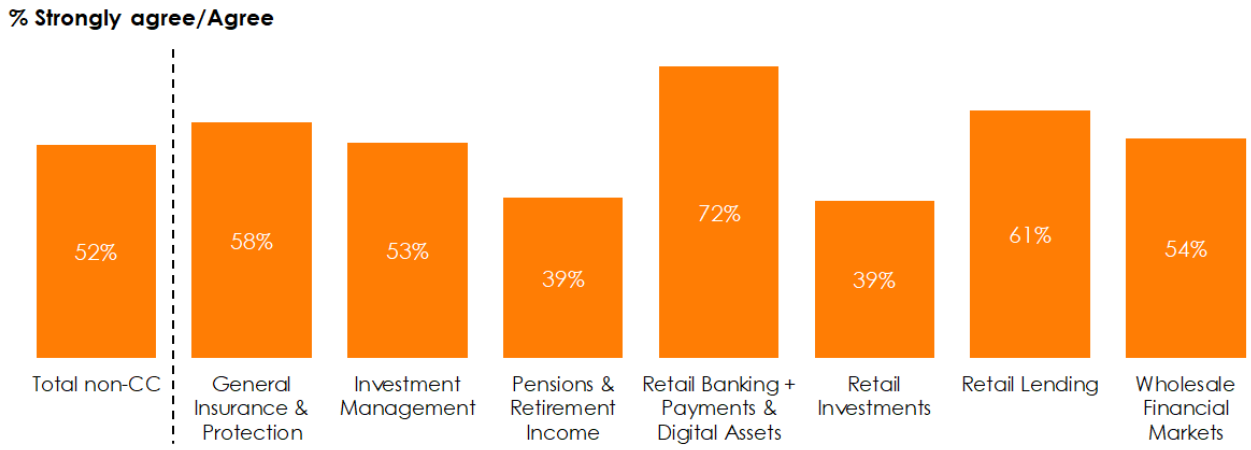
12.11 Whether the FCA is seen as being quick to intervene to stop potential harm within the industry (by non-CC sector)

Firms were asked the extent to which they agreed that the FCA is quick to intervene to stop potential harm within the industry. Once again, firms in the Retail Banking and Payments & Digital Assets sector were the most positive, with almost three quarters (72%) agreeing that the FCA is quick to intervene (***Figure 12.11***).

Agreement was also notably higher amongst firms in the Retail Lending sector (61%) and firms in the General Insurance and Protection sector (58%) compared with the total population of non-CC firms (52%)

Firms in the Pensions and Retirement income sector (39%) and firms in the Retail Investments sector (also 39%) were the least likely to agree that the FCA is quick to intervene to stop potential harm.

Figure 12.11 – Agreement that the FCA is quick to intervene to stop potential harm within the industry (by non-CC sector)



Q23. To what extent do you agree or disagree with the following statements? The FCA is quick to intervene to stop potential harm within the industry.
Base: All non consumer credit firms: Total (5,395); General Insurance & Protection (1,000) Investment Management (613) Pensions & Retirement Income (53) Retail Banking + Payments & Digital Assets (506) Retail Investments (1,915) Retail Lending (813) Wholesale Financial Markets (495)

13 Year on year change amongst the non-CC sectors

The following chapter focuses on changes over time in the seven non-CC sectors that the FCA oversees. Commentary is limited to those metrics in Table 12.1 for which there were statistically significant changes for any sector between 2023-24 and 2024-25.

Agreement that 'the work of the FCA enhances the reputation of the UK as a financial centre' was the metric which saw the most widespread change across sectors. For this metric, there was a decline in agreement for five of the seven sectors.

13.1 Changes in the General Insurance and Protection sector

Although most metrics were relatively stable for the General Insurance and Protection sector, there were two statistically significant changes between 2023-24 and 2024-25:

- The proportion reporting that they were very or fairly confident that the FCA delivers on its statutory objective of protecting and enhancing the integrity of the UK financial system fell from 84% to 81%.
- The proportion agreeing that the work of the FCA enhances the reputation of the UK as a financial centre fell from 72% to 66%.

13.2 Changes in the Investment Management sector

Again, there were relatively few year-on-year changes for the Investment Management sector between 2023-24 and 2024-25, as follows:

- The proportion reporting that they were very or fairly confident that that FCA's oversight of the industry delivers on its SICGO objective fell from 62% to 56%.
- The proportion agreeing that the work of the FCA enhances the reputation of the UK as a financial centre fell from 83% to 76%.
- The proportion agreeing that the work of the FCA is effective in promoting international trade in the financial services industry fell from 43% to 37%.

13.3 Changes in the Pensions and Retirement Income sector

Reflecting the relatively small overall population of the Pensions and Retirement Income sector, the base sizes for this sector were low (61 in 2023-24 and 53 in 2024-25). As such, there were no statistically significant changes over this period.

13.4 Changes in the Retail Banking and Payments & Digital Assets sector

The Retail Banking and Payments & Digital Assets sector saw more statistically significant changes than any other sector between 2023-24 and 2024-25:

- The proportion giving a rating of 7+ out of 10 for the efficacy of the FCA in regulating the financial services industry fell from 87% to 80%.
- The proportion reporting that they were very or fairly confident that the FCA delivers on its statutory objective of ensuring relevant financial markets function well fell from 94% to 89%.
- The proportion agreeing that the work of the FCA enhances the reputation of the UK as a financial centre fell from 88% to 80%.
- The proportion agreeing that the regulatory framework is trusted by all market participants fell from 71% to 63%.

13.5 Changes in the Retail Investments sector

There were 2 statistically significant changes in the Retail Investments sector between 2023-24 and 2024-25:

- The proportion giving a rating of 7+ out of 10 for the efficacy of the FCA in regulating the financial services industry increased from 58% to 62%.
- The proportion agreeing that the work of the FCA enhances the reputation of the UK as a financial centre fell from 63% to 58%.

13.6 Changes in the Retail Lending sector

There was only a single statistically significant change in the Retail Lending sector between 2023-24 and 2024-25:

- The proportion reporting that they were very or fairly confident that that FCA's oversight of the industry delivers on its SICGO objective fell from 67% to 62%.

13.7 Changes in the Wholesale Financial Markets sector

Again, there was only a single statistically significant change in the Wholesale Financial Markets sector between 2023-24 and 2024-25:

- The proportion agreeing that the work of the FCA enhances the reputation of the UK as a financial centre fell from 79% to 74%.

Appendix A – Methodology

The FCA and the FCA Practitioner Panel (the "Panel") commissioned Verian to conduct the annual industry survey to measure perceptions of FCA performance as a regulator. This report details the results from the 2024-2025 survey, incorporating trend data from 2023-24 and earlier waves conducted in 2022-23, 2021, 2019 and 2018[9].

Fieldwork took place between 3rd February and 31st March 2025.

The survey sample

A total of 36,644 firms were invited to take part, including 16,183 non-consumer credit firms and 20,461 consumer credit firms.

In total, 5,395 non-consumer credit firms completed the survey, at a response rate of 33.3%. In addition, 2,174 consumer credit firms completed the survey, at a response rate of 10.6%, yielding a total achieved sample size of 7,569.

The 2024-25 survey sample was, for the first time, a census of all firms, i.e. all fixed portfolio firms, all non-consumer credit flexible firms and all consumer-credit (flexible portfolio) firms were invited to take part. In 2023-24 the survey sample encompassed a census of all non-consumer credit firms and a randomised sub-sample of consumer credit firms. Prior to 2023-24, the survey was based on sub-samples of both consumer credit and non-consumer credit firms. The survey data are weighted to ensure that they are representative of the wider population of firms (see below for details). This also ensures that the reported data are comparable from year to year, regardless of any changes to the sampling methodology.

Contact details were obtained from the FCA's INTACT database of regulated firms. Where there were multiple named contacts within a given firm, or multiple records for firms within the same group, the sample was deduplicated such that only a single invitation was sent to each firm or group. Where there were multiple contacts for a given firm, the most senior person in each firm was selected as the intended respondent of the survey. All non-UK firms were excluded from the sample.

Contact protocols

All invited firms were initially sent a warm-up email (see Appendix C). In addition to the warm-up emails, a hard copy warm-up letter was sent to 4,000 firms, targeted at fixed firms and firms from sectors with a relatively low total number of firms.

[9] Additional waves of the panel survey were conducted prior to 2018. However, data from these early rounds of research are not included in this report for reasons of comparability and relevance.

Around a week after the warm-up communication, all firms were sent an email invitation containing their survey login details (see Appendix D). Those in the hard copy letter sample were additionally sent an invitation letter.

Across the fieldwork period, fixed firms who had not yet completed the survey were sent a maximum of 3 reminder emails. Non-fixed firms were sent a maximum of 2 reminder emails. Any firms in the hard copy letter sample were additionally sent a reminder letter alongside the first reminder email.

In the last two weeks of fieldwork, in order to boost the response rate, a targeted selection of firms was also contacted via telephone and reminded to take part in the survey. The targeted firms were non-responding fixed portfolio firms and large flexible portfolio firms (e.g. those in wholesale financial markets).

Impact of the postal letter strategy

As noted previously, 4,000 firms were sent up to three letters alongside their email invitations and reminders:

- A warm-up letter (alongside their warm-up email).
- An invitation letter (alongside their invitation email).
- IF NECESSARY: A reminder letter (alongside their reminder email).

The final composition of the 4,000 firms selected to receive up to three letters was agreed in advance with the FCA (as summarised in the 'Number of firms sent a letter' column in ***Table A***). In summary, letters were targeted to Fixed firms and sectors with smaller overall populations, such that sectors comprising of 1,100 firms or fewer were selected in their entirety. For larger sectors, and for Consumer Credit firms, between 250-500 firms were selected for the postal letter strategy, with the majority only contacted by email., with the majority only contacted by email.

As was the case in 2023-24, the postal letter had a notable impact on the response rates by firm type.

For example, the response rate for the minority of Consumer Credit firms that received one or more letters was 25.2%, compared to 10.3% for those who were contacted by email only.

There was a similar difference for non-Consumer Credit firms. The overall response rate for non-CC firms that received at least one letter was 45.2%, compared to 30.1% for those who were contacted by email only.

Table A – breakdown of response rate (single contact vs. dual contact strategy)

Sample groups	Total invited sample	Number of achieved interviews	Number of firms sent a letter	Response rate when no letters sent to firm	Response rate when 1+ letters sent to firm	Overall response rate
Consumer Credit	20,461	2,174	500	10.3%	25.2%	10.6%
(Non-CC) Fixed Firms	64	46	61	33.3%	73.8%	71.9%
Sectors (Exc. fixed firms and CC)						
General Insurance & Protection	3,740	990	250	25.4%	42.0%	26.5%
Investment Management	2,154	603	329	25.7%	40.7%	28.0%
Pensions & Retirement Income	96	50	96	N/A	52.1%	52.1%
Retail Banking	222	113	222	N/A	50.9%	50.9%
Retail Investments	5,124	1,911	250	36.1%	60.0%	37.3%
Retail Lending	2,741	813	250	28.0%	46.0%	29.7%
Wholesale Financial Markets	946	481	946	N/A	50.8%	50.8%
Payments & Digital Assets	1,096	388	1,096	N/A	35.4%	35.4%
TOTAL (incl. CC)	**36,644**	**7,569**	**4,000**	**18.0%**	**42.7%**	**20.7%**
TOTAL (excl. CC)	**16,183**	**5,395**	**3,500**	**30.1%**	**45.2%**	**33.3%**

While all **Payments & Digital Assets** firms received a postal letter and email their overall response rate (35.4%) was notably lower than other (flexible) sectors where all firms were contacted by letter and email (50.8% - 52.1%).

FCA Supervision categorisation

Fixed portfolio firms are a small population of firms (out of the total number regulated by the FCA) that, based on factors such as size, market presence and customer footprint, require the highest level of supervisory attention. These firms are allocated a named individual supervisor and are proactively supervised using a continuous assessment approach.

Flexible portfolio firms are proactively supervised through a combination of market-based thematic work and programmes of communication, engagement and

education actively aligned with the key risks identified for the sector in which the firms operate. These firms use the FCA Customer Contact Centre as their first point of contact as they are not allocated a named individual supervisor.

Weighting

The survey data are weighted to ensure that they are representative of the wider population of firms. The weights also ensure that it is possible to meaningfully track trends over time - the weighted profile of the sample in each wave is representative of the population at that point in time, regardless of any changes to the sampling methodology.

The weighting scheme for the survey data takes account of the number of unique registered approved persons in each firm, interlocked with the type of firm (consumer credit or non-consumer credit). It also takes account of the sector in which firms operate[10].

For 2024-25, the weighting targets were as shown in Tables B and C.

Table B – Targets for firm type interlocked with the number of unique approved persons (banded).

Category	Frequency in population	Target Percent
Non-consumer credit firm X No approved persons	1,420	3.9
Non-consumer credit firm X One approved person	2,490	6.8
Non-consumer credit firm X Two to four approved persons	4,280	11.7
Non-consumer credit firm X Five or more approved persons	5,468	14.9
Non-consumer credit firm X Number of approved persons is not known	2,553	7.0
Consumer credit firm X No approved persons	2,568	7.0
Consumer credit firm X One approved person	11,095	30.2
Consumer credit firm X Two to four approved persons	1,675	4.6
Consumer credit firm X Five or more approved persons	403	1.1
Consumer credit firm X Number of approved persons is not known	4,776	13.0
Total	**36,728**	**100.0**

[10] NB: weighting is based on the final (de-duplicated) file of fixed and flexible firms. Firms with only limited contact information were subsequently excluded from the sample. As such, the number of firms invited to take part is lower than the figures shown above.

Table C – Targets for firm type interlocked with primary sector

Category	Frequency in population	Target Percent
Non-consumer credit firm X General Insurance & Protection	3,751	10.2
Non-consumer credit firm X Investment Management	2,182	5.9
Non-consumer credit firm X Payments & Digital Assets	1,104	3.0
Non-consumer credit firm X Pensions & Retirement Income	104	0.3
Non-consumer credit firm X Retail Banking	227	0.6
Non-consumer credit firm X Retail Investments	5,132	14.0
Non-consumer credit firm X Retail Lending	2,744	7.5
Non-consumer credit firm X Wholesale Financial Markets	967	2.6
Consumer credit firm	20,517	55.9
Total	**36,728**	**100.0**

Questionnaire

A PDF copy of the questionnaire was available for any firm to download from the survey website throughout fieldwork (Appendix B). This was mentioned explicitly in all communication with respondent firms. A total of 24 firms (0.3% of all responding firms) returned a paper copy of the questionnaire.

The questionnaire for consumer credit firms consisted of a subset of the questions asked of non-consumer credit firms (Appendix B and Appendix C).

Significance testing

Throughout this report, results from this year's survey are compared with equivalent results from previous years, with a focus on any changes since last year. Any commentary on trends focuses only on those changes that are statistically significant at the 95% confidence level. The data are weighted to ensure that the findings are representative of the wider population of firms at the time that each survey is conducted.

The large sample size for flexible firms means that a difference of just 1% between 2023-24 and 2024-25 can be statistically significant. Conversely, the small number of fixed firms means that a difference must be much larger (typically more than 10%) to be considered statistically different over time.

Appendix B – Questionnaire

verian

FCA FINANCIAL CONDUCT AUTHORITY

FCA Practitioner Panel

FCA and Practitioner Panel Survey 2025

Please write your firm's unique survey ID in the box below. This can be found in your survey invitation email.

Survey ID:	

Thank you for taking the time to complete this questionnaire.

How the information will be used

Your feedback is important and the results of this survey will be used to improve the work of the Financial Conduct Authority (FCA). In reporting the survey answers, Verian will always group responses so that no individual's or firm's responses can be identified. Your individual response to the survey will therefore be **completely confidential**. This is in accordance with the Market Research Society Code of Conduct.

The intention is to publish the results of this year's survey in summer 2025.

Completing the questionnaire

The questionnaire should be completed by the most senior person (Chief Executive or equivalent) in your firm or group. We estimate the questionnaire should take about 10-15 minutes to complete and there is an opportunity towards the end of the survey to provide comments on any topics that you feel have not been addressed elsewhere in the questionnaire.

Please read the rest of the information on this page, then turn over the page to start the survey.

How do I fill in the questionnaire?

1. Most questions can be answered by putting a cross in the box next to the answer that applies to you, like this: ☒
2. Some questions will ask you to "**Please cross as many boxes as apply**." When you see this instruction, please cross as many boxes as apply to you.
3. A small number of questions will ask you to write your response in the box provided.
4. Please try to answer every question. If there are any questions that you can't answer, simply cross the 'Don't know' box.
5. If you have made a mistake or change your mind about an answer you have given, completely block out the box you have crossed like this ■ and then put a cross in your preferred box.
6. Please use black or blue ink to complete the questionnaire.

We look forward to receiving your feedback.

Where can I get more information?

✉ : fcappsurvey@veriangroup.com

☎: 0800 015 0302 (9am-5pm)

💻: www.fcapractitionerpanelsurvey.co.uk

Information about how your data is processed and information about your rights in relation to the data we collect is available on the back of the accompanying letter. You can also access our privacy policy at:

www.veriangroup.com/uk-surveys

V1

Section 1: FCA Performance

The first questions are about your general impressions of the FCA

Q1 Taking into account all of your firm's dealings with the FCA, how satisfied are you with the relationship?

Please give an answer on a scale of 1 to 10, where 1 is 'Extremely dissatisfied' and 10 is 'Extremely satisfied'.

➲ Please cross one box only ☒

Extremely dissatisfied									Extremely satisfied
☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
1	2	3	4	5	6	7	8	9	10

Q2 Overall, from your firm's perspective, how effective has the FCA been in regulating the financial services industry in the last year?

Please give an answer on a scale of 1 to 10, where 1 is 'Not at all effective' and 10 is 'Extremely effective'.

➲ Please cross one box only ☒

Not at all effective									Extremely effective
☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
1	2	3	4	5	6	7	8	9	10

Section 2: FCA Aims and Objectives

The FCA has a single strategic objective of ensuring relevant financial markets function well and three operational objectives:

- Securing an appropriate degree of protection for consumers
- Protecting and enhancing the integrity of the UK financial system
- Promoting effective competition in the interests of consumers in the financial markets

Q3 How confident are you that the FCA's oversight of the industry delivers on the following statutory objectives?

➲ Please cross one box in each row ☒

Objective number	Objective	Very confident	Fairly confident	Not very confident	Not at all confident	Don't know
1	Ensuring relevant financial markets function well	☐	☐	☐	☐	☐
2	Securing an appropriate degree of protection for consumers	☐	☐	☐	☐	☐
3	Protecting and enhancing the integrity of the UK financial system	☐	☐	☐	☐	☐
4	Promoting effective competition in the interests of consumers in the financial markets	☐	☐	☐	☐	☐

Q4 **How well would you say your firm understands what the FCA is trying to achieve through the following objectives?**

➲ Please cross one box in each row ☒

Objective number	Objective	Very well	Fairly well	Not very well	Not at all	Don't know
1	Ensuring relevant financial markets function well	☐	☐	☐	☐	☐
2	Securing an appropriate degree of protection for consumers	☐	☐	☐	☐	☐
3	Protecting and enhancing the integrity of the UK financial system	☐	☐	☐	☐	☐
4	Promoting effective competition in the interests of consumers in the financial markets	☐	☐	☐	☐	☐

Q5 **Alongside its primary strategic and operational objectives, the FCA has a secondary international competitiveness and growth objective (SICGO).**

How confident are you that the FCA's oversight of the industry delivers on this objective

➲ Please cross one box only ☒

- ☐ Very confident
- ☐ Fairly confident
- ☐ Not very confident
- ☐ Not at all confident
- ☐ Don't know

Q6 **How well would you say your firm understands what the FCA is trying to achieve through the secondary international competitiveness and growth objective (SICGO)?**

➲ Please cross one box only ☒

- ☐ Very well
- ☐ Fairly well
- ☐ Not very well
- ☐ Not at all well
- ☐ Don't know

Q7 **In 2022, the FCA launched its three-year strategy to improve outcomes for consumers and in markets throughout the UK. As part of this strategy, the regulator will hold itself accountable against published outcomes and performance metrics. To what extent do you agree or disagree that the FCA's outcomes and performance metrics are clear?**

➲ Please cross one box only ☒

- ☐ Not applicable – have never heard of these
- ☐ Strongly agree that they are clear
- ☐ Agree that they are clear
- ☐ Neither agree nor disagree
- ☐ Disagree that they are clear
- ☐ Strongly disagree that they are clear
- ☐ Don't know

Q8 **Over the last 12 months, would you say your firm's trust in the FCA has...**

➲ Please cross one box only ☒

- ☐ ...increased
- ☐ ...decreased
- ☐ ...or stayed the same?
- ☐ Don't know

If your firm is dual regulated (that is, regulated by both the Financial Conduct Authority and the Prudential Regulation Authority) please answer Q9.

Otherwise, please go to Q10.

Q9 **And to what extent would you agree or disagree with the following statements?**

➲ Please cross one box in each row ☒

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know
My firm has a clear understanding of the distinction between the FCA's regulatory objectives and those of the Prudential Regulation Authority (PRA)	☐	☐	☐	☐	☐	☐
The FCA and the PRA are appropriately co-ordinated in their supervision of my firm, taking into account their respective regulatory objectives	☐	☐	☐	☐	☐	☐

Section 3: Communication and Engagement

The next questions are about the ways in which the FCA communicates with your firm.

Q10 To what extent do you agree or disagree with the following statements?

➲ Please cross one box in each row ☒

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know
Overall, the FCA's communications to my firm are **CLEAR**	☐	☐	☐	☐	☐	☐
Overall, the FCA's communications to my firm are **CONSISTENT**	☐	☐	☐	☐	☐	☐
Overall, the FCA's communications to my firm are **RELEVANT**	☐	☐	☐	☐	☐	☐

Q11 Thinking about each of the different channels of communication that the FCA uses, would you say that the FCA contacts your firm too often, not enough, or would you say the level of contact is about right?

➲ Please cross one box in each row ☒

	Too often	About right	Not enough	Don't know
Telephone	☐	☐	☐	☐
Email	☐	☐	☐	☐
Postal mail	☐	☐	☐	☐
In person meetings	☐	☐	☐	☐
Through FCA hosted events (e.g. webinars, conferences)	☐	☐	☐	☐
Through social media (e.g. X (formerly known as Twitter), LinkedIn)	☐	☐	☐	☐

Q12 What information sources do you use to keep up to date with regulation and the FCA?

➲ Please cross as many boxes as apply ☒

- ☐ FCA hosted events
- ☐ FCA speeches / FCA speakers at industry events
- ☐ External advisers (lawyers, consultants etc.)
- ☐ FCA Regulation round-up
- ☐ FCA Supervision Hub (formerly customer contact centre)
- ☐ FCA supervisors
- ☐ FCA website
- ☐ Letters from the FCA
- ☐ The media
- ☐ LinkedIn
- ☐ Trade associations
- ☐ Blogs
- ☐ Podcasts
- ☐ None of the above

Section 4: Impact of FCA Regulation

The next questions are about your views on the impact of FCA regulation.

Q13 To what extent do you agree or disagree with the following statements?

➲ Please cross one box in each row ☒

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know
The work of the FCA enhances the reputation of the UK as a financial centre	☐	☐	☐	☐	☐	☐
FCA regulation has helped my firm to deliver better outcomes for consumers	☐	☐	☐	☐	☐	☐
The FCA acts proportionately, so that the costs imposed on firms are proportionate to the benefits gained	☐	☐	☐	☐	☐	☐
FCA regulation is aligned with rules imposed by other regulators	☐	☐	☐	☐	☐	☐

Q14 To what extent do you agree or disagree with the following statements?

➲ Please cross one box in each row ☒

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know
The regulatory framework is clear and well-understood by all market participants	☐	☐	☐	☐	☐	☐
The regulatory framework is trusted by all market participants	☐	☐	☐	☐	☐	☐
The FCA is effective at supporting the development of digital market and new technologies in financial products and services	☐	☐	☐	☐	☐	☐
The work of the FCA is effective in promoting international trade in the financial services industry	☐	☐	☐	☐	☐	☐
The FCA is able to adapt its regulatory requirements to respond efficiently to innovation and new challenges	☐	☐	☐	☐	☐	☐

Q15 **The next question is for principal firms who appoint and are responsible for overseeing appointed representatives. An appointed representative is a firm or person who carries on a regulated activity on behalf, and under the responsibility of, a firm authorised by the FCA (the principal firm).**

As a result of the FCA's actions in the last 12 months, how have principal firms in your sector changed the way they oversee their Appointed Representatives?

Has oversight in your sector…

➲ Please cross one box only ☒

- ☐ Increased
- ☐ Stayed the same
- ☐ Decreased
- ☐ Non-applicable – firms in my sector do not appoint or oversee Appointed Representatives
- ☐ Don't know

Section 5: Enforcement and Identifying Risk

In the next section we will ask about the FCA's role in identifying emerging risks within the industry and associated enforcement action.

Q16 **Do you feel there are any significant or emerging risks in your market that the FCA is not currently aware of?**

➲ Please cross one box only ☒

- ☐ Yes
- ☐ No
- ☐ Don't know

Q17 **Which of the following best describes your view of the FCA's approach to identifying risk?**

In order to identify risks, would you say that…

➲ Please cross one box only ☒

- ☐ …the FCA is mainly **REACTIVE**, that is they rely on information/ intelligence provided by the industry
- ☐ …the FCA is mainly **PROACTIVE**, that is they take steps to uncover risks themselves
- ☐ …the FCA uses both approaches equally
- ☐ Don't know

Q18 As far as you're aware, which of the following enforcement actions has the FCA imposed on firms or individuals in the last 12 months?

Please include anything you know about through personal knowledge, notifications from the FCA, or wider media coverage.

➲ Please cross as many boxes as apply ☒

- ☐ Issued a public censure ➲ Go to Q19
- ☐ Issued a fine/ financial penalty ➲ Go to Q19
- ☐ Limited a firm or individual's activities/ Withdrawn selected permissions ➲ Go to Q19
- ☐ Withdrawn authorised status ➲ Go to Q19
- ☐ Launched criminal prosecution ➲ Go to Q19
- ☐ Something else (please write in) ➲ Go to Q21

☐ Not aware of any enforcement actions being imposed ➲ Go to Q21

☐ Don't know ➲ Go to Q21

Q19 How effective do you think each of the following enforcement actions has been in reducing further harm to the industry?

➲ Please cross one box in each row ☒

	Very effective	Fairly effective	Not very effective	Not at all effective	Don't know
Issuing of a public censure	☐	☐	☐	☐	☐
Issuing of a fine/ financial penalty	☐	☐	☐	☐	☐
Limiting of a firm or individual's activities/ Withdrawal of selected permission	☐	☐	☐	☐	☐
Withdrawal of authorised status	☐	☐	☐	☐	☐
Launch of criminal prosecution	☐	☐	☐	☐	☐

If, at Q18, you selected either 'Limited activities/ Withdrawn selected permissions' or 'Withdrawn authorised status', please go straight to Q21.

Otherwise, please answer Q20.

Q20 As you may know, the FCA can withdraw permissions from firms or individuals they find to be in breach of regulations, to stop them from operating.

As far as you are aware, has the FCA withdrawn permissions from any firms or individuals?

➲ Please cross one box only ☒

- ☐ Yes
- ☐ No
- ☐ Don't know

Q21 Thinking now about ANY enforcement action the FCA has taken as a result of poor business practices by another firm or individual. What actions, if any, has your firm taken in response to such enforcement action?

➲ Please cross as many boxes as apply ☒

- ☐ Implemented a specific review of your own business
- ☐ Carried out a review of your conduct risks
- ☐ Made a change to your business model
- ☐ Called meeting(s) to specifically discuss the issue
- ☐ Introduced or changed training modules
- ☐ Something else (please write in)

- ☐ None of these
- ☐ Don't know

The FCA Threshold Conditions are the minimum conditions which a firm is required to satisfy - and continue to satisfy - in order to be given and to retain permission by the FCA.

Q22 How familiar is your firm with the FCA's Threshold Conditions?

➲ Please cross one box only ☒

- ☐ Very familiar
- ☐ Fairly familiar
- ☐ Not very familiar
- ☐ Not at all familiar
- ☐ Don't know

Q23 To what extent do you agree or disagree with the following statements?

➲ Please cross one box in each row ☒

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know
Firms that fail to meet the FCA's Threshold Conditions are identified promptly, with their status withdrawn where appropriate	☐	☐	☐	☐	☐	☐
The FCA is quick to intervene to stop potential harm within the industry	☐	☐	☐	☐	☐	☐

Section 6: People

The next questions are about FCA staff and FCA supervisors.

If your firm has specific, named FCA supervisors, please answer Q24 and then go straight to Section 7.
Otherwise, please go straight to Q25.

Q24 In relation to your FCA supervisors, to what extent do you agree or disagree with the following statements?

➲ Please cross one box in each row ☒

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know
My FCA supervisors are knowledgeable about FCA rules and requirements	☐	☐	☐	☐	☐	☐
My FCA supervisors have sufficient experience	☐	☐	☐	☐	☐	☐
My FCA supervisors exercise good judgement	☐	☐	☐	☐	☐	☐
My FCA supervisors are appropriately qualified and have the necessary skills to undertake the role	☐	☐	☐	☐	☐	☐
My FCA supervisors' approach is consistent with that from the leaders of the FCA, and the FCA's wider policy approach	☐	☐	☐	☐	☐	☐
My FCA supervisors have sufficient knowledge to understand my firm	☐	☐	☐	☐	☐	☐

Q25 In relation to FCA staff (e.g. the FCA Supervision Hub, [formerly FCA customer contact centre]), to what extent do you agree or disagree with the following statements?

➲ Please cross one box in each row ☒

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know
FCA staff are knowledgeable about FCA rules and requirements	☐	☐	☐	☐	☐	☐
FCA staff have sufficient experience	☐	☐	☐	☐	☐	☐
FCA staff are appropriately qualified and have the necessary skills to undertake the role	☐	☐	☐	☐	☐	☐
Guidance provided by FCA staff is consistent with that from the leaders of the FCA, and the FCA's wider policy approach	☐	☐	☐	☐	☐	☐

Section 7: FCA Focus and Processes

Q26 Thinking now about the FCA's work to promote effective competition within the industry.

Do you think the emphasis the FCA places on the following areas is too much, about right or too little?

➲ Please cross one box in each row ☒

	Too much emphasis	About right	Too little emphasis	Don't know
Supporting innovation within the industry	☐	☐	☐	☐
Ensuring products and services provide fair value to customers	☐	☐	☐	☐
Removing barriers to new firm entrants	☐	☐	☐	☐
Tackling anti-competitive conduct	☐	☐	☐	☐

Q27 Are you aware of the FCA's work to ensure firms are operationally resilient?

➲ Please cross one box only ☒

- ☐ Yes
- ☐ No
- ☐ Don't know

Q28 Would you say that over the last 12 months operational resilience has become more of a priority for your firm?

➲ Please cross one box only ☒

- ☐ Yes
- ☐ No
- ☐ Don't know

Q29 Which of the following best describes how you feel about the number of data/ information requests your firm receives from the FCA?

➲ Please cross one box only ☒

- ☐ Fewer than I think we should receive
- ☐ About right
- ☐ A lot, but I understand why it is needed
- ☐ More than seems necessary for the FCA to do its business
- ☐ Don't know

Q30 To what extent do you agree or disagree with the following statements about data/ information requests your firm receives from the FCA?

➲ Please cross one box in each row ☒

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know
The FCA gives my firm enough time to compile the data/ information that they request	☐	☐	☐	☐	☐	☐
The FCA only asks for data/ information about my firm that they cannot get from other sources	☐	☐	☐	☐	☐	☐
The FCA makes good use of the data/ information that my firm provides	☐	☐	☐	☐	☐	☐
The information requested by the FCA is often difficult to collate	☐	☐	☐	☐	☐	☐
The FCA reviews the information it requests and feeds back in a timely manner	☐	☐	☐	☐	☐	☐
The FCA clearly explains why it wants the data/information that it asks my firm to provide	☐	☐	☐	☐	☐	☐

If your firm is involved in wholesale markets, please answer Q31-Q36.
Otherwise, please go to Q37.

Section 8: Market Excellence

The next questions are about your views on the impact of FCA regulation specifically in relation to wholesale markets.

Q31 To what extent do you agree or disagree with the following statements?

➲ Please cross one box in each row ☒

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know
The FCA is effective in regulating wholesale markets	☐	☐	☐	☐	☐	☐
FCA regulation supports market participants determining fair value in wholesale markets	☐	☐	☐	☐	☐	☐
FCA regulation ensures the integrity of wholesale markets	☐	☐	☐	☐	☐	☐
FCA regulation in wholesale markets is proportional in terms of the benefits versus the costs	☐	☐	☐	☐	☐	☐

Q32 Over the last 12 months, do you think the UK's position in wholesale markets has...

➲ Please cross one box only ☒

- ☐ Strengthened
- ☐ Weakened
- ☐ Has remained the same during this time, or
- ☐ Don't know

Q33 Taking everything into account, can you tell us how the FCA's actions have impacted the UK's position in the wholesale markets during this time.

Please give an answer on a scale of 1 to 10, where 1 is 'Significant negative impact' and 10 is 'Significant positive impact'.

➲ Please cross one box only ☒

Significant negative impact									Significant positive impact	Don't Know
☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
1	2	3	4	5	6	7	8	9	10	

Section 9: Market Abuse

Market abuse can occur in a number of ways:

- Delayed or misleading disclosures – listed issuers do not disclose inside information in a timely manner or issue misleading statements
- Insider dealing – people with access to inside information disclose it unlawfully and/ or use it to trade in their own financial interests
- Market manipulation – participants trade in a way designed to manipulate the price of a financial instrument

Q34 Overall, how much of an issue do you believe market abuse is in the UK? Do you feel this is a…

➲ Please cross one box only ☒

- ☐ Very big issue
- ☐ Fairly big issue
- ☐ Not a very big issue
- ☐ Not an issue at all
- ☐ Don't know

Q35 Over the last 12 months, how effective do you think the FCA has been in protecting UK markets from...

➲ Please cross one box in each row ☒

	Very effective	Fairly effective	Not very effective	Not at all effective	Don't know
Delayed or misleading disclosures from listed issuers	☐	☐	☐	☐	☐
Insider dealing	☐	☐	☐	☐	☐
Market manipulation	☐	☐	☐	☐	☐

Q36 How effective has the FCA been in combatting market abuse in the UK compared to regulators in other global markets. Has the FCA been…

➲ Please cross one box only ☒

- ☐ Much better
- ☐ A little better
- ☐ About the same
- ☐ A little worse
- ☐ Much worse
- ☐ Don't know

Q37 To what extent do you agree that the FCA's anti-money laundering (AML) systems and controls response is proportionate?

➲ Please cross one box only ☒

- ☐ Strongly agree
- ☐ Agree
- ☐ Neither agree nor disagree
- ☐ Disagree
- ☐ Strongly disagree
- ☐ Don't know

Q38 To what extent do you agree that the FCA's anti-money laundering (AML) systems and controls response is effective at tackling levels of money laundering risk?

➲ Please cross one box only ☒

- ☐ Strongly agree
- ☐ Agree
- ☐ Neither agree nor disagree
- ☐ Disagree
- ☐ Strongly disagree
- ☐ Don't know

Section 10: FCA Executive Team

Q39 As of January 2025, the FCA's senior executive team consisted of Nikhil Rathi, Stephen Braviner Roman, Therese Chambers, Sheree Howard, Sarah Pritchard, Sheldon Mills, Jessica Rusu, Emily Shepperd, Steve Smart and Siobhán Sheridan.

Before today, how many of the FCA's senior executive team was your firm aware of?

➲ Please cross one box only ☒

- ☐ All of the senior executive team ➲ Go to Q40
- ☐ Most of them ➲ Go to Q40
- ☐ Some of them ➲ Go to Q40
- ☐ One or two of them ➲ Go to Q40
- ☐ None of them ➲ Go to Q41
- ☐ Don't know ➲ Go to Q41

Q40 Thinking of the senior executive team as a whole, to what extent do you agree or disagree with the following statements?

➲ Please cross one box in each row ☒

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know
The FCA's senior executive team has a strongly positive presence at industry events	☐	☐	☐	☐	☐	☐
The FCA's senior executive team has a strongly positive media and political presence	☐	☐	☐	☐	☐	☐

Section 11: Suggestions for the FCA

Q41 **Now thinking about your opinion of the FCA in general, if you could choose one thing you would like to see the FCA doing more or less of, or doing differently/ better, what would it be?**

➲ Please write your answer in the box below

Section 12: Staying in touch

Q42 **Would you be willing to be re-contacted by Verian regarding this research?**

You can be assured that your name will never be passed to anyone outside of Verian without your permission.

➲ Please cross one box only ☒

- ☐ Yes
- ☐ No

Thank you for taking the time to complete the questionnaire. If you do not intend to enter your responses into the online survey, please return this paper questionnaire to the following address:

Verian
PO Box 1071
Cressex Business Park
High Wycombe
HP12 3WY

Appendix C – Consumer Credit Firm Questionnaire

verian

FCA FINANCIAL CONDUCT AUTHORITY

FCA Practitioner Panel

FCA and Practitioner Panel Survey 2025

Please write your firm's unique survey ID in the box below. This can be found in your survey invitation email.

Survey ID:	

Thank you for taking the time to complete this questionnaire.

How the information will be used

Your feedback is important and the results of this survey will be used to improve the work of the Financial Conduct Authority (FCA). In reporting the survey answers, Verian will always group responses so that no individual's or firm's responses can be identified. Your individual response to the survey will therefore be **completely confidentia**l. This is in accordance with the Market Research Society Code of Conduct.

The intention is to publish the results of this year's survey in summer 2025.

Completing the questionnaire

The questionnaire should be completed by the most senior person (Chief Executive or equivalent) in your firm or group. We estimate the questionnaire should take about 7-10 minutes to complete and there is an opportunity towards the end of the survey to provide comments on any topics that you feel have not been addressed elsewhere in the questionnaire.

Please read the rest of the information on this page, then turn over the page to start the survey.

How do I fill in the questionnaire?

1. Most questions can be answered by putting a cross in the box next to the answer that applies to you, like this: ☒
2. Some questions will ask you to "**Please cross as many boxes as apply**." When you see this instruction, please cross as many boxes as apply to you.
3. A small number of questions will ask you to write your response in the box provided.
4. Please try to answer every question. If there are any questions that you can't answer, simply cross the 'Don't know' box.
5. If you have made a mistake or change your mind about an answer you have given, completely block out the box you have crossed like this ■ and then put a cross in your preferred box.
6. Please use black or blue ink to complete the questionnaire.

We look forward to receiving your feedback.

Where can I get more information?

✉ : fcappsurvey@veriangroup.com

☎: 0800 015 0302 (9am-5pm)

💻: www.fcapractitionerpanelsurvey.co.uk

Information about how your data is processed and information about your rights in relation to the data we collect is available on the back of the accompanying letter. You can also access our privacy policy at:

www.veriangroup.com/uk-surveys

V1 CC

Section 1: FCA Performance

The first questions are about your general impressions of the FCA

Q1 **Taking into account all of your firm's dealings with the FCA, how satisfied are you with the relationship?**

Please give an answer on a scale of 1 to 10, where 1 is 'Extremely dissatisfied' and 10 is 'Extremely satisfied'.

➲ Please cross one box only ☒

Extremely dissatisfied									Extremely satisfied
☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
1	2	3	4	5	6	7	8	9	10

Q2 **Overall, from your firm's perspective, how effective has the FCA been in regulating the financial services industry in the last year?**

Please give an answer on a scale of 1 to 10, where 1 is 'Not at all effective' and 10 is 'Extremely effective'.

➲ Please cross one box only ☒

Not at all effective									Extremely effective
☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
1	2	3	4	5	6	7	8	9	10

Section 2: FCA Aims and Objectives

The FCA has a single strategic objective of ensuring relevant financial markets function well and three operational objectives:

- Securing an appropriate degree of protection for consumers
- Protecting and enhancing the integrity of the UK financial system
- Promoting effective competition in the interests of consumers in the financial markets

Q3 How confident are you that the FCA's oversight of the industry delivers on the following statutory objectives?

➲ Please cross one box in each row ☒

Objective number	Objective	Very confident	Fairly confident	Not very confident	Not at all confident	Don't know
1	Ensuring relevant financial markets function well	☐	☐	☐	☐	☐
2	Securing an appropriate degree of protection for consumers	☐	☐	☐	☐	☐
3	Protecting and enhancing the integrity of the UK financial system	☐	☐	☐	☐	☐
4	Promoting effective competition in the interests of consumers in the financial markets	☐	☐	☐	☐	☐

Q4 In 2022, the FCA launched its three-year strategy to improve outcomes for consumers and in markets throughout the UK. As part of this strategy, the regulator will hold itself accountable against published outcomes and performance metrics. To what extent do you agree or disagree that the FCA's outcomes and performance metrics are clear?

➲ Please cross one box only ☒

- ☐ Not applicable – have never heard of these
- ☐ Strongly agree that they are clear
- ☐ Agree that they are clear
- ☐ Neither agree nor disagree
- ☐ Disagree that they are clear
- ☐ Strongly disagree that they are clear
- ☐ Don't know

Q5 Over the last 12 months, would you say your firm's trust in the FCA has…

➲ Please cross one box only ☒

- ☐ …increased
- ☐ …decreased
- ☐ …or stayed the same?
- ☐ Don't know

Section 3: Communication and Engagement

The next questions are about the ways in which the FCA communicates with your firm.

Q6 To what extent do you agree or disagree with the following statements?

➲ Please cross one box in each row ☒

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know
Overall, the FCA's communications to my firm are **CLEAR**	☐	☐	☐	☐	☐	☐
Overall, the FCA's communications to my firm are **CONSISTENT**	☐	☐	☐	☐	☐	☐
Overall, the FCA's communications to my firm are **RELEVANT**	☐	☐	☐	☐	☐	☐

Q7 What information sources do you use to keep up to date with regulation and the FCA?

➲ Please cross as many boxes as apply ☒

- ☐ FCA hosted events
- ☐ FCA speeches / FCA speakers at industry events
- ☐ External advisers (lawyers, consultants etc.)
- ☐ FCA Regulation round-up
- ☐ FCA Supervision Hub (formerly customer contact centre)
- ☐ FCA supervisors
- ☐ FCA website
- ☐ Letters from the FCA
- ☐ The media
- ☐ LinkedIn
- ☐ Trade associations
- ☐ Blogs
- ☐ Podcasts
- ☐ None of the above

Section 4: Impact of FCA Regulation

The next questions are about your views on the impact of FCA regulation.

Q8 To what extent do you agree or disagree with the following statements?

➲ Please cross one box in each row ☒

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know
The work of the FCA enhances the reputation of the UK as a financial centre	☐	☐	☐	☐	☐	☐
FCA regulation has helped my firm to deliver better outcomes for consumers	☐	☐	☐	☐	☐	☐
The FCA acts proportionately, so that the costs imposed on firms are proportionate to the benefits gained	☐	☐	☐	☐	☐	☐
FCA regulation is aligned with rules imposed by other regulators	☐	☐	☐	☐	☐	☐

Section 5: Enforcement and Identifying Risk

In the next section we will ask about the FCA's role in identifying emerging risks within the industry and associated enforcement action.

Q9 Do you feel there are any significant or emerging risks in your market that the FCA is not currently aware of?

➲ Please cross one box only ☒

- ☐ Yes
- ☐ No
- ☐ Don't know

Q10 Which of the following best describes your view of the FCA's approach to identifying risk?

In order to identify risks, would you say that…

➲ Please cross one box only ☒

- ☐ …the FCA is mainly **REACTIVE**, that is they rely on information/ intelligence provided by the industry
- ☐ …the FCA is mainly **PROACTIVE**, that is they take steps to uncover risks themselves
- ☐ …the FCA uses both approaches equally
- ☐ Don't know

Section 6: People

The next questions are about FCA staff and FCA supervisors.

If your firm has specific, named FCA supervisors, please answer Q11 and then go straight to Section 7.
Otherwise, please go straight to Q12.

Q11 In relation to your FCA supervisors, to what extent do you agree or disagree with the following statements?

➲ Please cross one box in each row ☒

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know
My FCA supervisors are knowledgeable about FCA rules and requirements	☐	☐	☐	☐	☐	☐
My FCA supervisors have sufficient experience	☐	☐	☐	☐	☐	☐
My FCA supervisors exercise good judgement	☐	☐	☐	☐	☐	☐
My FCA supervisors are appropriately qualified and have the necessary skills to undertake the role	☐	☐	☐	☐	☐	☐
My FCA supervisors' approach is consistent with that from the leaders of the FCA, and the FCA's wider policy approach	☐	☐	☐	☐	☐	☐
My FCA supervisors have sufficient knowledge to understand my firm	☐	☐	☐	☐	☐	☐

Q12 In relation to FCA staff (e.g. the FCA Supervision Hub, [formerly FCA customer contact centre]), to what extent do you agree or disagree with the following statements?

➲ Please cross one box in each row ☒

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know
FCA staff are knowledgeable about FCA rules and requirements	☐	☐	☐	☐	☐	☐
FCA staff have sufficient experience	☐	☐	☐	☐	☐	☐
FCA staff are appropriately qualified and have the necessary skills to undertake the role	☐	☐	☐	☐	☐	☐
Guidance provided by FCA staff is consistent with that from the leaders of the FCA, and the FCA's wider policy approach	☐	☐	☐	☐	☐	☐

Section 7: FCA Focus and Processes

Q13 Are you aware of the FCA's work to ensure firms are operationally resilient?

➲ Please cross one box only ☒

- ☐ Yes
- ☐ No
- ☐ Don't know

Q14 Would you say that over the last 12 months operational resilience has become more of a priority for your firm?

➲ Please cross one box only ☒

- ☐ Yes
- ☐ No
- ☐ Don't know

Q15 Which of the following best describes how you feel about the number of data/ information requests your firm receives from the FCA?

➲ Please cross one box only ☒

- ☐ Fewer than I think we should receive
- ☐ About right
- ☐ A lot, but I understand why it is needed
- ☐ More than seems necessary for the FCA to do its business
- ☐ Don't know

Q16 To what extent do you agree that the FCA's anti-money laundering (AML) systems and controls response is proportionate?

➲ Please cross one box only ☒

- ☐ Strongly agree
- ☐ Agree
- ☐ Neither agree nor disagree
- ☐ Disagree
- ☐ Strongly disagree
- ☐ Don't know

Q17 To what extent do you agree that the FCA's anti-money laundering (AML) systems and controls response is effective at tackling levels of money laundering risk?

➲ Please cross one box only ☒

- ☐ Strongly agree
- ☐ Agree
- ☐ Neither agree nor disagree
- ☐ Disagree
- ☐ Strongly disagree
- ☐ Don't know

Section 8: Suggestions for the FCA

Q18 **Now thinking about your opinion of the FCA in general, if you could choose one thing you would like to see the FCA doing more or less of, or doing differently/ better, what would it be?**

➲ Please write your answer in the box below

Section 9: Staying in touch

Q19 **Would you be willing to be re-contacted by Verian regarding this research?**

You can be assured that your name will never be passed to anyone outside of Verian without your permission.

➲ Please cross one box only ☒

☐ Yes

☐ No

Thank you for taking the time to complete the questionnaire. If you do not intend to enter your responses into the online survey, please return this paper questionnaire to the following address:

Verian
PO Box 1071
Cressex Business Park
High Wycombe
HP12 3WY

Appendix D – Warm up communication

FAO {Full name}
{Organisation name}

Ref: {RespondentKey}
Date: {Date}

Dear {First_name},

Your opportunity to tell the FCA what you think

You will shortly be contacted by independent research firm Verian and asked to take part in an online study, the **2024-2025 FCA and Practitioner Panel Survey** of regulated firms. This is an excellent opportunity for you, as a senior representative of a regulated firm, to provide your views of the FCA. The purpose of this survey is to give firms the opportunity to comment on the ability of the FCA to deliver on its statutory objectives, enable the FCA to better understand issues affecting firms and assess any changes needed to their approach. The results of the survey will feed back directly to ourselves as FCA CEO and Panel Chair as well as the wider FCA senior leadership and Board. We would appreciate the survey being completed by the most senior person in your firm or group.

As was the case last year, the 2024-2025 survey should only take [insert interview length] to complete.

If you have any questions, you can contact Verian on 0800 015 0302 or at fcappsurvey@veriangroup.com. Alternatively, you can contact the FCA Supervision Hub on 0300 500 0597.

You can find more information about previous surveys and the FCA's Practitioner Panels, including the Smaller Business Practitioner Panel, at www.fca-practitioner-panels.org.uk/. For more information about this year's survey visit www.fcapractitionerpanelsurvey.co.uk.

We will publish headline results from the survey in summer 2025.

Thank you for helping us.

Yours sincerely,

Nikhil Rathi
Chief Executive
Financial Conduct Authority

Matt Hammerstein
Chair
FCA Practitioner Panel

Appendix E – Survey invitation

FAO {Full name}
{Organisation name}

Ref: {RespondentKey}
Date: {Date}

Dear {First_name},

Have your say: the FCA and Practitioner Panel Survey 2024-2025

We are writing to ask you to take part in the Financial Conduct Authority (FCA) and Practitioner Panel joint survey. We want to know what you think of the FCA and where it can improve. The purpose of this survey is to give firms the opportunity to comment on the ability of the FCA to deliver on its statutory objectives, enable the FCA to better understand issues affecting firms and assess any changes needed to their approach. The results of the survey will feed back directly to ourselves as FCA CEO and Panel Chair as well as the wider FCA senior leadership and Board.

As was the case last year, the 2024-2025 survey should only take [insert interview length] minutes to complete.

How to take part

1. Go to www.fcapractitionerpanelsurvey.co.uk and select "Click here to complete the survey"

2. Enter your log-in details in the boxes provided:
   Username [ ] **Password** [ ]

3. Select "**START NOW**" to complete the survey and submit when done

We would appreciate the questionnaire being completed by the most senior person in your firm or group (Chief Executive or equivalent). If your firm is a member of a group, please answer from the group's perspective as much as possible. The questionnaire is only sent to one contact in each group.

More information about the survey, including a **PDF copy of the questionnaire**, can be found at www.fcapractitionerpanelsurvey.co.uk.

Confidentiality
The independent research company, Verian, is conducting the survey. In line with the Market Research Society Code of Conduct, Verian will treat all survey responses in the strictest confidence and no personally identifiable information will be published or shared with the FCA or Practitioner Panel.

Survey results
Verian will present the results from the survey to the FCA Board and the Practitioner Panel. We will publish the results in summer 2025. For information about the Practitioner Panels, including the Smaller Business Practitioner Panel, and previous Surveys, please visit www.fca-practitioner-panels.org.uk.

If you have any questions, please contact Verian on 0800 015 0302 or at fcappsurvey@veriangroup.com. Alternatively, you can contact the FCA Supervision Hub on 0300 500 0597.

Thank you for helping us. This survey is a valuable source of information for the FCA and the Practitioner Panel, and your participation is greatly appreciated.

Yours sincerely,

Nikhil Rathi
Chief Executive
Financial Conduct Authority

Matt Hammerstein
Chair
FCA Practitioner Panel

About the survey

What is the survey about?

The main aim of the survey is to obtain views from within the financial services industry of how well the FCA is performing in relation to its statutory objectives - protecting consumers, enhancing the integrity of the UK financial system, and promoting effective competition. The survey asks about your dealings with the FCA and how FCA regulation has impacted on your firm and business.

Why should I take part?

This is an opportunity to have your say about how the FCA carries out its regulatory duties. The results from this survey will have a major influence on the functions of the FCA and the way in which they communicate with firms.

Who should take part?

An important element of this survey is that it collects the views of people running regulated firms. This is why we are asking that the most senior executive in your

organisation completes this survey.

Depending on your personal level of contact with the FCA, you may find it useful to consult other colleagues within your organisation before completing the online survey. On the survey homepage (www.fcapractitionerpanelsurvey.co.uk), we have provided the option of printing out a paper copy of the questionnaire, which may help you to gather the required information.

How long will the survey take?

The survey should take around [insert interview length] minutes to complete.

What will happen to my answers and the information I give?
The information given by everyone who helps with the survey will be combined and used by the FCA and the Panel to provide a current picture of the FCA's regulatory performance.

Who is conducting the survey?

The survey is being conducted by Verian, an independent social research agency. To find out more about Verian, please visit **www.veriangroup.com**.

Appendix F – First Reminder

FAO {Full name}
{Organisation name}

Ref: {RespondentKey}

Dear {First_name},

FCA and Practitioner Panel Survey 2024-2025

We recently wrote to you regarding the above survey. Our records suggest that the survey has not yet been completed by your organisation.

We would be grateful if you would complete the survey, which should take approximately [insert interview length] minutes.

How to take part

1. Go to www.fcapractitionerpanelsurvey.co.uk and select "Click here to complete the survey"

2. Enter your log-in details in the boxes provided:

Username: {ID}
Password: {Password}

3. Select "**START NOW**" to complete the survey and submit when done

If you have already completed the survey, please ignore this message, and I apologise for contacting you again.

We would appreciate the questionnaire being completed by the most senior person in your firm or group (Chief Executive or equivalent). If your firm is a member of a group, please answer from the group's perspective as much as possible. The questionnaire is only sent to one contact in each group.

More information about the survey, including a **PDF copy of the questionnaire**, can be found at www.fcapractitionerpanelsurvey.co.uk.

If you have any questions, please contact Verian on 0800 015 0302 or at fcappsurvey@veriangroup.com. Alternatively, you can contact the FCA Supervision Hub on 0300 500 0597.

Verian is an independent market research company, and we have been commissioned by the FCA and Practitioner Panel to conduct the survey. We will

treat all survey responses in the strictest confidence, according to the Market Research Society Code of Conduct. In reporting the survey results to the FCA and the Panel, Verian will always group responses together to ensure that no answers can be identified in terms of individual, firm or group.

Thank you for your contribution.

Yours sincerely,

Stuart Grant
Senior Director
Verian

About the survey

What is the survey about?

The main aim of the survey is to obtain views from within the financial services industry of how well the FCA is performing in relation to its statutory objectives - protecting consumers, enhancing the integrity of the UK financial system, and promoting effective competition. The survey asks about your dealings with the FCA and how FCA regulation has impacted on your firm and business.

Why should I take part?

This is an opportunity to have your say about how the FCA carries out its regulatory duties. The results from this survey will have a major influence on the functions of the FCA and the way in which they communicate with firms.

Who should take part?

An important element of this survey is that it collects the views of people running regulated firms. This is why we are asking that the most senior executive in your organisation completes this survey.

Depending on your personal level of contact with the FCA, you may find it useful to consult other colleagues within your organisation before completing the online survey. On the survey homepage (www.fcapractitionerpanelsurvey.co.uk), we have provided the option of printing out a paper copy of the questionnaire, which may help you to gather the required information.

How long will the survey take?

The survey should take around [insert interview length] minutes to complete.

What will happen to my answers and the information I give?
The information given by everyone who helps with the survey will be combined and used by the FCA and the Panel to provide a current picture of the FCA's regulatory performance.

Who is conducting the survey?

The survey is being conducted by Verian, an independent social research agency. To find out more about Verian, please visit **www.veriangroup.com**.

Appendix G – Second Reminder

FAO {Full name}
{Organisation name}

Ref: {RespondentKey}

Dear {First name},

FCA and Practitioner Panel Survey 2024-2025 – Still Time to Respond

There is still time for your firm to take part in the FCA and Practitioner Panel Survey.

The deadline for submissions is March 26th 2025

We are still interested in hearing **your views** for the FCA and Practitioner Panel Survey.

Our records suggest that the survey has not yet been completed by your organisation. We would be grateful if you would complete the survey, which should take approximately {insert interview length} minutes.

How to take part

1. Go to www.fcapractitionerpanelsurvey.co.uk and select "Click here to complete the survey"

2. Enter your log-in details in the boxes provided:

Username: {ID}
Password: {Password}

3. Select "**START NOW**" to complete the survey and submit when done

If you have already completed the survey, please ignore this message, and I apologise for contacting you again.

We would appreciate the questionnaire being completed by the most senior person in your firm or group (Chief Executive or equivalent). If your firm is a member of a group, please answer from the group's perspective as much as possible. The questionnaire is only sent to one contact in each group.

More information about the survey, including a **PDF copy of the questionnaire**, can be found at

www.fcapractitionerpanelsurvey.co.uk.

If you have any questions, please contact Verian on 0800 015 0302 or at fcappsurvey@veriangroup.com. Alternatively, you can contact the FCA Supervision Hub on 0300 500 0597.

Verian is an independent market research company, and we have been commissioned by the FCA and Practitioner Panel to conduct the survey. We will treat all survey responses in the strictest confidence, according to the Market Research Society Code of Conduct. In reporting the survey results to the FCA and the Panel, Verian will always group responses together to ensure that no answers can be identified in terms of individual, firm or group.

Thank you for your contribution.

Yours sincerely,

Stuart Grant
Senior Director
Verian

About the survey

What is the survey about?

The main aim of the survey is to obtain views from within the financial services industry of how well the FCA is performing in relation to its statutory objectives - protecting consumers, enhancing the integrity of the UK financial system, and promoting effective competition. The survey asks about your dealings with the FCA and how FCA regulation has impacted on your firm and business.

Why should I take part?

This is an opportunity to have your say about how the FCA carries out its regulatory duties. The results from this survey will have a major influence on the functions of the FCA and the way in which they communicate with firms.

Who should take part?

An important element of this survey is that it collects the views of people running regulated firms. This is why we are asking that the most senior executive in your organisation completes this survey.

Depending on your personal level of contact with the FCA, you may find it useful to consult

other colleagues within your organisation before completing the online survey. On the survey homepage (www.fcapractitionerpanelsurvey.co.uk), we have provided the option of printing out a paper copy of the questionnaire, which may help you to gather the required information.

How long will the survey take?

The survey should take around {insert interview length} minutes to complete.

What will happen to my answers and the information I give?
The information given by everyone who helps with the survey will be combined and used by the FCA and the Panel to provide a current picture of the FCA's regulatory performance.

Who is conducting the survey?

The survey is being conducted by Verian, an independent social research agency. To find out more about Verian, please visit **www.veriangroup.com**.

Appendix H – Key Driver Analysis: Non-Consumer Credit firms

Key driver analysis method

The key driver analysis focuses on two key metrics from the survey:

- Satisfaction: Taking into account all of your firm's dealings with the FCA, how satisfied are you with the relationship?
- Effectiveness: Overall, from your firm's perspective, how effective has the FCA been in regulating the financial services industry in the last year?

Both outcomes are measured on a scale from 1 to 10, where higher values indicate stronger performance.

To identify the factors driving these outcomes, key driver analysis was conducted separately for each outcome using a two-step process.

Firstly, backward regression models were used, with Satisfaction and Effectiveness as dependent variables in separate models. A wide range of potential drivers - based on questionnaire responses covering topics such as confidence in the FCA's role and the clarity of its communications - were included as predictors.

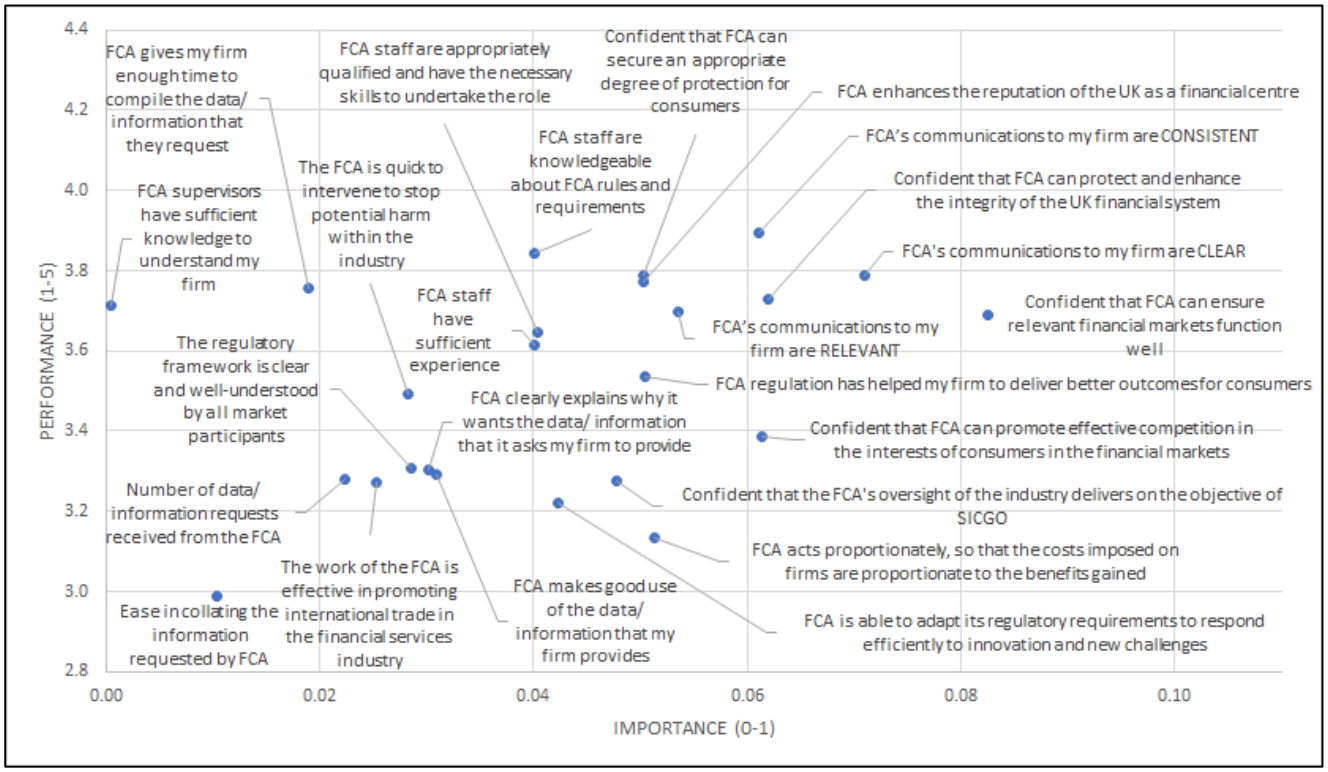
The backward regression iteratively removed variables that were not statistically significant, leaving only those that had a meaningful association with the outcomes after accounting for the other variables in each model. This step streamlined the model by reducing the number of variables under consideration, ensuring focus on the most relevant factors. The selection was done separately for each outcome and therefore different sets of variables ended up being selected for each outcome.

At the second step, the reduced set of variables from the backward regression was then entered into Shapley regression models, again with Satisfaction and Effectiveness as the outcomes. Shapley regression isolated and quantified the contribution of each variable to the outcome, assigning each an importance score between 0 and 1 (with higher values indicating greater influence).

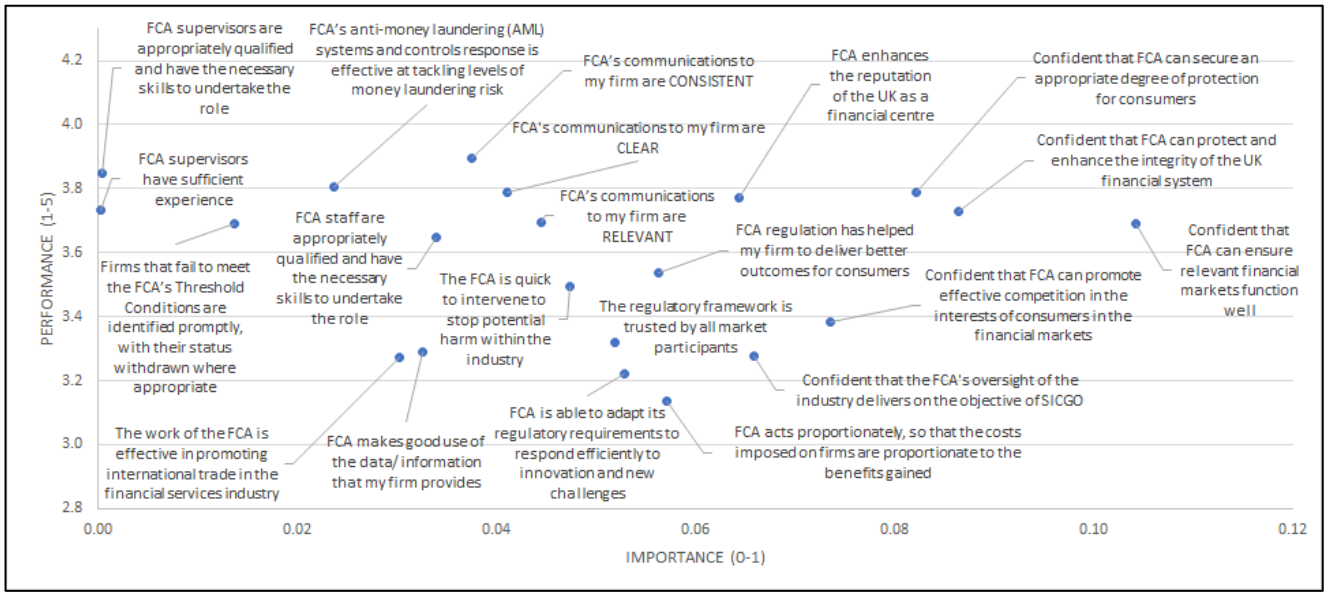
For each variable included in the final Shapley regression model, their performance was calculated as its average score from the survey, ranging from 0 to 5 (higher scores indicate stronger performance on that variable).

By plotting each variable's importance (estimated by the Shapley regression) against its performance, an importance-performance quadrant was created. This plot provides an indication of how factors perform relative to their importance and to thereby prioritise different areas for improvement. This analysis was conducted separately for consumer credit and non-consumer credit firms, recognising the differences in their business models and regulatory interactions.

Drivers of satisfaction for non-consumer credit firms

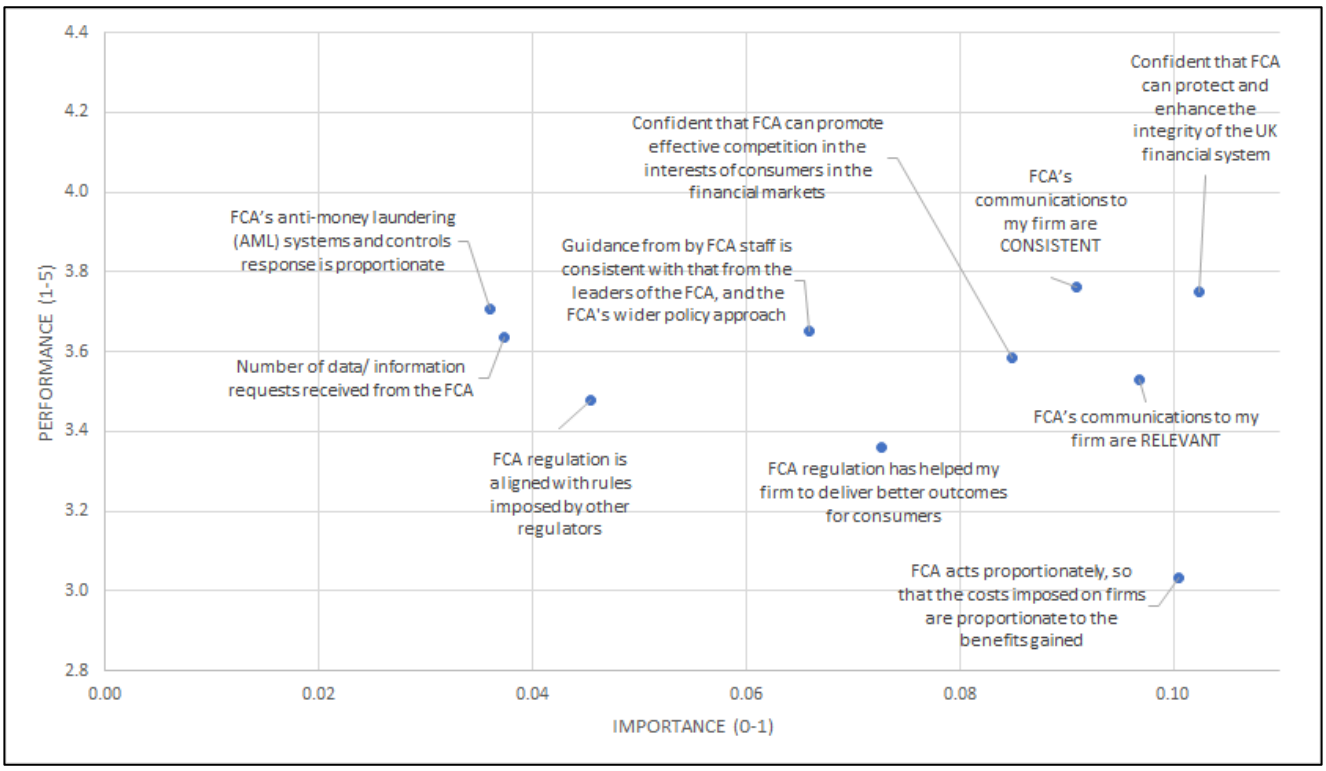


Drivers of effectiveness for non-consumer credit firms



Appendix I – Key Driver Analysis: Consumer Credit firms

Drivers of satisfaction for consumer credit firms



Drivers of effectiveness for consumer credit firms