

IDEAS | PEOPLE | TRUST

Insurance Regulatory eBulletin

Round up of regulatory developments in November 2025



Welcome to our Insurance Regulatory eBulletin

Welcome to this festive edition of our Insurance Regulatory eBulletin, which aims to keep you updated with significant regulatory developments up to the end of November 2025 and their implications across the insurance sector.

In November, the PRA's 2025 Life Insurance Stress Test showed market resilience under severe conditions. The Berne Financial Services Agreement was set out, providing guidelines for cross-border services between the UK and Switzerland, with the FCA publishing the relevant instrument to take effect from 1 January 2026. The PRA also hosted a CRO roundtable on AI and Machine Learning.

The FCA provided an update on the progress of the Motor Finance Compensation Scheme. An updated policy statement on how the FCA investigates potential regulatory failures was released, alongside a list for the 2026/27 regulatory fees and levies. The Whistleblowing guidance set out by the FCA has been updated this month, detailing the processes that should be in place. The FCA also hosted the Economics Research Conference 2025 in November, with a keynote speech from the Chair on Rebalancing Risk, which followed the theme of the conference.

EIOPA's 2025 Insurance Overview report covered key topics such as Solvency and Capitalisation. EIOPA released a declaration on the economic cost of climate inaction during COP30 in Brazil, showcasing the growing macroeconomic risks of delayed climate action. Final reports were published on draft regulatory standards relating to liquidity risk management plans and the applicability criteria for macroprudential analyses in the ORSA and under the prudent person principle. Statements were made following the Economic and Monetary Affairs Committee of the European Parliament relating to the priorities for EIOPA in the next year. This includes focusing on oversight of critical ICT services, fostering supervisory convergence, supporting key legislative revisions, and improving financial education in 2026.

In corporate governance, the FRC published the 2026 UK Taxonomy Suite, incorporating changes to the FRC Taxonomy suite, charities taxonomy, and Irish taxonomy. There are no updates to highlight from the ICO this month.

We have prepared a [summary of the impacts of the budget on the financial services industry](#) together with a [full analysis](#). If we can be of further assistance in this area, please get in contact with us.

As usual, detailed references to source documents are included I hope you find this helpful in identifying matters relevant to you and in keeping abreast of regulatory activity. Please do not hesitate to contact myself or your usual BDO contact if you have any concerns over any matter highlighted in this update. For more information about our audit, advisory and tax services to the insurance sector, visit our [insurance services](#) page. I hope you enjoy reading this latest update and we wish all our readers a Happy Christmas/Festive period and New Year.



ALEX BARNES
PARTNER

+44 (0)7903 891 435
alex.barnes@bdo.co.uk

WELCOME TO OUR INSURANCE REGULATORY EBULLETIN.....	2
PRUDENTIAL REGULATION	4
▶ The Berne Financial Services Agreement (BFSA).....	4
▶ Life Insurance Stress Test: 2025 Results	4
▶ The PRA Holds Model Risk Management Roundtable on Artificial Intelligence and Machine Learning Technologies	4
CONDUCT REGULATION.....	5
▶ Motor Finance Compensation Scheme Consultation Progress and Timing	5
▶ Statement of Policy on Statutory Investigations into Regulatory Failure and Producing Reports.....	5
▶ Financial Wellbeing Goes Beyond One Size Fits All	5
▶ CP25/33 Regulatory Fees and Levies: Policy Proposals for 2026/27	5
▶ Whistleblowing	5
▶ Number of Skilled Persons Reports Commissioned in 2025/26 Q2 (1 July 2025 - 30 September 2025)	5
▶ Economics Research Conference 2025: Rebalancing Risk, Deepening Trust	6
▶ Chair Reflections: Rebalancing Risk	6
EIOPA	7
▶ European Insurance Overview Report 2025	7
▶ Eiopa Supports the NGFS Declaration on the Economic Cost of Climate Inaction	7
▶ Statement to the Economic and Monetary Affairs Committee of the European Parliament - November 2025	7
▶ EIOPA-BoS-25/386 Final Report On Draft Regulatory Technical Standards On Liquidity Risk Management Plans	7
▶ Statement by Petra Hielkema, Chairperson of the Joint Committee of the ESAs at the Annual Hearing of the ECON Committee	7
▶ 3455 (EU) No 2009/138 - Solvency II Directive (Insurance And Reinsurance)	7
▶ The European Supervisory Authorities Designate Critical ICT Third-Party Providers Under The Digital Operational Resilience Act	8
▶ Additional EIOPA updates	8
CORPORATE GOVERNANCE.....	9
▶ 2026 FRC Taxonomy Suite	9
ENFORCEMENT ACTION.....	10
▶ PRA / FCA regulatory fines & enforcement round-up	10

Prudential Regulation

The Berne Financial Services Agreement (BFSA)

On 3 November, the PRA and FCA [published](#) guidelines for firms called The Berne Financial Services Agreement (BFSA). Among other things, the BFSA: (i) will make cross-border trade in financial services to wholesale and sophisticated clients easier for UK and Swiss firms, on the basis of mutual recognition; and (ii) creates a new model for regulatory and supervisory cooperation, ensuring our respective domestic objectives and strong regulatory standards are upheld. This model will protect consumers and investors and promote financial stability and market integrity.

The FCA subsequently [published](#) the Berne Financial Services Agreement Instrument 2025 to give effect to the above. This takes effect on 1 January 2026. The Glossary of definitions, General Provisions (GEN), Conduct of Business sourcebook (COBS), Insurance: Conduct of Business sourcebook (ICOBS), and Supervision manual (SUP) modules of the FCA's Handbook, as well as the Perimeter Guidance manual (PERG), have been amended in line with the annexes to the instrument

Life Insurance Stress Test: 2025 Results

On 17 November, the PRA [released](#) the results of the 2025 Life Insurance Stress Test (LIST 2025). The findings suggest that the sector remains resilient under a severe financial market stress scenario, which includes declines in risk-free interest rates, reductions in equity and property prices, as well as widening credit spreads accompanied by defaults and downgrades.

The PRA Holds Model Risk Management Roundtable on Artificial Intelligence and Machine Learning Technologies

On 24 November, the PRA [published](#) its presentation materials from two CRO roundtable sessions with 21 PRA-regulated firms discussing the adoption of artificial intelligence and machine learning technologies (AI and ML) in the context of implementing the principles set out in

SS1/23 'Model risk management principles for banks' as supervisory expectation from 20 and 22 October. Among other things, it also presented thoughts on specific topics for AI and ML and held a discussion with firms.

Conduct Regulation

Motor Finance Compensation Scheme Consultation Progress and Timing

On 5 November, the FCA [issued](#) a statement following recent court judgments confirming that motor finance lenders are liable to customers, and has begun consulting on an industry-wide compensation scheme to address unfair treatment between 2007 and 2024. The consultation includes extensive engagement with stakeholders and covers topics such as redress calculation, compensatory interest, fraud prevention, and ensuring cost-effective participation for smaller firms. The deadline for feedback has been extended to 12 December 2025, with final rules expected in February or March 2026.

Statement of Policy on Statutory Investigations into Regulatory Failure and Producing Reports

On 14 November, the FCA [published](#) an updated Statement of Policy on Statutory Investigations into Regulatory Failure and Producing Reports, effective November 2025. The statement outlines the FCA's approach to investigating and reporting on possible regulatory failures, including criteria for determining when investigations are required, how "significance" is judged, and the process for conducting investigations and producing reports.

Financial Wellbeing Goes Beyond One Size Fits All

On 14 November, the FCA [published](#) the speech titled "Financial wellbeing goes beyond one size fits all" delivered by Sarah Pritchard, FCA Deputy Chief Executive at The Investing and Saving Alliance's (TISA) annual conference. Pritchard focuses on FCA's new 5-year strategy, which is being used to deepen trust, support growth, improve lives, and rebalance the inherent risks and trade-offs. Among other things, Pritchard spoke about: (i) new challenges; (ii) risk versus reward; and (iii) preparing for the future.

CP25/33 Regulatory Fees and Levies: Policy Proposals for 2026/27

On 21 November, the FCA and PRA [published](#) a consultation paper outlining proposed changes on the FCA fees as well as Financial Ombudsman Service (UK) (FOS) and Financial Services Compensation Scheme (FSCS) levies for 2026/27. Comments should be submitted on 9 January 2026 for proposals on targeted support, and 16 January 2025 for all other proposals.

Whistleblowing

On 21 November, the FCA [published](#) an updated version of its guidance on whistleblowing, which explains who can make a whistleblowing report, how to make a report and what to include, how confidentiality or non-disclosure agreements affect reporting, what happens when the FCA is contacted (including any contact with the firm), and how the FCA records, assesses, and handles whistleblowing reports.

Number of Skilled Persons Reports Commissioned in 2025/26 Q2 (1 July 2025 - 30 September 2025)

On 24 November, the FCA [provided](#) details of the number of skilled person reports commissioned in the second quarter of 2025/26. The figures are stated as correct as of 30 September 2025.

Market	Number of Skilled Persons Reviews (Q3 2025)	Total since 1 April 2025 (start of FCA reg. year)
Consumer investments	0	2
Insurance	2	3
Payments & Digital Assets	1	2
Retail Banking	1	3
Wholesale Buy-Side	0	1
Wholesale Sell-Side	2	5

Skilled Person Panel Lot	Number of Skilled Persons Reviews (Q3 2025)	Total since 1 April 2025 (start of FCA reg. year)
Client Assets & Safeguarding	1	1
Controls & Risk management	0	2
Governance, accountability and strategy	0	1
Conduct of business	1	2
Financial Crime	4	8
Prudential - Adequate Financial Resources	0	2

Economics Research Conference 2025: Rebalancing Risk, Deepening Trust

On 25 November, the FCA [published](#) details of its second annual Economics Research Conference, held on 25 November 2025 at its headquarters in Stratford, London. The conference focused on the theme of rebalancing risk and deepening trust, exploring how financial services regulation can evolve to better manage risk while strengthening consumer and market confidence. Delegates discussed ways to protect consumers while enabling innovation and growth, and examined how understanding systemic risk, adapting regulatory approaches, and promoting financial inclusion can enhance confidence in UK wholesale markets.

Chair Reflections: Rebalancing Risk

On 25 November, the FCA [chair](#) delivered a speech at the Investment Association Annual 2025 Conference on 25 November 2025. He spoke about the FCA's approach to risk, its key initiatives, private markets, and the Scottish Asset and Wealth Management sector. He highlighted that risk is not solely something to be mitigated but a necessary condition for encouraging investment and innovation and that increased participation in private markets offers new opportunities and new risks.

EIOPA

We continue to monitor the European Insurance and Occupational Pensions Authority's (EIOPA), activity and draw your attention to it, where we believe it to be necessary or helpful. This will, we believe, assist those firms operating in the EU.

European Insurance Overview Report 2025

On 3 November, EIOPA [published](#) their latest report based on annually submitted Solvency II data. Topics include: life and non-life sectors, solvency and capitalisation, as well as investments.

Eiopa Supports the NGFS Declaration on the Economic Cost of Climate Inaction

On 5 November, EIOPA [announced](#) the release of the Network for Greening the Financial System (NGFS) Declaration on the Economic Cost of Climate Inaction during the 2025 United Nations Climate Change Conference (COP30) in Belém, Brazil. The declaration emphasises the growing macroeconomic and financial risks of delayed climate action and reaffirms the NGFS's commitment to supporting a well-managed transition to a low-carbon economy.

Statement to the Economic and Monetary Affairs Committee of the European Parliament - November 2025

On 17 November 2025, EIOPA [published](#) a statement by Chairperson Petra Hielkema, delivered to the Economic and Monetary Affairs Committee of the European Parliament in Brussels on 17 November 2025. In this statement, Ms. Hielkema outlined the EIOPA's key achievements over the past year and its priorities for the future.

EIOPA-BOS-25/386 Final Report On Draft Regulatory Technical Standards On Liquidity Risk Management Plans

On 17 November, EIOPA [issued](#) a final report on draft Regulatory Technical Standards (RTS) specifying the criteria, content, and frequency of update for liquidity risk management plans (LRMPs) required under the revised Solvency II

Directive. The RTS aims to ensure consistent application of LRMPs across insurers and groups, while taking a principle-based and proportionate approach that allows flexibility for undertakings to report on their own liquidity risk analyses tailored to their specific risk profiles.

EIOPA-BOS-25/389 Final Report On Draft RTS On Macroprudential Analyses In ORSA and PPP

On 17 November, EIOPA [published](#) a final report presenting the text of the draft Regulatory Technical Standards (RTS) on applicability criteria for macroprudential analyses in the Own Risk and Solvency Assessment and under the prudent person principle. The report also includes an impact assessment and a feedback statement on the public consultation regarding the draft RTS.

Statement by Petra Hielkema, Chairperson of the Joint Committee of the ESAS at the annual hearing of the ECON Committee

On 17 November, EIOPA [published](#) a speech delivered by Petra Hielkema, Chairperson of the Joint Committee of the European Supervisory Authorities, to the Economic and Monetary Affairs Committee of the European Parliament on 17 November 2025. The speech highlights joint activities including simplification and burden reduction, digital operational resilience (DORA), consumer protection, cybersecurity, artificial intelligence, and sustainable finance. The Joint Committee will continue to focus on operationalising oversight of critical ICT services, fostering supervisory convergence, supporting key legislative revisions, and improving financial education in 2026.

3455 (EU) No 2009/138 - Solvency II Directive (Insurance And Reinsurance) On 19 November, EIOPA [addressed](#) whether a national supervisor, such as Belgium's Financial Services and Markets Authority (FSMA), can refuse EU insurance companies from distributing capital redemption operations linked to investment funds, based on national "general good" rules. Although Luxembourg permits these products and EU law (Solvency II) generally allows cross-border distribution under a European passport, host countries may restrict such products if the restrictions are non-discriminatory, justified by

imperative general interest, necessary and proportionate, not already covered by the home country's rules, and only in areas not harmonized by EU law.

The European Supervisory Authorities Designate Critical ICT Third-Party Providers Under The Digital Operational Resilience Act

On 19 November, European Banking Authority (EBA), EIOPA, and European Securities and Markets Authority (ESMA) (collectively, the European Supervisory Authorities) [published](#) the list of designated critical ICT third-party providers (CTPPs) under the Digital Operational Resilience Act (DORA). This designation marks a crucial step in implementing the DORA oversight framework. The designated CTPPs provide a range of ICT services to financial entities of all types and sizes across the European Union, reflecting their pivotal role within the financial ecosystem.

Additional EIOPA updates

EIOPA has also published the following technical Solvency II related updates:

- EIOPA Publishes Monthly Update of the Symmetric Adjustment of the Equity Capital Charge for Solvency II - End-October 2025 ([link](#))
- EIOPA Publishes Monthly Technical Information for Solvency II Relevant Risk-Free Interest Rate Term Structures - end-October 2025 ([link](#))

Corporate Governance

2026 FRC Taxonomy Suite

On 19 November, the Financial Reporting Council (FRC) [published](#) the 2026 UK Taxonomy Suite, incorporating changes to the FRC Taxonomy suite, Charities Taxonomy, and Irish Taxonomy.

Enforcement action

PRA / FCA regulatory fines & enforcement round-up

We have identified key relevant enforcement action during November 2025 and in this respect, the following announcement has been made by the FCA:

<p>The Dental Insurance Partnership Ltd</p>	<p>The Financial Conduct Authority (FCA) has decided to cancel The Dental Insurance Partnership Ltd Part 4A permission after the firm fails to satisfy the Stability Threshold Condition and did not pay fees or submit required information. Key points: The FCA cancelled the firm's Part 4A permission due to non-compliance and that the firm does not have a fit and proper person to conduct regulated activities. The firm failed to pay overdue fees and levies of £2,500. It also did not submit required returns and Firm Details Attestation (FDA) by deadlines. The FCA issued a Notice on 18 March 2024 to which the firm responded, with further subsequent notices being raised. The cancellation takes effect immediately upon the Notice of Decision, removing the firm's regulated activity rights. The decision emphasizes the importance of compliance with fee payments and meeting the Suitability Threshold Condition.</p>
<p>David Tank t/a n15 Prestige Car and NG15 Cars</p>	<p>The FCA has decided to cancel David Tank's Part 4A permission after it ceased regulated activities and failed to respond to notices, effective immediately. Key points: The FCA cancelled David Tank's Part 4A permission due to no regulated activities being carried on. The firm was authorised in 2016 for consumer credit activities, including credit broking. The FCA issued a notice in February 2025, which the firm failed to respond to or act upon. The cancellation takes effect immediately upon the decision, removing the firm's permission to conduct regulated activities. The FCA's decision is based on Schedule 6A of the Financial Services and Markets Act 2000, using its own initiative power. The firm can apply for an annulment of the decision by March 2026, but has no right to tribunal review. The decision aligns with FCA guidance that permission can be cancelled if a firm ceases relevant activities and fails to respond to notices. The FCA emphasises its statutory objectives of protecting consumers and maintaining market integrity.</p>

CONTACTS

EXTERNAL AUDIT

ALEX BARNES

Partner & Head of Insurance Audit
alex.barnes@bdo.co.uk

GILES WATSON

Partner
giles.watson@bdo.co.uk

TOM REED

Partner
tom.reed@bdo.co.uk

RUPERT LIVINGSTONE

Partner
rupert.livingstone@bdo.co.uk

ADEEL AJMAL

Director
adeel.ajmal@bdo.co.uk

MZ NETYISI

Director
mz.netyisi@bdo.co.uk

INTERNAL AUDIT

CHRIS BELLAIRS

Partner
christian.bellaairs@bdo.co.uk

LUKE PATTERSON

Partner
luke.patterson@bdo.co.uk

SAM PATEL

Partner
sam.patel@bdo.co.uk

REGULATORY ADVISORY

MICK CAMPBELL

Partner
mick.campbell@bdo.co.uk

RICHARD BARNWELL

Partner
richard.barnwell@bdo.co.uk

NICOLA BALL

Director
nicola.ball@bdo.co.uk

CASS

JAMES STEELE-PERKINS

Partner
james.steele-perkins@bdo.co.uk

ACCOUNTING & CORPORATE REPORTING ADVISORY

MARK SPENCER

Partner
mark.spencer@bdo.co.uk

ACTUARIAL

GRAHAM HANDY

Partner & Head of Insurance Advisory
graham.handy@bdo.co.uk

ELINORE O'NEILL

Director
elinore.oneill@bdo.co.uk

GRAHAM CORNISH

Director
graham.cornish@bdo.co.uk

JAMIE BENTLEY

Director
jamie.bentley@bdo.co.uk

WILLIAM DIFFEY

Director
william.diffey@bdo.co.uk

TAX

THOMAS TO

Partner & Head of Insurance Tax
thomas.to@bdo.co.uk

MICHAEL WHITESIDE

Director
michael.whiteside@bdo.co.uk

CORPORATE FINANCE

RAHOEL PATEL

Partner, Head of FS Transaction Services
rahoel.patel@bdo.co.uk

ADAM WHISTANCE

Director & Head of Insurance M&A
adam.whistance@bdo.co.uk

OUTSOURCING

KELLY SHEPPARD

Partner
kelly.sheppard@bdo.co.uk

FOR MORE INFORMATION:

ALEX BARNES

+44 (0)7903 891 435
alex.barnes@bdo.co.uk

GRAHAM HANDY

+44 (0)7876 877 083
graham.handy@bdo.co.uk

This publication has been carefully prepared, but it has been written in general terms and should be seen as broad guidance only. The publication cannot be relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained therein without obtaining specific professional advice.

Please contact BDO LLP to discuss these matters in the context of your particular circumstances. BDO LLP, its partners, employees and agents do not accept or assume any liability or duty of care for any loss arising from any action taken or not taken by anyone in reliance on the information in this publication or for any decision based on it.

BDO LLP, a UK limited liability partnership registered in England and Wales under number OC305127, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. A list of members' names is open to inspection at our registered office, 55 Baker Street, London W1U 7EU. BDO LLP is authorised and regulated by the Financial Conduct Authority to conduct investment business.

BDO is the brand name of the BDO network and for each of the BDO Member Firms.

BDO Northern Ireland, a partnership formed in and under the laws of Northern Ireland, is licensed to operate within the international BDO network of independent member firms.

We will not share your details with third parties other than those agents and service providers used to meet your requirements. To correct your personal details or if you do not wish us to provide you with information that we believe may be of interest to you, please contact us.

© December 2025 BDO LLP. All rights reserved.

www.bdo.co.uk