FCA Changes to Ongoing Advice Rules

Regulatory & Compliance on **April 6, 2026**

Introduction

On 25 March 2026, the UK Financial Conduct Authority (**FCA**) published Consultation Paper 26/10 '*Simplifying the Pensions & Investment Advice Rules'*.

As the name suggests, the Consultation Paper seeks stakeholder feedback on a proposed consolidation and simplification of the current rules on pensions and investment advice, which are found in the Conduct of Business Sourcebook (**COBS**).

The FCA's proposed amendments are intended to deliver on two related commitments.

First, the FCA proposes to consolidate and simplify the current suitability and advice rules in COBS, moving away from certain prescriptive requirements and placing greater reliance on principles-based regulation, including the Consumer Duty. As part of this exercise, the FCA proposes to bring together the existing COBS suitability regimes (in COBS 9 and 9A) into a more unified framework and to give firms greater clarity on how simpler forms of investment advice may be provided.

Secondly, as set out in Chapter 3 of the Consultation Paper, the FCA proposes to replace the current requirement for annual suitability reviews with a more flexible obligation to carry out periodic suitability reviews based on clients' needs and circumstances.

This note focuses on the second of these commitments, and is therefore relevant to firms providing ongoing investment advice to retail customers.

Ongoing investment advice

Under the current FCA rules, firms ongoing assessments of suitability in relation to MiFID investments or insurance-based investment products must carry out such assessments at least annually. CP26/10 proposes to replace this prescriptive annual requirement with a more flexible obligation to carry out suitability assessments on a **periodic** basis.

Under the proposed approach, firms would be required to determine the appropriate frequency of review by reference to: (i) the client's needs, characteristics and objectives; (ii) the client's attitude to risk and ability to bear risk; and (iii) the nature, complexity and risk profile of the relevant investments or services. In the case of retail clients, firms would also need to set their review cycle consistently with their obligations under the Consumer Duty.

These proposed changes are consistent with the FCA's broader objective of making the investment advice framework more proportionate, easier to navigate and better aligned with consumer needs. In removing the current prescriptive requirement for annual suitability reviews, the FCA is seeking to give firms greater flexibility to tailor ongoing advice services to the circumstances of different clients. The FCA also considers that a more flexible model could reduce costs for some consumers, release adviser capacity and support wider access to ongoing advice.

Challenges for firms

Notwithstanding the above, the proposals could give rise to practical challenges for firms.

In particular, firms would need to determine how best to calibrate review frequency across different client groups, products and service models. Some firms may feel comfortable adopting a less frequent review cycle for lower-risk portfolios or simpler products. Others may be more cautious about moving too far from current practice until clearer market norms and supervisory expectations emerge.

Accordingly, although the direction of travel is positive, the practical benefits of the proposed regime may become clear only over time as firms gain confidence in how the new flexibility will operate in practice.

Next steps

The FCA's consultation process remains open until 22 May 2026, and the FCA intends to publish a Policy Statement containing its finalised body of rules in Q4 2026. These timings may change depending upon the nature and extent of the feedback received.

For more information, please contact Andrew Wingfield, Partner, or Edward Lister, Special Regulatory Counsel.

Related Professionals

- **Andrew Wingfield**

  Partner

- **Edward Lister**

  Special Regulatory Counsel