



# **A regulatory compliance GUIDE FOR CONSOLIDATORS**

Achieving FCA compliance  
and operational resilience at scale

# Consolidation in the UK advice market

Consolidation in the UK IFA market continues at pace, driven by scale ambitions, succession planning, and the pursuit of sustainable growth. For consolidators, however, growth through acquisition brings heightened regulatory scrutiny and operational complexity. The FCA's expectations around compliance, consumer duty, and risk management mean that commercial ambition must be carefully balanced with regulatory discipline.

## Key focus areas

This guide explores how acquisitive advice and wealth management groups can meet the FCA's regulatory expectations while continuing to grow and integrate their portfolios effectively. It highlights the key challenges faced at each stage of the consolidation journey and sets out practical guidance to help firms remain resilient, compliant and client-focused.

In particular, this guide focuses on:

- Acquiring new IFAs – understanding regulatory risks, conducting proportionate due diligence, and ensuring alignment with the FCA standards from day one.
- Transitioning new IFAs – managing change without disrupting client outcomes, adviser conduct, or operational resilience.
- Centralising compliance across a portfolio – creating consistent oversight, controls, and integrated operating models.



By addressing these areas, consolidators can build scalable, well-governed businesses that satisfy regulatory expectations and support successful long-term, sustainable growth.

## Content summary

### 1.0 Regulatory insights: Lessons from the FCA's review

### 2.0 Balancing commercial ambition with regulatory discipline: Helping you grow while reducing risks and costs

- Achieving quality: Assurance in your acquisition
- Driving long-term value: Strategic post-acquisition support that delivers results

## 1.0 Regulatory insights

# Lessons from the FCA's review for advice and wealth management consolidation

The FCA released its much-anticipated findings from its review of consolidation in the financial advice and wealth management sector on 31st October 2025, offering valuable insight into what the regulator expects from consolidators – not only in terms of prudential soundness but also in conduct, governance, and culture.

The regulator highlighted the efficiency and growth benefits of consolidation for firms, and so an increase in consolidation in 2026 is expected. The regulator has high expectations of firms to observe good practice throughout the consolidation process, including robust governance and risk management processes.

The review's findings and the FCA's clarification of its expectations for the sector are helpful tools for the consolidators.



### Prudential resilience under the microscope

Much of the FCA's interest centres on how acquisitions are financed and how debt is managed across groups. The regulator reiterated the need for strong financial resilience at both the group level and within individual regulated entities.

Financial fragility at the group level can quickly translate into poor customer outcomes – whether through cost-cutting, poor service continuity, or instability in client-facing firms. The FCA's prudential focus shows that financial soundness is a key part of delivering good outcomes under the Consumer Duty.

### Conduct and culture

Alongside the financial themes, the FCA's findings included clear expectations for conduct, governance, operational resilience, and risk management.

## 1.0 Regulatory insights

# FCA Priorities: due diligence, integration and financial resilience

The FCA reinforces that successful consolidation depends on proportionate, risk-focused due diligence, tailored and well-resourced integration, and strong governance and oversight – with a clear focus on protecting client outcomes throughout the acquisition lifecycle.

Acquisitive advice and wealth management groups must scale compliance, risk and financial resilience as they grow, as well as actively managing conflicts of interest. It's also important for organisations to ensure board-level accountability and access to practical management information for well-informed group- and firm-level decision making.

## 1. FCA's view on due diligence

The FCA called out strong due diligence pre-acquisition as good practice, and firms are expected to carry out proportionate due diligence that genuinely identifies and evaluates risk. This starts with legacy advice liabilities right through to the target firm's ability to meet regulatory standards. The FCA views the use of independent third-party due diligence providers as good practice, and it highlighted the importance of the firm understanding and challenging the findings, where appropriate, and factoring them into decision-making before an acquisition.

The regulator specified that some firms need to improve their due diligence. Examples given include the resourcing of due diligence and monitoring the process. The FCA also pointed out that it is important that firms adapt their processes depending on the type of firm being acquired, and its staff and client profiles.

The FCA confirmed that the 'tick-box' approach to due diligence is not appropriate – and that compliance and regulatory due diligence remain critical.

## 2. Tailored approach to the integration process and resourcing

Approaching due diligence with care is the

cornerstone of successful integration. Areas that need improvement are often identified during due diligence, for example, compliance resource, and integration plans should ensure that weaknesses identified in the due diligence process are addressed as part of the integration programme.

The report confirms that having clear, disciplined integration plans is good practice. Crucially, the FCA notes the importance of monitoring integration and customer outcomes, and the need for well-resourced teams to deliver these tasks. Similarly to the due diligence process, the FCA emphasised the importance of having adaptable integration processes tailored to the profile of the acquired firm.

Firms should also ensure that they have sufficient resource to ensure the integration goes smoothly and that they have sufficient controls as their businesses grow.

## 3. Compliance and risk functions

As groups grow, the FCA highlighted the need for firms to increase their risk and compliance capabilities and resources to keep pace. Firms should have robust compliance and risk functions, along with appropriate systems, controls, and management information monitoring in place to identify emerging risks, oversee integration activity and assess client outcomes. This includes the delivery of ongoing advice reviews.

## 1.0 Regulatory insights

### 4. Governance and oversight

The regulator identified areas for improvement, focused on leadership and management:

- Firm's leadership teams not having sufficient knowledge and experience to oversee increasingly large, complex issues.
- Lack of independent challenge at the board level and at committees reporting to the board.

Effective governance means more than formal structures. The FCA expects senior management to have the skills, experience, and insight to manage increasing size and complexity, supported by independent challenge at the board and committee levels.

Decision-makers must have access to appropriate management information and recognise how group-level decisions can affect regulated entities.

### 5. Conflicts of interest

Consolidation often introduces conflicts. For example, seller incentives are tied to deferred consideration or group-wide product strategies. The FCA expects these conflicts to be clearly identified, understood and actively managed through appropriate governance and compliance monitoring. Firms must ensure their clients' best interests are not compromised by intra-group incentives or commercial pressures.

### 6. Group debt and risk management

A large proportion of the FCA's focus is on group debt management. This should not be a surprise to the firms, given the prudential focus of the regulator's document requests and the impact financial circumstances can have on customer outcomes. Areas the report focused on included the group-level financial resilience and solvency, as well as the importance of stress testing.

#### From regulatory feedback to board-level action

The FCA is clear: this feedback doesn't introduce new rules. It reinforces existing expectations.

As a consolidator firm, you should:

- Benchmark your arrangements against the FCA's findings to identify prudential or conduct risks
- Review governance and risk frameworks to ensure the firm can support resilient, well-managed growth
- Evidence board-level ownership of acquisition and integration decisions, including clear accountability for client outcomes

Doing nothing is not an option. The regulator has indicated it will act where governance and oversight fall short.

### Impartial third party support

TCC has extensive experience in supporting consolidators through acquisition and integration, providing insight-led regulatory support to help firms manage risk, protect long-term value and align with FCA expectations. Our expertise includes:

**Regulatory due diligence:** assessing target firms against FCA expectations and Consumer Duty standards.

**Post-acquisition integration:** aligning culture, governance, controls and client propositions across growing groups.

**Strategic interim resource support:** providing experienced, skilled professionals to strengthen delivery and oversight as firms scale.

## 2.0 Balancing commercial ambition with regulatory discipline

# Helping you grow while reducing risks and costs

TCC offers a comprehensive range of end-to-end compliance solutions, delivering targeted support at every stage of the consolidation process. Our flexible, modular solutions can be used alone or as a combination, so wherever you are in your journey, we can help you execute your consolidation strategy efficiently and with confidence.

### Achieving quality: Assurance in your acquisition

- |  |  |
|--|--|
| 1 Regulatory due diligence                                       | 6 Meeting prudential requirements                    |
| 2 Quality of advice reviews and provisional calculations support | 7 Financial crime reviews                            |
| 3 Integration planning and execution                             | 8 Supporting communications with the FCA             |
| 4 Governance and risk  | 9 Benchmarking against the FCA's consolidator review |
| 5 Managing conflicts   |  |

### Driving long-term value: Strategic post-acquisition support that delivers

- |  |   |
|--|---|
| 1 Change transformation and integration leadership | 6 Remediation to resolve/migrate past liabilities |
| 2 Skilled support to match your growth             | 7 Supporting communication with the FCA           |
| 3 Business-as-usual suitability file reviews       | 8 Paraplanning and complaints handling            |
| 4 Interim compliance and monitoring resource       | 9 Evidencing and oversight                        |
| 5 Review of client novation and integration        |   |

## Turning regulation into a strategic advantage

TCC regulatory experts are helping consolidators achieve conduct, governance and operational resilience. We tailor our regulatory review to your specific risk appetite and business priorities, ensuring we focus on what matters most to you.

## 2.0 Balancing commercial ambition with regulatory discipline

# Achieving quality: Assurance in your acquisition

Whether you're navigating an acquisition, investment or internal review, our services offer the depth and clarity needed to uncover hidden issues. We assess cultural alignment with your firm and ensure regulatory confidence, empowering you to make an informed, confident decision.

We provide you with a focused review of the organisation you're looking to acquire to help you rank the potential acquisition as a low-risk or high-risk purchase.



## 1. Regulatory due diligence

We believe in insight-driven reviews, which makes our approach fully flexible – designed to fit your specific needs and the nature of your acquisition. Whether you're addressing targeted concerns or seeking a comprehensive review, we tailor the depth of analysis to align with your risk appetite and future objectives for any acquired firms.

As a leading provider of regulatory due diligence, our real strength lies in connecting compliance, culture and commercial performance. With culture often at the heart of compliance issues, we apply a unique lens to both business operations and culture to uncover hidden risks and misalignments across regulated financial service firms.

Beyond reviewing permissions, we also identify regulatory risks and the exposure to poor customer outcomes – factors that can materially affect deal value. We provide sample advice case reviews and, where needed, sample redress calculations. By addressing these risks early, we help you avoid costly remediation and regulatory scrutiny (including s166 reviews) further down the line.

Whether you're buying or selling, with our comprehensive overview of regulatory, operational, and reputational risks, you can be confident in a fair, well-informed valuation.

## 2. Quality of advice reviews and provisional calculations support

Managing acquisitions places heavy demands on time and resources, which is why fast and reliable due diligence reviews of advice quality and redress risk are critical. We deploy scalable, repeatable service models that make full use of available data, delivering compliant end-to-end reviews that provide a clear view of advice quality, redress exposure and the true liabilities you may inherit. TCC's actuarial and redress specialists ensure rapid turnaround on provisional calculations with secure data sharing and intuitive tracking tools throughout the process. With this invaluable information to hand, you can structure deals with confidence and negotiate risk exposure from day one – accelerating your mergers and acquisitions programme.

## 2.0 Balancing commercial ambition with regulatory discipline

### 3. Integration planning and execution

Our compliance experts provide reviews of your post-acquisition integration plans and strategy to ensure they align with the FCA's expectations. We incorporate good practice observed from supporting other firms with their integration planning and execution.

Where clients are novated, we can complete an assurance review to confirm that the acquiring firm has met the FCA's expectations.

### 4. Governance and risk

We review your firm's governance and risk framework, and benchmark it against the FCA's expectations. This review includes an assessment of the board and the Consumer Duty management information.

If the regulatory due diligence review identified risks, TCC can assess corrective actions to prevent regulatory issues and value loss, which can be delivered as a one-time review or as part of an ongoing assurance programme.

### 5. Managing conflicts

Benefit from an independent review of conflicts within the business, and at a group level – offering you the assurance that all material conflicts have been identified and mitigated or managed.

### 6. Meeting prudential requirements

The FCA's Consolidator's review placed a lot of focus on the prudential side of acquisitions, and we can support your firm by assessing your prudential resilience at both the group and the business levels, with a particular focus on acquisition financing, debt structures and intra-group dependencies that may create financial fragility. We help you evaluate your growth strategies and their sustainability to ensure customers are protected even under financial stress.



We have experienced specialists to help draft or review your firm's Internal Capital Adequacy and Risk Assessment (ICARA) and to ensure your firm and group, where relevant, are meeting their prudential requirements.

### 7. Financial crime review

Given the FCA's focus on fighting financial crime in its five-year strategy, we undertake a deep-dive review of your entities' policies and procedures and assess how these are working in practice. This offers your board the assurance that your firm's processes are robust and adequately resourced for future acquisitions.

### 8. Supporting communication with the FCA

Communication with the FCA is crucial – from articulating your firm's business plan and strategy, to completing documents, such as Change in Control forms. You can utilise our experience of interacting with the FCA to ensure good communication, aligned with the requirements, and to pre-empt any potential areas of concern the regulator may have.

### 9. Benchmarking against the FCA's Consolidator's review

We complete a review of your firm's approach to consolidation, including regulatory due diligence, integration, governance and risk management, and compare it with the FCA's expectations.

## 2.0 Balancing commercial ambition with regulatory discipline

# Driving long-term value: Strategic post-acquisition support that delivers results

TCC also offers strategic follow-up services designed to embed lasting change and support long-term success. From post-deal integration and cultural alignment to ongoing compliance monitoring and risk mitigation, our follow-up services ensure that initial due diligence insights translate into sustainable improvements.

Our experts help you define and deploy an integrated infrastructure for an efficient, cost-effective future, centralising your governance and operations.



### 1. Change transformation and integration leadership

TCC supports organisations through post-acquisition change transformation by turning due diligence insights into fully integrated, future-ready operations.

Our experienced interim change and transformation leaders help stabilise and guide firms through the critical post-acquisition period. These specialists work at pace to manage complexity, maintain momentum, and bridge the gap between deal completion and a fully embedded operating model. By providing hands-on leadership across integration, people,

processes, and controls, our interim specialists help you deliver immediate outcomes while laying the foundations for sustainable growth, stronger governance, and long-term success.

### 2. Skilled support to match your growth

The FCA's consolidator report confirmed the importance of having appropriate resource as firms grow. At TCC, we provide a wide range of skilled people to fit your needs (for example, in the second line) to ensure your firm has appropriate skills, knowledge and experience to support future growth.

## 2.0 Balancing commercial ambition with regulatory discipline

### 3. Business-as-usual suitability file reviews

Post an acquisition, there can be pressures on the firm's business assurance functions. Our experienced review team offers help with any short-term or long-term file review resource needs. Where appropriate, our file review process is supported by our underlying tech to ensure reviews are completed accurately and efficiently.

### 4. Interim compliance and monitoring resource

Acquiring firms may need further interim resource to ensure business continuity. Our compliance experts have the right experience to help implement your risk and compliance framework, while our review specialists can help bridge the gap in conducting file reviews and thematic compliance monitoring.

### 5. Review of client novation and integration

Where clients are novated, we can develop and execute a client novation plan that includes the production of suitable client communications.

### 6. Remediation to resolve/migrate past liabilities

Mitigating legacy liabilities with regulatory due diligence can safeguard future sale value. Our experts can value the liability of the book of defined benefit transfers and provide remediation plans for such transfers and ongoing advice issues.

### 7. Supporting communication with the FCA

If the acquirer plans to deauthorise and close the acquired firm, TCC can be appointed to develop a wind-down plan and manage the permission cancellation, guiding the firm through the process.

### 8. Paraplanning and complaints handling

Where acquisitions lead to a need for additional paraplanning and/or complaints handling resource, we can provide experienced colleagues to support your needs.

### 9. Evidencing and oversight

To achieve better control of your portfolio, we can introduce your firm to a dedicated AI-led technology that speeds up manual tasks such as ongoing file reviews, paraplanning, complaints management and remediation projects. You get invaluable insights, performance analysis and evidence trails while benefiting from new operational efficiencies.



# Assuring the quality of your consolidation

Every firm is different, and so is our approach.

TCC's comprehensive suite of consolidation solutions is meticulously designed to provide targeted, effective interventions tailored to your firm's unique risks and objectives.

If you'd like to understand how the FCA's findings apply to your business, or how we can help you manage regulatory and operational risks throughout consolidation, book a time with our consolidation specialists.

TCC, helping you grow while reducing risks and costs.



020 3772 7230



hello@tcc.group



tcc.group

