



Financial Services
Compensation Scheme

FSCS Five-Year Strategy 2026–31

www.fscs.org.uk



About FSCS

FSCS protects customers when authorised financial firms fail. We give people confidence by protecting their savings, investments and insurance policies, providing fair financial compensation and helping to maintain continuity of access to essential services.

FSCS plays a vital role in the stability of the UK financial sector. We are relied on by consumers, respected by industry, and recognised by regulators, government, and global peers as a cornerstone of UK financial stability. By giving people confidence in financial services, we support economic growth, market entry and investment in innovation.

Reducing harm when firms fail and pooling risk across the sector, FSCS delivers value beyond compensation alone – for consumers, levy payers and the wider financial system. Our strategy sharpens this role, setting out how we will maximise value and impact over the next five years.

1. We provide consumers with continuity and compensation when financial services firms fail



3. Our work strengthens financial stability and supports the conditions for growth

2. We support trust in the UK financial services industry so consumers can invest, save and insure with confidence



Elizabeth Passey Chair

“ FSCS protection is a trusted safety net for the financial system, helping people get back on track when firms fail. There is a clear, enduring purpose that must continue whatever the environment.

“This safety net supports confidence, participation and orderly markets, enhancing stability and enabling competition and innovation to thrive. As we look ahead, our ambition is clear, to remain accessible and efficient for customers, valued by industry, and a cornerstone of UK financial stability – and this strategy will help us achieve that vision. ”

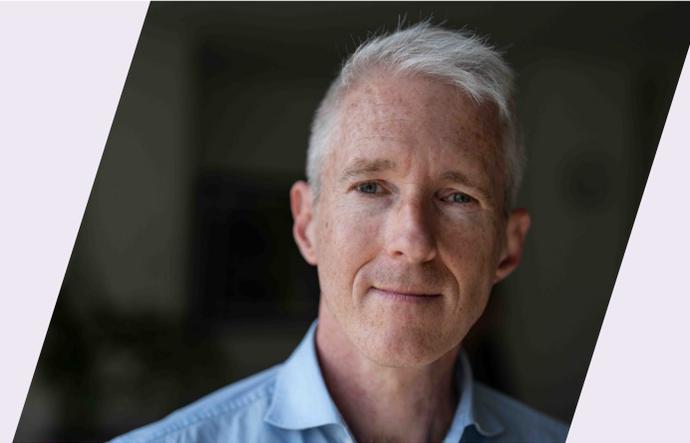


Image credit: Carmen Reichman, Financial Times.

Martyn Beauchamp Chief Executive

“ Every day, people save, invest, insure and plan for the future, expecting the financial system to work as it should. FSCS is here for the moments when it does not — when firms fail and customers are left exposed. In those moments, continuity, fair compensation and confidence matter.

“As the world changes quickly, we must build on strong foundations to deliver the right outcomes for our customers, work effectively across teams and demonstrate clear value to our levy payers. By delivering to the highest standards, investing in our people and managing risk responsibly, we are building an FSCS that is resilient, effective and ready for the future. ”

Foreword

Economic analysis suggests FSCS protection underpins more than £2.2 trillion¹ of financial activity, a scale of impact that far outweighs the size of the organisation. For deposits alone, FSCS protection underpins £1.6 trillion² while delivering billions in annual economic benefit and reinforcing the role FSCS plays as an effective and trusted safety net for the financial system.

Over the past five years, FSCS has helped around 280,000 people across the UK, a testament to the dedication and expertise of the teams delivering this vital service.

Through a global pandemic, cost of living pressures, and economic and geopolitical uncertainty, FSCS has continued to help people get back on track when firms fail, anchored in a clear and enduring purpose that must continue, whatever the environment.

It is this financial safety net that supports confidence, participation and orderly

markets. It enhances financial stability, enables competition and helps innovation to thrive. It gives consumers the confidence to invest and to save for less fortunate times, which allows the UK to grow and allows financial services to perform at their best.

Looking ahead, our ambition for the next five years is clear: to be nimble, accessible and efficient for consumers and our customers, valued by industry and by regulators alike, and a cornerstone of UK financial stability.

Central to this are the people who deliver FSCS's purpose every day. Guided by our vision and driven by strong performance and values, our colleagues will continue to deliver fair, consistent outcomes.

The strategy builds on what's already been achieved; it marks an exciting next chapter for FSCS and sets a clear direction for the years ahead. It is guided by balance: delivering fair outcomes for consumers who invest, save and participate in the system; for levy payers who are strengthened by the confidence

that FSCS protection brings; and for the wider financial system that grows and thrives on a foundation of stability.

Working closely with regulators, government, consumer bodies and industry, we will support the stability that underpins competitiveness and growth across the UK. And through effective international relationships, FSCS will continue to contribute our expertise to global best practice, while learning from peers to inform delivery at home.

The Board and I have overseen and endorse the shaping of this strategy. FSCS is clear on its purpose, confident in its role, and ready for what comes next. We look forward to working closely with the Executive team in supporting its successful delivery.

Elizabeth Passey
Chair

¹ Independent research commissioned by FSCS in 2025 found that FSCS protection underpins more than £2.2 trillion of financial activity. Estimates are based on levy submissions and internal FSCS data, they are conservative and may understate the full value of protected consumer assets.

² The same research found that for deposits alone, FSCS protection underpins £1.6 trillion.

Executive summary

Since joining FSCS in late 2023, I have seen first hand the commitment, resilience and adaptability of our organisation. We have sharpened our focus on our statutory responsibilities, strengthened our operational capability and modernised the way we deliver our services. Together, these changes have enhanced our ability to respond consistently and effectively, helping to sustain confidence through periods of change and uncertainty.

That confidence matters. Seventy-six per cent of consumers who are aware of FSCS³ say they are more likely to save or invest in UK financial services when FSCS protection is available, knowing the Scheme is there to provide continuity and fair compensation if things go wrong.

As we look ahead to 2031, our focus is not only on what we deliver, but on how we deliver it: with the resilience, flexibility and readiness to respond effectively according to demand. In doing so, we will reduce disruption for customers, reinforce trust in financial services, and support the firms on which UK households and businesses depend.

This strategy sets out the practical steps we will take to enhance delivery, further improve performance and build readiness across FSCS.

First, we will continue to develop our customer claims model so that it operates efficiently, reliably and at any scale as demand evolves. This is essential because patterns of firm failure are uneven and volumes can shift quickly. We will refine our approach to advice claims and maintain ‘always on’ readiness for firm failures across our deposits and insurance categories. This will be enabled by a stronger partnership between our people and our technology. Success will mean delivering timely outcomes for customers, with fairness, consistency and quality embedded as standard.

Second, we will embed a culture of purpose and performance. Our purpose is realised through the quality of our delivery: high standards, every day, across every team. We will adapt the organisation so that new ways of working – shaped by FSCS colleagues – are embedded in the processes and decisions that matter most. This will help ensure we meet changing consumer needs over

the next five years with consistency, reliability and care.

Third, we will continue to meet our responsibilities to the financial services industry that funds FSCS through the levy, by operating efficiently and with discipline. We will be a careful steward of those funds: maximising recoveries with commercial judgment to help offset the cost of compensation, and managing risk with care. We will work with our regulators and industry to raise awareness of FSCS protection so that consumers can make informed financial decisions with confidence. We will also build on our international engagement, working with counterparts around the world to help shape the standards and approaches that support our objectives.

Through this strategy, FSCS will support UK financial stability by giving consumers confidence, providing continuity when it is needed, and delivering fair compensation when financial services firms fail.

Martyn Beauchamp
Chief Executive

Our three-point plan to deliver our five-year strategy

Our strategic ambition

Our purpose

We support financial stability, giving consumers confidence, continuity and compensation when financial services firms fail.

Our vision

We are accessible and efficient for customers, valued by industry, and a cornerstone of UK financial stability.

Delivered by our three-point plan

1

Build a scalable, cost-efficient customer claims model

2

Embed a purpose-performance culture

3

Be a responsible steward of the levy

Our previous strategy for ‘FSCS into the 2020s’ was guided by a mission grounded in supporting trust and confidence in the financial services industry.

Our focus on helping people get back on track, by paying compensation quickly and effectively when financial firms fail, has reinforced confidence in the financial system, establishing FSCS as a trusted organisation that delivers consistently for consumers, our customers and our levy payers.

Over the next five years, we will build on these foundations, continuously improving how we operate, deliver value and prepare for the challenges and opportunities ahead. Our new strategy sets this out through a three-point plan.





Build a scalable cost-efficient customer claims model

We will ensure our services are fast, simple and resilient across the products we protect, flexing effectively according to demand. By streamlining routine activity, focusing effort where it creates the most value and managing risk carefully, we can respond quickly and effectively when firms fail. By handling advice claims efficiently and taking a fair and proportionate approach, we will remain ready for high volumes and complex cases. We will invest in process and system transformation to further embed 'always on' resilience across our deposits, insurance and funeral plans product categories.

The result will be timely, consistent outcomes for customers and an FSCS model designed to scale and adapt as demand changes.

Advice claims: Speed, flexibility and decision quality

We are enhancing the way we handle advice claims so we respond efficiently as demand changes, delivering fast, fair and consistent decisions for customers. By simplifying our processes and enhancing the tools and technology we use, we will boost productivity in the busiest parts of our service, enabling us to flex resources to meet changing demand without compromising on quality.

Deposits: Always-on preparedness

We will remain ready to manage deposit taker failures, responding to changes in demand and evolving our approach as policy requirements change. By reinforcing controls and automating key processes, including enhancing our digital payments and beneficiary journeys, we will deliver secure, consistent services whenever called upon.

Insurance and funeral plans: Increasing resilience

We are modernising our claims systems to further enable efficient, resilient delivery across insurance and funeral plans, through improved processes, systems and controls, ensuring long-term continuity of service for our customers.

2 Embedding a purpose-performance culture

Our sense of purpose, embedded across the organisation, gives us a solid foundation on which to build our new strategy. We will sharpen how we deliver for customers, combining purpose with the very highest standards of performance. Our ways of working underpin this approach, supporting a high-performing organisation where colleagues can thrive and are recognised for their contribution.

A shared culture with clear expectations

We will define and embed a clear cultural framework that supports the delivery of our priorities, including agreed ways of working that shape how we deliver for customers and how we work with each other. Colleagues at every level will be equipped to role model these mindsets.

Embedding performance through effective processes

We will reinforce the core processes that shape our culture in practice, including how we recruit, develop, recognise and reward our people; how we work with our strategic partners; and how we manage costs. By applying our codified ways of working consistently across our repeatable processes, we will embed our purpose-performance culture.

This will position us to effectively pursue the opportunities and manage the challenges that arise in the years ahead.

Increased capability

We will continue to build the capability FSCS needs for the future by investing in our people and supporting the skills, judgement and adaptability that sustain high-quality work across the organisation. This means building on existing expertise and empowering leaders to support their teams confidently in a more complex and changing environment.

Alongside this, we will make more effective and responsible use of technology to support our people. By strengthening data capability and increasing confidence in the responsible use of artificial intelligence, we will harness technology to support professional judgement and deliver better customer outcomes.

3 Be a responsible steward of the levy

Our delivery of our statutory responsibilities is funded by a financial services levy. This levy not only funds the compensation we pay to customers of failed financial services firms, it also contributes to consumer confidence, benefitting levy payers. We take our responsibilities as a steward of the levy seriously. This means controlling our costs, thoughtfully managing risk, maximising our recoveries and ensuring consumer awareness of our work continues.

There are four ways in which we will focus our future efforts in pursuit of being a responsible steward of the levy.

Cost-effective delivery for levy payers

We will deliver cost-effective outcomes for levy payers by running an operating model that keeps fixed costs low and enables us to efficiently scale according to demand, while maintaining operational resilience.

Maximising recoveries

We will prioritise high-value recoveries that help offset the cost of compensation for levy payers. In line with our statutory obligations, we take a disciplined, evidence-led approach, pursuing recoveries that are reasonably possible, cost-effective and deliver the greatest impact for customers, levy payers and the financial system.

Building awareness and confidence among consumers

In collaboration with our industry partners, we will continue to support

consumer awareness of FSCS protection, so people can make well-informed decisions with confidence, enabled by effective use of digital channels, trusted industry voices and clear information for consumers and the customers we serve.

Leveraging our international presence

In a global financial system where issues can cross borders quickly, international cooperation is essential. We will actively shape international policy discussions, ensuring our voice is heard within key organisations such as the International Association of Deposit Insurers (IADI), European Forum of Deposit Insurers (EFDI) and International Forum of Insurance Guarantee Schemes (IFIGS) – ensuring UK perspectives continue to influence global financial stability standards.

Measuring success

FSCS in 2031: What does success look like?

FSCS is accessible and efficient for customers, valued by industry and a cornerstone of UK financial stability. When authorised financial firms fail, people know exactly what FSCS stands for: confidence, continuity and fair compensation.

A modern, efficient service for customers

Customers receive fair, consistent and timely outcomes that are clearly communicated at every stage of their FSCS journey. Our systems are resilient and scalable, able to handle volume variation without compromising quality.

Technology that enhances protection

FSCS has developed an effective partnership between our people and our technology to deliver the right customer outcomes quickly, fairly and efficiently.

Routine tasks are automated and artificial intelligence augments our work, with colleagues applying the expert judgement and problem-solving on which our customers depend.

Strong recoveries that reduce costs

FSCS has further optimised recoveries, reinforcing our role as a responsible steward of levy funds. Our disciplined, approach supports a clear ‘polluter pays’ model, reducing the cost of compensation for levy payers.

A proportionate approach to risk

FSCS takes a responsible and proportionate approach to risk, enabling fair decision making. This ensures timely, high-quality outcomes for customers, value for levy payers, and supports confidence in the wider financial system.

A high-performing organisation grounded in purpose

Our culture in 2031 is one of strong purpose and high performance. Our people understand their role in delivering FSCS’s vision and thrive together as we deliver it.

More than compensation

While protecting consumers remains at the heart of what we do, FSCS plays an important role in supporting UK financial stability. By inspiring confidence, FSCS contributes to long-term economic resilience.

Together, these outcomes will mean that by 2031, FSCS gives consumers greater confidence, delivers fair and efficient compensation when firms fail, and helps maintain trust in the UK financial system.

Get in touch



Contact us

For more information
call: 0800 678 1100
email: publications@fscs.org.uk
visit: www.fscs.org.uk



Location

5th Floor,
The St Botolph Building,
138-139 Houndsditch,
London, EC3A 7AW



Stay connected

FSCS  [LinkedIn](#)
FSCS  [X](#)
FSCS  [Instagram](#)
FSCS  [Facebook](#)