Financial Services
Compensation Scheme

Outlook

November 2026



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About FSCS

FSCS is the UK's compensation scheme for customers of authorised financial services firms. We support financial stability by **giving consumers confidence, continuity and compensation** for their savings, investments and insurance when financial services firms fail.

FSCS protection delivers value to consumers, the industry that funds us and the wider financial system by **strengthening confidence, supporting participation and investment and contributing to long-term economic growth and market resilience.**

We are a **non-profit, independent organisation**, funded by the financial services industry and accountable to the Financial Conduct Authority (FCA), the Prudential Regulation Authority (PRA) and HM Treasury. Our services are free for customers to access directly.

Visit our website for more information about what we cover
www.fscs.org.uk/what-we-cover



Chief Executive statement

Welcome to the November 2026 edition of Outlook, where we provide our latest update on compensation and the levy for 2026/27, as well as an early view of the levy for 2027/28. This forecast, which will be updated in the spring, supports industry planning and provides visibility of emerging levy requirements.

The 2026/27 levy remains unchanged at £247m, with no additional levy anticipated this year.

Our compensation forecast has increased by £25m since May, but our work to ensure strong recoveries, effective use of available surpluses and disciplined cost management means we have been able to maintain our levy position.

Total compensation costs are now forecast at £292m. The increase since earlier this year reflects what we are seeing across investment, self-invested personal pensions (SIPPs) and insurance claims, alongside higher Special Administration Regime costs.[1] As claims develop, we will continue to monitor costs closely and update our forecasts accordingly.

Maximising recoveries remains a key priority for us. We now forecast £43m in recoveries by the end of the year — 30% higher than in May — with the majority helping to offset future levies and reduce the amount firms need to pay.

Green Realisations 123 Ltd (formerly known as MCE Insurance Company Ltd) is a good example of this in practice.[2] So far this financial year, we have recovered approximately £29m from the firm, bringing total recoveries to £70m since it entered administration in 2021.

[1] Glossary:

What are Special Administration Regime costs?

When certain investment firms fail they may enter a Special Administration Regime, a process designed to help return customer money and assets. FSCS supports eligible customers by covering their share of the costs of the special administration, as well as shortfalls in their money or assets, up to our £85,000 compensation limit for investment claims.

Logic Investments Ltd is a recent example. Following the firm's failure in January 2026, we worked with the Joint Special Administrators and paid eligible customers' share of the Special Administration costs. Rather than requiring customers to make individual compensation claims, we have made bulk payments to the administrators on behalf of eligible clients. To date, FSCS has paid £10m to the administrators, enabling money and assets to be returned to customers and streamlining the process for them.

The early levy forecast for 2027/28 is £360m. This is principally driven by lower surplus balances available to offset the levy, with no significant change anticipated in costs related to compensating customers.

As previously signalled, in recent years we have used available surpluses to reduce the amount firms need to pay. By the end of 2026/27, these surpluses will have largely been utilised, with surplus balances expected to be over £100m lower. Alongside this, compensation for 2027/28 is currently forecast to be broadly similar to 2026/27, with a substantial proportion relating to SIPP advice and general investment claims, as well as insurance-related claims.

We are also continuously monitoring developments and updating our forecasts as we gain greater certainty around new failures, claims volumes, compensation values and potential recoveries.

For complex insurance cases (such as East West Insurance Company Ltd), the timing and value of compensation can also evolve as the detailed legal and technical investigations progress.

Striking the right balance matters. We need to be ready to meet compensation costs when they arise, but without raising additional funds from industry before they are needed. Maximising recoveries, maintaining strong cost discipline and driving operational efficiencies will all help us achieve this balance.

Our next Outlook will be published in spring 2027, with our Budget Update published early in the new year alongside the Financial Conduct Authority and Prudential Regulation Authority's 2027/28 Management Expenses Levy Limit consultation.

[2] Case Study:

Green Realisations 123 Ltd: recoveries in action

Our work on the firm failure Green Realisations 123 Ltd, formerly known as MCE Insurance Company Ltd, shows how we continue to deliver value for industry through our recoveries, while also delivering for customers. We have made 110,000 payments to customers since the firm failed in November 2021.

This includes more than £122m in compensation for insured losses and almost £15m for refunds of premiums owed to customers. So far in this financial year, we have recovered approximately £29m, bringing total recoveries to £70m since the firm entered administration.

This is equivalent to approximately 50% of the compensation we have paid to date. The recoveries secured in relation to the firm have been used to offset the levy for firms.



Photo credit: Carmen Reichman

Building confidence for the future

FSCS protection helps build confidence and trust in financial services. Nine in 10 consumers who are aware of FSCS say our protection makes them more confident about taking out a product with an FSCS-protected provider, while 86% say it increases their trust in the sector.[3]

To maintain confidence in financial services and deliver value for levy payers, FSCS must keep evolving. **Through our five-year strategy, we are building a scalable, cost-efficient claims model that strengthens our readiness to respond as demand changes, while continuing to deliver timely, high-quality outcomes for customers.**

As rapidly advancing technology creates new opportunities to deliver better results for customers and industry, we are transitioning FSCS into a people-led, AI-enabled organisation with both purpose and performance at the heart of our culture.

With 25 years of protecting consumers behind us, and as we reach a full year of operating with the increased £120,000 deposit protection limit, our focus remains firmly on the future. That means being ready when customers need us, ensuring value for levy payers and continuing to provide the protection that underpins confidence in UK financial services.

Martyn Beauchamp
Chief Executive

[3] Source: FSCS/2CV Brand Tracking Survey, May 2026. UK adults aged 18+ (base: 2,024).

2026/27 – levy update

The 2026/27 levy remains as forecast in May 2026 at £247m, with no additional levies from firms expected for the remainder of the financial year.

FSCS performance on recoveries continues to strengthen, with the end-of-year figure now forecast at £43m; a rise of £10m since May's Outlook.

Total compensation costs are now forecast at £292m, a 9% increase on May's forecast (£267m). This increase reflects higher-than-average compensation expected across the Life Distribution and Investment Intermediation (LDII), Investment Provision and General Insurance Distribution classes.

An increase in Special Administration Regime costs is also anticipated in relation to the LDII class.



2027/28 – initial levy forecast

The early forecast for the levy in 2027/28 is £360m. The primary driver of the higher forecast on 2026/27 is significantly lower surpluses.



Overall, total available surplus balances are forecast to reduce by more than £100m by the end of 2026/27.



Compensation costs for 2027/28 are currently forecast at £266m.



A substantial proportion of this compensation forecast relates to advice claims in the LDII and Investment Provision classes, as well as insurance claims in the General Insurance Provision class.



As these are early forecasts, levy and compensation requirements remain subject to change. A further update will be provided in the spring 2027 edition of Outlook.

Management expenses budget

The indicative levy for 2027/28 includes an estimate of FSCS's management expenses. This estimate covers our operating costs, claims handling activity and the resources needed to respond to potential future failures.

Further information will be provided in our January 2027 Budget Update, alongside public consultation by the Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA) on our management expenses budget. This budget is known as the Management Expenses Levy Limit.

Payment on account

March 2027 – The largest levy payers will receive an invoice for an advance payment equal to 50% of their annual levy. This helps ensure we have sufficient funds available to pay compensation and cover operating costs during the first half of the financial year.

Summer 2027 – All PRA and FCA regulated firms will receive their annual levy invoice. Any advance payment made in March will be offset against the final amount due.

Deposits

Banks and similar firms that take customer deposits and savings. **Examples: banks, building societies, credit unions.**

Compensation paid to date in the Deposits class is £151,000, with no credit union failures recorded so far this financial year. Compensation costs are now forecast at £5m — half the £10m forecast in May. The remaining provision allows for any potential credit union failures before the end of the financial year.

Earlier in the year, the Deposits class paid a levy of £21.6m, including £1.6m in provider contributions towards costs in the LDII class. No further levy is currently anticipated for the remainder of 2026/27.

2026/27 update	May 2026 Outlook (£m)	November 2026 update (£m)	Variance (£m)
Opening balance	16.3	16.3	0.0
Compensation	(10.0)	(5.0)	5.0
Recoveries	1.0	1.0	0.0
Interest	0.2	0.2	0.0
Management expenses [A]	(25.9)	(25.9)	0.0
Annual levy receipts [B]	20	20	0.0
Total closing surplus or (deficit)	**1.6**	**6.6**	**5.0**
Total levy [C]	**£21.6m**	**£21.6m**	**0.0**

[A] "Management expenses" comprise specific costs allocated to the funding class only (e.g. costs of claims handling and making payments). They exclude expenses in relation to base costs (e.g. FSCS's general running costs), which are allocated to a firm's FCA and PRA regulatory fee blocks.

[B] "Annual levy receipts" excludes provider contributions.

[C] "Total levy" includes provider contributions to other classes.

Levy breakdown – PRA classes

2027/28 forecast

	2026/27 update (£m)	2027/28 forecast (£m)	Variance (£m)
Total levy including provider contributions to other classes	**21.6**	**32.4**	**10.8**

The initial forecast for 2027/28 indicates that the Deposits class will need to pay £32.4m in levies. The forecast increase of £10.8m on 2026/27 is primarily driven by a lower surplus balance being carried forward into 2027/28.

The 2027/28 levy forecast also includes provider contributions of £2m to the LDII class.

Deposit Acceptors

The Deposit Acceptors class only contributes towards the levy if the retail pool is triggered. For both 2026/27 and 2027/28, this is not currently forecast to occur.



General Insurance Provision

Firms that provide general insurance policies. **Examples: motor and home insurers.**

Compensation costs in the General Insurance Provision class remain broadly in line with May's forecast, with the majority of compensation paid to date related to insurer failures from previous financial years. These include Chester Street Holdings Ltd, Builders Accident Insurance Ltd and East West Insurance Company Ltd.

FSCS's work to generate recoveries has delivered strong results during the year, with this figure increasing by £10m compared with May's Outlook. This increase is largely driven by recoveries from Green Realisations 123 Ltd (formerly known as MCE Insurance Company Ltd) which was declared in default in 2021.

As a result of lower compensation costs and higher recoveries, surpluses forecast for year-end 2026/27 have increased by £12m. This surplus will be used to offset the levy in 2027/28 for firms.

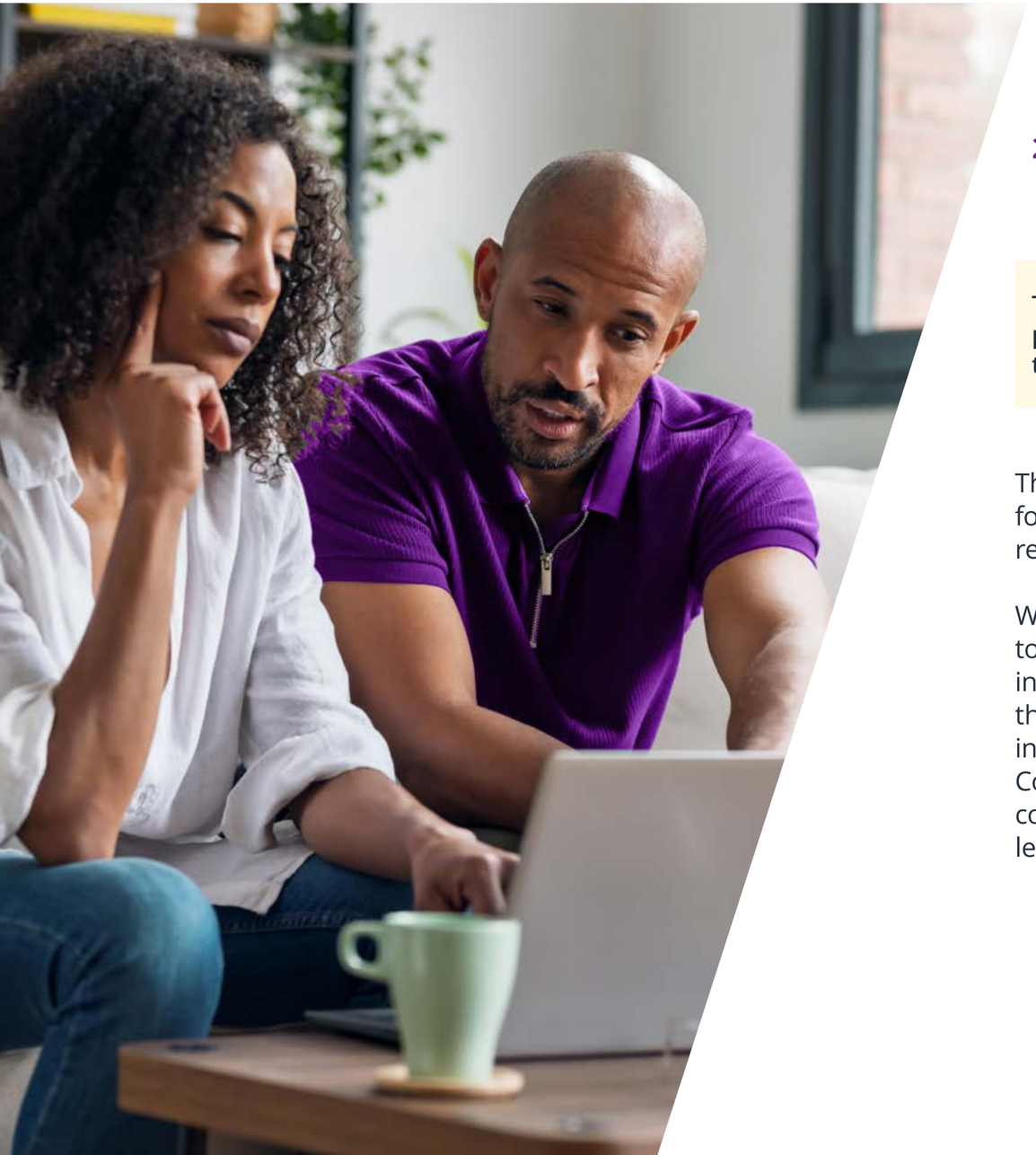
2026/27 update	May 2026 Outlook (£m)	November 2026 update (£m)	Variance (£m)
Opening balance	14.0	14.0	0.0
Compensation	(108.6)	(106.6)	2.0
Recoveries	21.8	31.8	10.0
Interest	0.6	0.6	0.0
Management expenses [A]	(6.9)	(6.9)	0.0
Annual levy receipts [B]	88.0	88.0	0.0
Total closing surplus or (deficit)	**8.9**	**20.9**	**12.0**
Total levy [C]	**88.0m**	**88.0m**	**0.0**

[A] "Management expenses" comprise specific costs allocated to the funding class only (e.g. costs of claims handling and making payments). They exclude expenses in relation to base costs (e.g. FSCS's general running costs), which are allocated to a firm's FCA and PRA regulatory fee blocks.

[B] "Annual levy receipts" excludes provider contributions.

[C] "Total levy" includes provider contributions to other classes.

Levy breakdown – PRA classes



2027/28 forecast

	2026/27 update (£m)	2027/28 forecast (£m)	Variance (£m)
Total levy including provider contributions to other classes	**88.0**	**86.5**	**(1.5)**

The levy requirement for this class is currently forecast at £86.5m, with compensation and levy remaining broadly similar to 2026/27.

While overall compensation costs are expected to remain stable and continue to relate to insurance firms that failed in previous years, the profile of claims is changing. For complex insurance failures (such as East West Insurance Company Ltd), the timing and value of compensation may also evolve as the detailed legal and technical investigations progress.

As the insolvency estates of failed insurers are wound down over time, we expect to see a greater proportion of the remaining compensation to be for higher-value claims.

As the General Insurance Distribution class is expected to be levied in 2027/28, the levy forecast includes £1.5m of provider contributions from the General Insurance Provision class.

Life and Pensions Provision

Firms that provide long-term products such as life insurance and pensions. **Examples: life insurers, annuity providers, pension providers.**

Forecasts for the Life and Pensions Provision class remain in line with May's Outlook and no new firm failures are expected within this class during the remainder of 2026/27.

The levy for the Life and Pensions class is driven by provider contributions to the LDII class. As the LDII levy remains unchanged, there is no change to the levy position (£10.9m) for the Life and Pensions Provision class.

2026/27 update	May 2026 Outlook (£m)	November 2026 update (£m)	Variance (£m)
Opening balance	(0.6)	(0.6)	0.0
Compensation	0.0	0.0	0.0
Recoveries	0.0	0.0	0.0
Interest	0.0	0.0	0.0
Management expenses [A]	0.0	0.0	0.0
Annual levy receipts [B]	0.0	0.0	0.0
Total closing surplus or (deficit)	**(0.6)**	**(0.6)**	**0.0**
Total levy [C]	**10.9**	**10.9**	**0.0**

[A] "Management expenses" comprise specific costs allocated to the funding class only (e.g. costs of claims handling and making payments). They exclude expenses in relation to base costs (e.g. FSCS's general running costs), which are allocated to a firm's FCA and PRA regulatory fee blocks.

[B] "Annual levy receipts" excludes provider contributions.

[C] "Total levy" includes provider contributions to other classes.

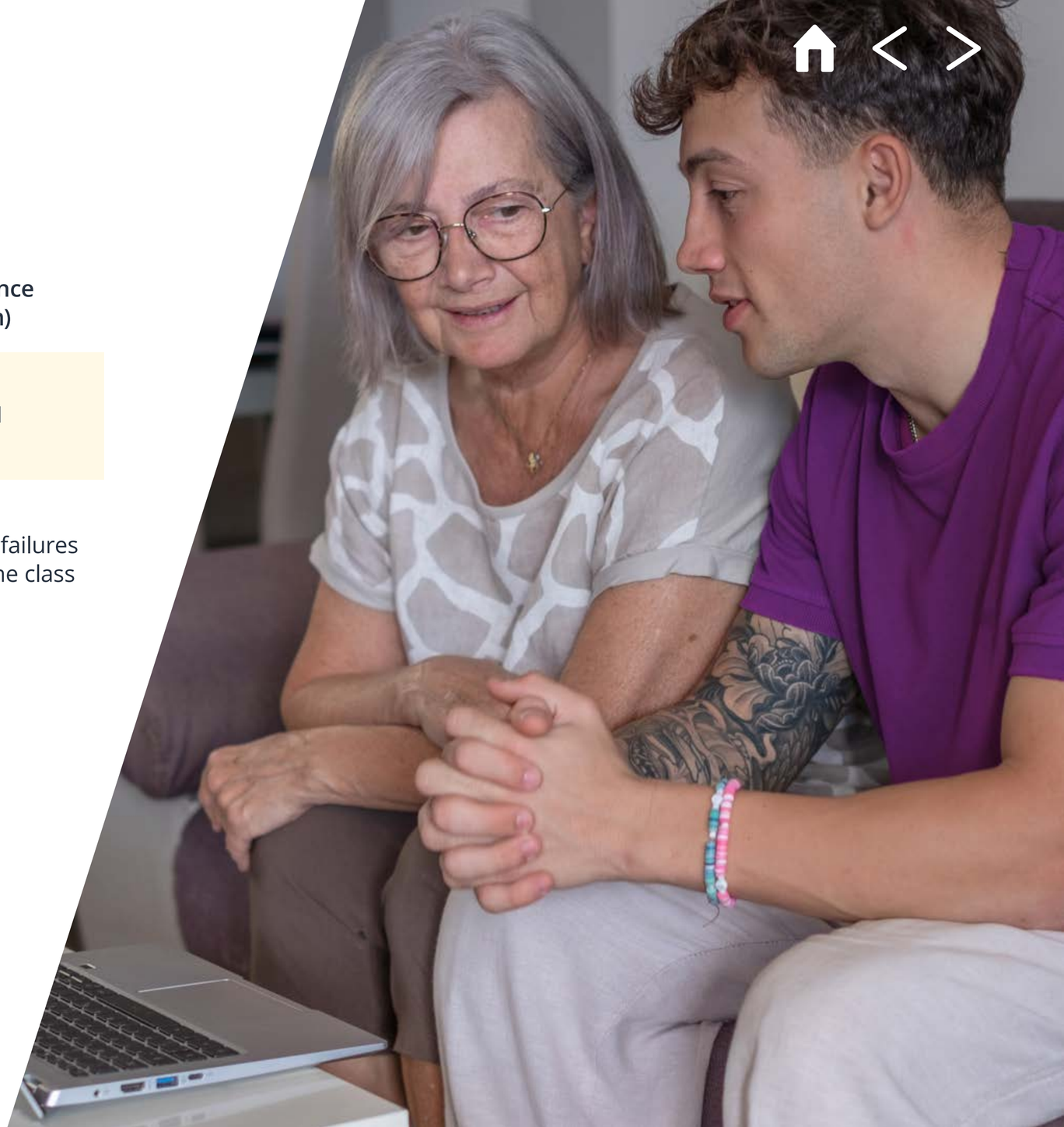
Levy breakdown – PRA classes

2027/28 forecast

	2026/27 update (£m)	2027/28 forecast (£m)	Variance (£m)
Total levy including provider contributions to other classes	**10.9**	**17.0**	**6.1**

Initial forecasts indicate that the levy requirement for the Life and Pensions Provision class will be £17m in 2027/28, an increase of £6.1m compared with 2026/27. This increase is driven by higher provider contributions anticipated for the LDII class.

As in recent years, no new firm failures are currently expected within the class during 2027/28.



Debt Management

Firms that help consumers manage or restructure debt. **Examples: debt management companies, debt counselling firms.**

Forecasts within the Debt Management class remain in line with May's Outlook, with no firm failures or associated compensation costs expected for the remainder of 2026/27.

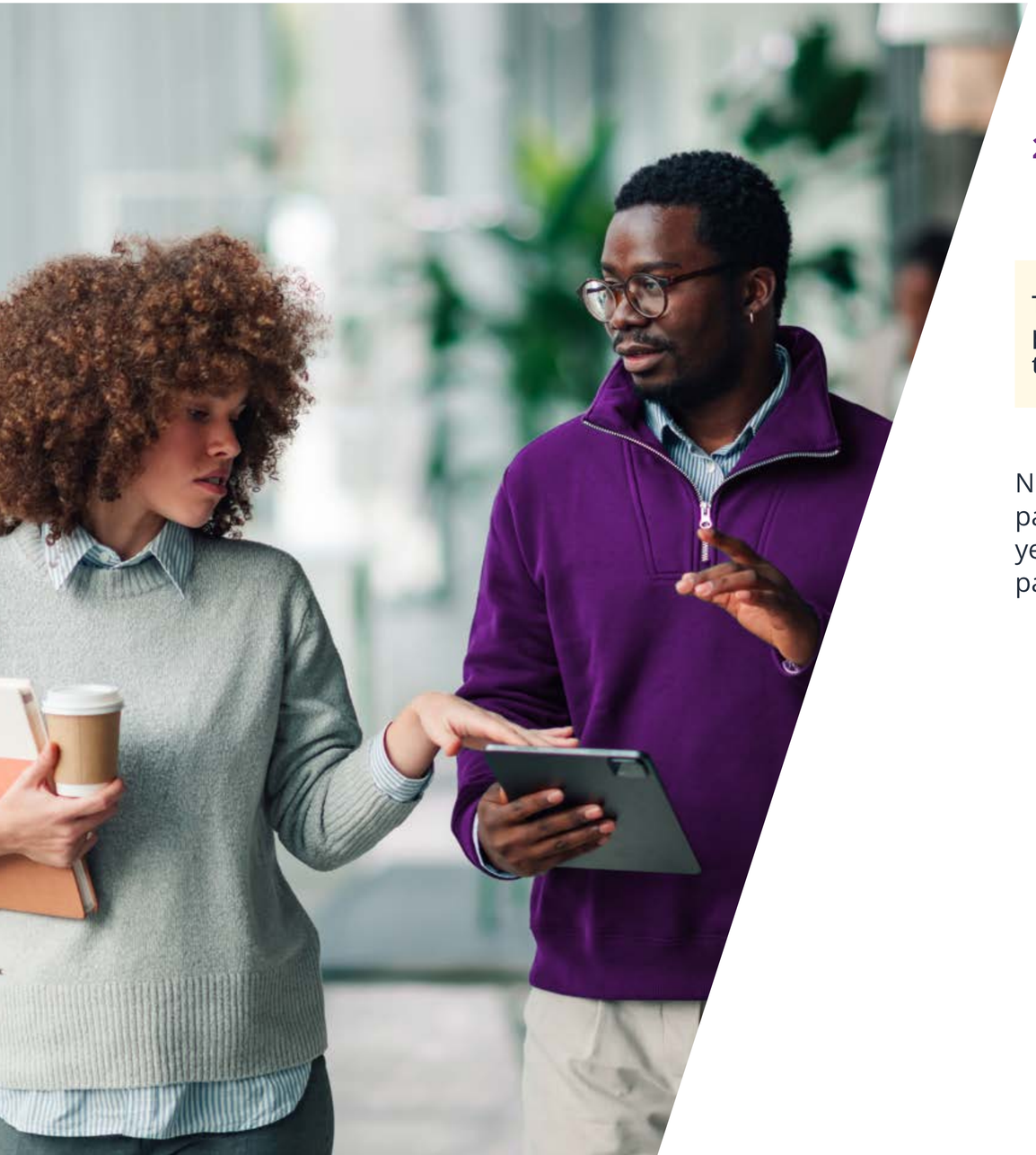
2026/27 update	May 2026 Outlook (£m)	November 2026 update (£m)	Variance (£m)
Opening balance	0.0	0.0	0.0
Compensation	0.0	0.0	0.0
Recoveries	0.0	0.0	0.0
Interest	0.0	0.0	0.0
Management expenses [A]	0.0	0.0	0.0
Annual levy receipts [B]	0.0	0.0	0.0
Total closing surplus or (deficit)	**0.0**	**0.0**	**0.0**
Total levy [C]	**0.0**	**0.0**	**0.0**

[A] "Management expenses" comprise specific costs allocated to the funding class only (e.g. costs of claims handling and making payments). They exclude expenses in relation to base costs (e.g. FSCS's general running costs), which are allocated to a firm's FCA and PRA regulatory fee blocks.

[B] "Annual levy receipts" excludes provider contributions.

[C] "Total levy" includes provider contributions to other classes.

Levy breakdown – FCA classes



2027/28 forecast

	2026/27 update (£m)	2027/28 forecast (£m)	Variance (£m)
Total levy including provider contributions to other classes	**0.0**	**0.0**	**0.0**

No failures or associated compensation payments are anticipated for the next financial year; therefore, no levy is expected to be payable by this class in 2027/28.

Funeral Plans

Firms that sell prepaid funeral plans to cover future funeral costs. **Examples: funeral plan providers.**

Forecasts within the Funeral Plans class remain in line with May's Outlook, with no firm failures or associated compensation costs expected for the remainder of 2026/27.

2026/27 update	May 2026 Outlook (£m)	November 2026 update (£m)	Variance (£m)
Opening balance	0.0	0.0	0.0
Compensation	0.0	0.0	0.0
Recoveries	0.0	0.0	0.0
Interest	0.0	0.0	0.0
Management expenses [A]	0.0	0.0	0.0
Annual levy receipts [B]	0.0	0.0	0.0
Total closing surplus or (deficit)	**0.0**	**0.0**	**0.0**
Total levy [C]	**0.0**	**0.0**	**0.0**

[A] "Management expenses" comprise specific costs allocated to the funding class only (e.g. costs of claims handling and making payments). They exclude expenses in relation to base costs (e.g. FSCS's general running costs), which are allocated to a firm's FCA and PRA regulatory fee blocks.

[B] "Annual levy receipts" excludes provider contributions.

[C] "Total levy" includes provider contributions to other classes.

Levy breakdown – FCA classes

2027/28 forecast

	2026/27 update (£m)	2027/28 forecast (£m)	Variance (£m)
Total levy including provider contributions to other classes	**0.0**	**0.0**	**0.0**

We currently do not anticipate any firm failures or compensation payments in the next financial year; therefore, no levy is expected to be payable by this class in 2027/28.



General Insurance Distribution

Firms that sell or arrange general insurance but don't underwrite it. **Examples: insurance brokers, aggregators, agents.**

Compensation costs for this class have increased compared with May's Outlook. This reflects higher-than-expected compensation costs following the failure of Lonsdale Insurance Brokers Ltd, which was declared in default in March 2026. Compensation payments relating to this failure are expected to be higher in value than the class average, which is typically less than £5,000 per claim.

As a result of the increased compensation costs, available surpluses are now expected to be fully utilised during the year, resulting in a deficit (£2.2m). This will be carried forward to 2027/28, meaning no change in levy requirement for 2026/27.

2026/27 update	May 2026 Outlook (£m)	November 2026 update (£m)	Variance (£m)
Opening balance	3.1	3.1	0.0
Compensation	(0.6)	(4.5)	(3.9)
Recoveries	0.0	0.0	0.0
Interest	0.0	0.0	0.0
Management expenses [A]	(0.9)	(0.9)	0.0
Annual levy receipts [B]	0.0	0.0	0.0
Total closing surplus or (deficit)	**1.7**	**(2.2)**	**(3.9)**
Total levy [C]	**0.0**	**0.0**	**0.0**

[A] "Management expenses" comprise specific costs allocated to the funding class only (e.g. costs of claims handling and making payments). They exclude expenses in relation to base costs (e.g. FSCS's general running costs), which are allocated to a firm's FCA and PRA regulatory fee blocks.

[B] "Annual levy receipts" excludes provider contributions.

[C] "Total levy" includes provider contributions to other classes.

Levy breakdown – FCA classes



2027/28 forecast

	2026/27 update (£m)	2027/28 forecast (£m)	Variance (£m)
Total levy including provider contributions to other classes	**0.0**	**4.5**	**4.5**

We currently forecast a levy of £4.5m (the total levy is £6m including £1.5m provider contributions from the General Insurance Provision class).

This is the first time that this class has been levied since 2022/23, largely reflecting the expected utilisation of available surpluses over recent years.

Home Finance Intermediation

Firms that arrange or advise on home finance products. **Examples: mortgage brokers, equity release advisers.**

Compensation costs for this class have remained broadly in line with May's Outlook and there is no anticipated change in levy requirements for this financial year.

2026/27 update	May 2026 Outlook (£m)	November 2026 update (£m)	Variance (£m)
Opening balance	(2.2)	(2.2)	0.0
Compensation	(0.4)	(0.5)	(0.1)
Recoveries	0.0	0.0	0.0
Interest	0.0	0.0	0.0
Management expenses [A]	(0.2)	(0.2)	0.0
Annual levy receipts [B]	4.0	4.0	0.0
Total closing surplus or (deficit)	**1.2**	**1.1**	**(0.1)**
Total levy [C] Home Finance Intermediation	**3.0**	**3.0**	**0.0**
Total levy [C] Home Finance Providers	**1.0**	**1.0**	**0.0**

[A] "Management expenses" comprise specific costs allocated to the funding class only (e.g. costs of claims handling and making payments). They exclude expenses in relation to base costs (e.g. FSCS's general running costs), which are allocated to a firm's FCA and PRA regulatory fee blocks.

[B] "Annual levy receipts" excludes provider contributions.

[C] "Total levy" includes provider contributions to other classes.

Levy breakdown – FCA classes

2027/28 forecast

	2026/27 update (£m)	2027/28 forecast (£m)	Variance (£m)
Total levy - Home Finance Intermediation	**3.0**	**0.7**	**(2.3)**
Total levy - Home Finance Providers	**1.0**	**0.3**	**(0.7)**

The levy requirement for 2027/28 is expected to reduce to £0.7m, while compensation costs are forecast to remain broadly similar to 2026/27.

The lower levy is primarily due to higher surpluses of £1.1m expected to be brought forward from 2026/27, compared with a £2.2m deficit brought forward from the previous financial year.

The higher anticipated surplus has therefore reduced the levy amount we expect to raise from firms in 2027/28.

The class is expected to receive £0.3m in provider contributions from the Home Finance Providers class.

Home Finance Providers

Firms that provide or administer home finance products.
Examples: mortgage lenders.

This class paid a £1m levy in 2026/27 and is currently forecast to pay £0.3m in provider contributions to the Home Finance Intermediation class in 2027/28.

Home Finance products themselves are not covered by FSCS protection, which only relates to advising on and arranging these products.

As required by FCA rules, however, firms that fall within the Home Finance Providers class (e.g. firms that provide and administer these products) must contribute approximately 25% towards the Home Finance Intermediation class levy.

For more information about provider contributions, see:
Levy information | FSCS

Investment Provision

Firms that create or operate investment products/platforms. **Examples: asset managers, investment platforms, fund operators.**

Compensation cost forecasts for this class have increased by £12.4m compared with May's Outlook. This increase is primarily driven by a higher volume of claims relating to SIPP operator failures, as well as higher-than-expected average compensation for claims relating to Forthplus Pensions Ltd (which was declared in default in July 2025).

As a result, the class is forecast to move into a deficit of £3.7m at the end of the year. As this deficit will be carried forward to 2027/28, there is no change required for the 2026/27 levy.

2026/27 update	May 2026 Outlook (£m)	November 2026 update (£m)	Variance (£m)
Opening balance	38.2	38.2	0.0
Compensation	(39.3)	(51.7)	(12.4)
Recoveries	1.5	1.5	0.0
Interest	0.4	0.4	0.0
Management expenses [A]	(5.1)	(5.1)	0.0
Annual levy receipts [B]	13.0	13.0	0.0
Total closing surplus or (deficit)	**8.7**	**(3.7)**	**(12.4)**
Total levy [C]	**28.6**	**28.6**	**0.0**

[A] "Management expenses" comprise specific costs allocated to the funding class only (e.g. costs of claims handling and making payments). They exclude expenses in relation to base costs (e.g. FSCS's general running costs), which are allocated to a firm's FCA and PRA regulatory fee blocks.

[B] "Annual levy receipts" excludes provider contributions.

[C] "Total levy" includes provider contributions to other classes.

Levy breakdown – FCA classes



2027/28 forecast

	2026/27 update (£m)	2027/28 forecast (£m)	Variance (£m)
Total levy including provider contributions to other classes	**28.6**	**65.2**	**36.6**

The levy for this class is currently forecast at £65.2m for 2027/28. This includes £41m for costs within the class and £24.2m in provider contributions to the LDII class.

The estimated £36.6m increase in levy compared with 2026/27 is primarily driven by a lower opening balance being carried forward into 2027/28.

This reflects the use of available surpluses to offset levy requirements in recent years, meaning the levy is now moving closer to the underlying cost of compensating customers.

The levy increase on 2026/27 is partially offset by lower forecast compensation costs, mainly reflecting lower claims volumes anticipated for SIPP operator and general investment products.

For more information about provider contributions, see:
Levy information | FSCS

Life Distribution and Investment Intermediation (LDII)

Firms that advise on or sell investment and life products. **Examples: financial advisers, wealth managers, IFAs.**

Compensation costs in the LDII class have increased by £15.4m compared with May's Outlook, primarily due to higher average compensation paid across general investment claims, as well as recent firm failures. These include Great Point Investments Ltd (declared in default in May 2026) and MCI Global Investment Advisors Ltd (declared in default in March 2026).

The increase in compensation has been partly offset by lower-than-expected volumes of SIPP advice and pensions claims. As a result, the class is forecast to move into a deficit of £7.2m, which will be carried forward to 2027/28, with no change required for the 2026/27 levy.

2026/27 update	May 2026 Outlook (£m)	November 2026 update (£m)	Variance (£m)
Opening balance	41.5	41.5	0.0
Compensation	(108.4)	(123.8)	(15.4)
Recoveries	3.5	3.5	0.0
Interest	1.0	1.1	0.1
Management expenses [A]	(32.5)	(32.5)	0.0
Annual levy receipts [B]	103.0	103.0	0.0
Total closing surplus or (deficit)	**8.1**	**(7.2)**	**(15.3)**
Total levy [C]	**74.9**	**74.9**	**0.0**

[A] "Management expenses" comprise specific costs allocated to the funding class only (e.g. costs of claims handling and making payments). They exclude expenses in relation to base costs (e.g. FSCS's general running costs), which are allocated to a firm's FCA and PRA regulatory fee blocks.

[B] "Annual levy receipts" excludes provider contributions.

[C] "Total levy" includes provider contributions to other classes.

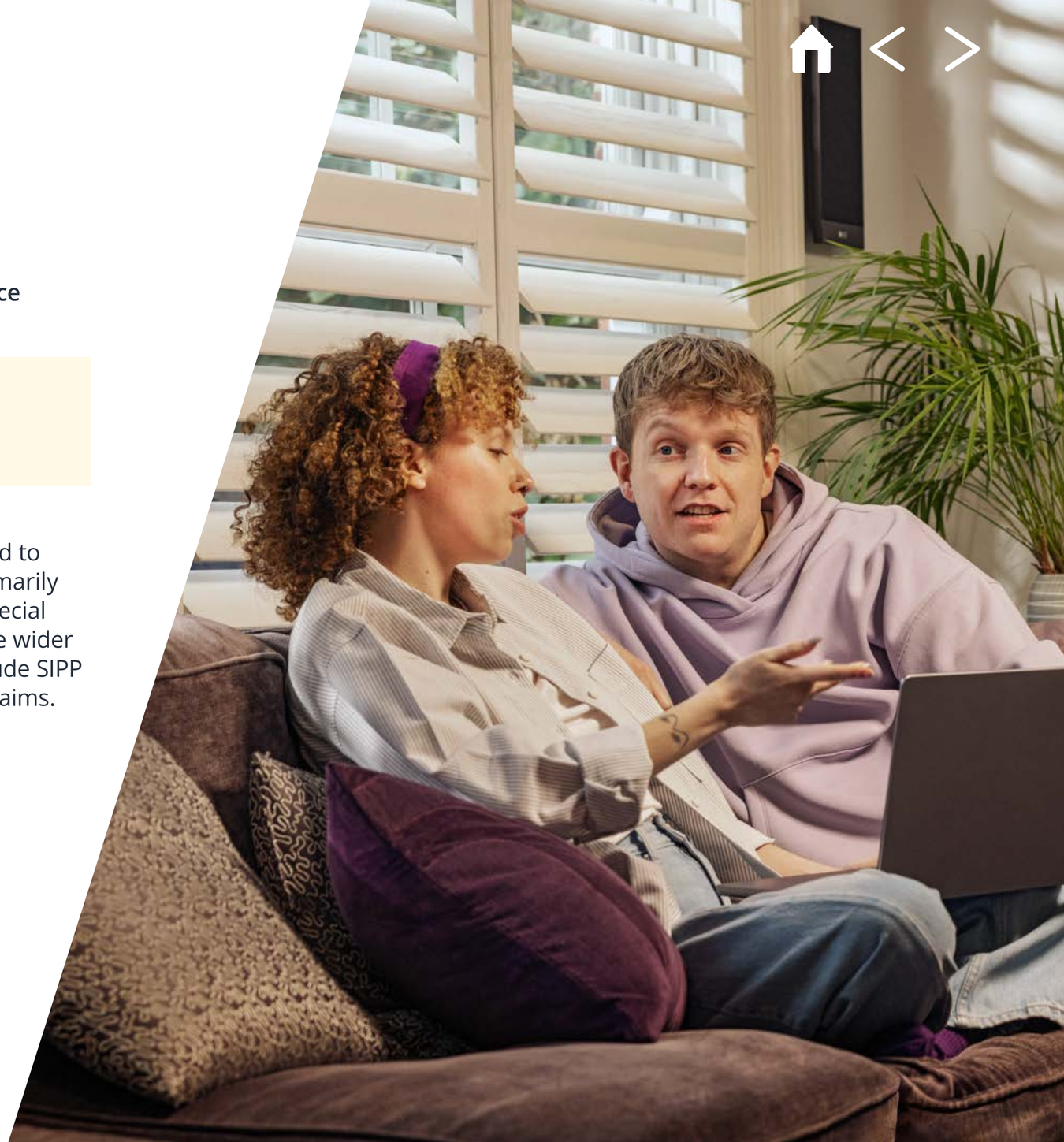
Levy breakdown – FCA classes

2027/28 forecast

	2026/27 update (£m)	2027/28 forecast (£m)	Variance (£m)
Total levy including provider contributions to other classes	**74.9**	**116.4**	**41.5**

Our initial forecast indicates that firms in this class will pay a levy of £116.4m in 2027/28. The estimated £41.5m increase from 2026/27 is largely driven by a reduction of almost £50m in the opening balance carried forward from 2026/27.

Compensation costs are expected to decrease slightly on 2026/27, primarily due to a reduction in forecast Special Administration Regime costs. The wider claims profile is expected to include SIPP advice and general investment claims.



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