

Policy Statement

PS26/8

Retail Banking Business Models Data (R2B2)

May 2026

This relates to

Consultation Paper 26/3 which is available on our website at www.fca.org.uk/publications

Email:

retailbankingbusinessmodels@fca.org.uk

All our publications are available to download from www.fca.org.uk.

Request an alternative format

Please complete this [form if you require this content in an alternative format](#).

Or call 0207 066 1000



Sign up for our **news and publications alerts**

See all our latest press releases, consultations and speeches.

Contents

Chapter 1	Summary	Page 4
Chapter 2	Consultation feedback	Page 10
Chapter 3	Cost benefit analysis	Page 23
Annex 1	List of non-confidential respondents	Page 25
Annex 2	Abbreviations used in this paper	Page 26
Appendix 1	Made rules (legal instrument)	

Chapter 1

Summary

- 1.1** We are introducing an annual regulatory reporting return for retail banks and building societies. This replaces our ad hoc collections of Retail Banking Business Model (R2B2) data.
- 1.2** Collecting this data annually will allow us to effectively monitor the retail banking market. This market provides essential services to households and small businesses, underpinning consumer confidence, economic activity, and financial stability.
- 1.3** The data will ensure our understanding of competitive dynamics and structural pressures is kept up to date. It also means we will be able to publish timely insights about the market.
- 1.4** It is also a key source of information on small business banking and lending, helping us see where small businesses may not be getting fair value or access to affordable credit where needed. Small to medium enterprises (SMEs) are a key driver of growth in the UK economy, and supporting growth is one of our priorities in our strategy.
- 1.5** The new reporting is more predictable, streamlined and concise, supporting our aim to be a smarter regulator. We have reduced the data points to be collected by 30% compared to the 2024 ad hoc request, reducing firm burden.
- 1.6** We will share this data with other regulators where appropriate, including the Prudential Regulation Authority (PRA) and Competition and Markets Authority (CMA) and continue liaising with PRA on its Future of Banking Data programme to keep R2B2 in consideration as it reviews its data collections.
- 1.7** We consulted on our approach in [Consultation Paper \(CP\) 26/3](#). This Policy Statement (PS) summarises the feedback we received on our proposals and our response, and sets out our final rules and guidance on this new return.

Who this affects

- 1.8** The R2B2 return will apply to banks and building societies that:
- provided services to retail customers in the UK in the relevant reporting period
 - were required to submit Annual Financial Crime Reports for their last three accounting reference periods, and reported at least 200,000 UK customer relationships in all of them, and
 - reported a total revenue of £5 million or more at all of the firms' last three accounting reference dates
- 1.9** In CP26/3, we estimated 33 firms would be in scope, covering a market share of approximately 97% based on UK customer relationships. After consultation, we now estimate 36 firms will be in scope for 2026, with 8 of them newly in scope.

How it links to our objectives

1.10 By providing us with an understanding of business models and the impacts of changes to the banking sector, this policy will help us pursue our objectives. It has links to all our objectives, as outlined in CP26/3.

- **Promoting effective competition:** By maintaining an up-to-date understanding of business models across the market, we can monitor shifts and spot where competition may not be working effectively.
- **Consumer protection:** By analysing competitive dynamics we can identify areas in the market where consumers might face limited choice, higher fees or reduced innovation, and respond appropriately.
- **Market integrity:** Rapid changes to the economic and political environment mean it is important that we have up-to-date data to understand pressures on different business models. We can then act to ensure market conditions are sustainable and support wider economic growth.
- **Secondary international competitiveness and growth objective (SICGO):** A competitive market gives firms the incentive to innovate, invest and develop products that meet the evolving needs of consumers and businesses. Our analysis of R2B2 data will allow us to identify opportunities for innovation and growth.
- R2B2 data also gives us unique insights into small business banking and lending, a key focus in our strategy to support growth. One example of its use is in our work to understand how FCA regulation can help SMEs access finance.

What we are changing

1.11 The annual regulatory return replaces a series of ad hoc data collections.

1.12 The return will have 2 elements:

- **Core financial data request:** This splits the business model into 7 sections. 5 of these are product-level sections:
 - residential mortgages
 - personal banking
 - personal lending
 - small business banking
 - other business banking

We will request financial and volumetric data points on each product segment, with granular splits into sub-products.

This request will also include 2 further sections:

- wholesale funding
- whole business measures such as profit and loss, balance sheet and capital ratios

- **Off-the-shelf document request:** This is for readily available documents from firms, covering a range of information relating to UK customers, including product offerings, internal financial reporting and business plans. This will give us more narrative and context to the core financial data.

Outcome we are seeking

- 1.13** With a more stable, predictable and high-quality flow of data, we can maintain an accurate and up-to-date understanding of retail banking business models, and spot where the market might not be functioning effectively.

Measuring success

- 1.14** Every year, we will:
- review the data we receive, alongside data cleaning and analytics to ensure it is of a high quality
 - record firms' estimation methodologies, including key caveats and assumptions so we can consider them while using the data.
- 1.15** We will monitor the impact of this change on firm burden through our surveys and engagement with the industry.
- 1.16** We will review the collection after 5 years. If it does not reflect up-to-date business model structures, such as new products and services as players in the industry innovate and transform, we will remove or add data points where necessary.

Summary of feedback and our response

- 1.17** We received 14 consultation responses to CP26/3.
- 1.18** Many respondents understood our rationale for collecting R2B2 data annually and welcomed the greater predictability compared with repeated ad hoc requests. Most supported our proposed frequency of collection, alignment with firms' internal accounting periods, and annual publication of aggregated statistics and insights using the data.
- 1.19** We have made some changes in response to consultation feedback to make our rules clearer, more proportionate and effective, or to amend features of the R2B2 template. Key changes include:
- **Reconciliation:** In the template, there was a formula-driven reconciliation between productlevel data and wholebusiness Profit & Loss. Some respondents said it was not clear what this was for, or how we would interpret variances.

In response, we have removed this calculation, and re-named this section 'whole business' to better reflect its nature and how we will use it. It allows us to look at retail banking activity in the context of the whole business.

- **Streamlining the off-the-shelf-document request:** Respondents asked for more clarity on the scope of the request, and raised concerns about the operational burden.

In response, we have amended the request to focus more on the business as a whole rather than individual products. The exceptions are information about products the firm provides and relevant customer research (which we still request for individual products unless the research exists at a higher level). We have also allowed firms to submit extracts where appropriate, and do not require the re-submission of documents they have already provided to us.

- **Rule amendments on group reporting requirements:** Some respondents found that our drafted rules were difficult to interpret, particularly on:
 - how they should treat unregulated subsidiaries
 - how the reporting thresholds interact with the data requirements

We have amended the rules to make them easier to follow. We have also better aligned them with how firms report financial information. In the 'whole business' and 'wholesale funding' sections of the return, ring-fenced parent firms and UK banking parent firms may include data in respect of all the entities they prepare group accounts for.

- **Clarifications:** We have clarified that the product-level data and off-the-shelf information only relates to products firms provide to UK customers. We have also clarified that firms should only include products they provide themselves, rather than where they just act as an intermediary. We have amended certain definitions, such as to expressly include depreciation and amortisation related to individual cost categories.

We respond below to other issues raised by respondents:

- **Usage of data based on estimates:** Our rules are more flexible in R2B2 than some other returns. Where a firm does not hold data and cannot obtain it, we ask for reliable estimates. Where firms cannot allocate data to the specified sub-products, we ask them to submit it as unallocated data.
- Some respondents said that estimates based on different methodologies by different firms could impact comparability and accuracy. Where firms provide estimates, they are required to set out the methodology used. We will use this information to maintain a caveat log, which we will consult before using the estimates for any work or analysis.
- **November 2026 first reporting date:** Several respondents, particularly firms that have not previously filled out an R2B2 return, were concerned about meeting the November 2026 timeline for the first submission. We recognise some data splits might require more significant thought and consideration, and some estimates are more complex. We offered all newly in-scope firms bespoke introductory sessions to

R2B2, and have kept an open communication channel through our mailbox. We will continue supporting firms where needed, ahead of the first submission deadline and on an ongoing basis.

We recognise this timeline could be more burdensome for a limited number of firms, such as those that were not in scope for any of the previous ad hoc collections. Where that is the case, they can apply for modifications or waivers in the usual way. We would only approve an application if it meets the statutory tests.

- **One-off costs in our cost-benefit analysis:** Several respondents thought that we underestimated the one-off implementation and infrastructure building costs. In CP26/3, we acknowledged that these costs may be higher for a small number of firms. We have now estimated these costs, and consider the benefits of our intervention continue to outweigh the associated costs. Further details are in Chapter 3.

- 1.20** This Policy Statement sets out our final rules and guidance for the R2B2 return. We do not consider the changes to the rules and guidance as consulted on are significant for the purposes of s138(5) FSMA 2000, nor do they have an impact on the compatibility statement in CP26/3.

Equality and diversity considerations

- 1.21** Prior to consulting, we considered the equality and diversity implications of our proposals and did not think they gave rise to any material concerns.
- 1.22** We did not receive any feedback on these considerations, and our assessment remains unchanged; we still do not consider that the proposals materially impact any of the groups with protected characteristics under the Equality Act 2010.

Environmental, social and governance considerations

- 1.23** In CP 26/3, we said we do not think our proposals are relevant to contributing to these targets. We did not receive any feedback on this point, and our assessment remains unchanged.

Next steps

What you need to do next

- 1.24** If your firm is affected by these changes, you need to ensure you meet the requirements of the new rules set out in this Policy Statement. You will need to submit R2B2 returns within the timescales as set out in this paper.

What we will we do next

- 1.25** We will continue to engage with industry in the run up to the deadline for the first submission at the end of November 2026. If firms have any difficulty filling out the R2B2 return or would benefit from further support, they can contact us at our mailbox retailbankingbusinessmodels@fca.org.uk.

Chapter 2

Consultation feedback

- 2.1** In this chapter we summarise the feedback we received on our proposals and our responses.

Reporting thresholds

Question 1: What are your views on our proposed reporting thresholds?

Feedback received

- 2.2** Respondents focused primarily on the threshold of reporting at least 200,000 UK customer relationships in the last three Annual Financial Crime Returns.
- 2.3** Over half of those that responded to this question supported the threshold, noting that it is appropriately targeted and effectively captures firms with significant market presence and a representative share of UK retail banking activity. Several also noted that this threshold is broadly consistent with previous ad hoc R2B2 collections.
- 2.4** Others, particularly those who have not recently, or ever, been in scope for previous ad hoc R2B2 collections, said the threshold was too low as it risked imposing a disproportionate operational burden on smaller firms.
- 2.5** One respondent suggested a tiered approach, where firms that meet higher thresholds provide more granular data than firms at lower thresholds.
- 2.6** One respondent queried whether the number of firms in scope would be enough to reflect evolving competitive dynamics – particularly given the growing role of smaller banks, fin-techs and specialist lenders in certain segments such as small business lending.

Our response

We have decided to retain the proposed reporting thresholds, which are designed to balance market coverage and diversity of business models with proportionality.

We have considered the impact of changing the UK customer relationships threshold and analysed the effect of different thresholds.

The threshold covers a market share of approximately 97%, including a variety of specialist lenders and other, developing, business models.

A tiered approach would result in inconsistent data making it difficult to carry out comparative analysis across firms.

Our rules have elements of flexibility built-in when reporting data. For example, they provide for firms that are not able to submit data for the product splits requested to do so on an unallocated basis.

Proposed data elements

Question 2: Do you have any comments on the information we propose to collect?

Question 3: Is it clear what data and information firms will have to provide, or would further guidance be helpful?

Feedback received

- 2.7** Respondents generally said the overall structure and intent of the proposed template is understandable. However, the majority told us that further guidance and clarification would support consistent and reliable reporting across firms.
- 2.8** Many firms requested clearer definitions on various data points, including:
- the definition of 'small business banking' and the £2m turnover threshold
 - treatment of depreciation and amortisation within operating costs
 - treatment of unique or emerging products like virtual accounts and savings posts
 - treatment of subsidiaries
- 2.9** Some respondents felt the Reconciliation section of the template was unclear (this required an explanation of the variance between product-level tabs and the Profit & Loss).
- 2.10** Many firms explained they would need to make estimates and allocations for data points that they do not hold at the level of granularity we asked for. They recognised the provision for them to provide data at a total level if they cannot produce reliable estimates; however, they asked for further guidance on when we would accept estimates and how they should explain them.
- 2.11** Respondents cautioned that if we rely extensively on estimates, we risk inconsistency and drawing misleading supervisory conclusions, particularly where firms use different methodologies.
- 2.12** One respondent asked whether it was appropriate to leave the cost of funds and benefit of funding data points blank if the firm does not carry out funds transfer pricing.
- 2.13** Many respondents requested more guidance on the off-the-shelf document request, including:
- more clarity on which documents are required annually
 - the expected level of aggregation

- whether they should submit full documents or extracts
- our expectations where certain documents do not exist or firms do not produce them annually
- appropriate channels for queries

2.14 Some respondents noted a degree of overlap with existing regulatory data submissions. Financial Reporting (FINREP) and Common Reporting (COREP) are reported to the PRA, while the Mortgage Lending and Administration Return (MLAR) and Product Sales Data (PSD) on mortgages are FCA returns.

Our response

Data definitions

Our 'small business' definition allows for flexibility, as firms can submit data relating to their small business customer base according to their own internal categorisation. If they do not have this kind of internal categorisation, the £2m turnover threshold applies.

We have amended the definitions relating to operating costs to capture attributable depreciation and amortisation.

We recognise that business models evolve and new products are released to the market. Where products do not fit the defined splits in R2B2, firms should categorise them as 'other'. Where firms want us to be aware of the type of products they have included in 'other', they may use the comments fields.

Treatment of subsidiaries

The return should include banking products provided to UK customers by all ring-fenced bodies within the ring-fenced group (where relevant), or otherwise all firms within the group if there is no ring-fenced body (see also the section on group reporting requirements below). This includes data relating to subsidiaries within the group that do not meet the threshold conditions for R2B2.

Reconciliation

We recognise the difficulty of trying to reconcile product-level data to whole-firm data. There are many reasons why the underlying product-level data would not align with the total in the Profit & Loss.

For this reason, we are removing the reconciliation aspects of the template. Firms will still have to provide Profit & Loss data, but we will not ask them to explain any variances from the sum of other data points. We have renamed this section of the return 'Whole business'.

Use of estimates

Our primary use for the R2B2 data is market-wide analysis of the retail banking sector, with a view to understanding the types of business models and how the sector evolves over time. We typically carry out this

analysis on an aggregated, peer-grouped basis rather than at the level of individual firms.

We do not expect the data to be perfectly comparable across all firms, and do not need that level of precision to meet our analytical objectives. We do not treat estimated figures as equivalent to audited or precisely measured values. We take account of firms' caveats, assumptions, methodological notes or limitations when we use the data, and will bear these in mind in subsequent analysis.

We expect to use the data widely across the FCA, including in our supervisory teams. However, we do not generally expect to use it in isolation to draw conclusions about individual firms' conduct.

Firms are required to set out the methodology they used to make estimates. They should use the comments fields to draw our attention to estimation uncertainty or particular points around their methodology.

Funds transfer pricing

Where firms do not carry out funds transfer pricing, and therefore have no data to input into the 'cost of funds' and 'benefit of funding' lines, we do not require data. Where firms perform funds transfer pricing but do not allocate at the level of granularity requested and cannot provide a reliable estimate, they should report the data in the 'Unallocated' field.

Off-the-shelf document request

Off-the-shelf documents in their nature are those that already exist within a business. We do not expect firms to create any new material for this request. They should supply the most up-to-date documents available. Where a firm does not produce a document annually, and its previous year's submitted document remains the most up to date, we do not require it to submit the same document again. We are also not requiring firms to submit documents that they have already submitted to us for other purposes.

We have amended the rules so a firm can provide an extract from a document where appropriate. It should ensure the remainder of the document is not relevant.

Having considered feedback on the scope of the off-the-shelf document request, we are streamlining it to reduce the burden on firms. We have put a greater focus on strategic information relating to the business as a whole, rather than information on individual products.

In practice, this means firms will not need to provide financial or business planning information for individual products. They will still need to provide information outlining which individual products they provide, and customer research relating to individual products (unless it is incorporated into higher-level research). We consider this approach is more proportionate.

Data overlap

Before publishing our consultation, we explored our existing data collections closely to understand any overlap. This included liaising with the Prudential Regulation Authority (PRA).

Between the last ad hoc collection and our proposed annual return template, we made significant reductions. We removed around 30% of data points either because they were duplicative, or because firms had flagged them to us in their feedback.

Regarding the specific returns respondents flagged, each is on a different basis from R2B2. FINREP and COREP are reported quarterly and are aligned with calendar periods, while R2B2 is reported annually and aligns with accounting periods. Data points from FINREP and COREP are not comparable with the accounting-period based data at a product level in R2B2.

Furthermore, although FINREP asks for detailed balance sheet and Profit & Loss statement data, in the 'whole business' section of R2B2 these are condensed and standardised. R2B2 overlaps to a small extent with COREP regarding capital ratios, but the reporting basis above means they are not directly comparable for all firms.

We engaged with the PRA again after the consultation closed. While there are very limited (<1%) cases of similarity in the data items we request, these data points are not provided in a comparable way. For this reason, we are confident the requests are sufficiently distinct, and we do not propose removing isolated cases of overlap.

We reviewed the templates for the FCA's MLAR and Mortgages PSD. We did not find any instances of direct overlap, as we would have to aggregate or transform datapoints to replicate the R2B2 data.

R2B2 looks at a 1-year accounting period, whereas PSD is product-level data, based on individual transactions. While measures such as 'Current amount outstanding' are collected in PSD, in R2B2 firms will provide any balance measures as an average across the year.

Furthermore, we designed R2B2 with the right level of consistency across products to be able to carry out cross-product analysis. Therefore, we have not removed any mortgage-related data points.

Having carried out this process, we are confident that R2B2 data is different from other returns, and no other return data can be used for the same purpose.

We share R2B2 data with the PRA. We will continue to liaise with the PRA on its Future of Banking Data programme, which aims to avoid duplication across different collections.

Practical considerations

Question 4: Could any of the proposed questions or data cause practical issues (for example, requiring data that is not currently collected, or would be difficult to, collect)? If yes, please explain why (including whether this is because of a particular business model or the way firms' business activities are structured).

Question 5: If you do not currently hold data in the level of detail included in these proposals, how difficult would it be to provide reliable estimates?

Feedback received

- 2.15** A number of respondents, particularly firms that are expected to be newly in-scope for R2B2, said that aspects of the proposed data collection would create practical challenges. Either they do not currently capture some of the data at the level of granularity we proposed, or it does not align with their existing frameworks. They also noted that producing estimates can be highly challenging.
- 2.16** For example, firms do not record some income lines and transfer pricing items at granular product levels, and small business data is not captured at the £2m turnover threshold we request. One respondent asked for this data to be aggregated alongside non-small businesses.
- 2.17** Respondents said this would lead to potential system changes, manual intervention and the use of best-endefforts allocation methodologies. They said this might reduce comparability or limit supervisory value.
- 2.18** Some respondents also noted business model specific constraints, meaning our segmentation of sub-products and the related metrics do not fit neatly with the way those firms structure their business.

Our response

We recognise the practical challenge of setting up systems, calculations and methodologies for the R2B2 template. We will continue to support firms that have technological or methodological queries.

Our ad hoc return requests changed each time we issued them. Once we move to an annual regulatory return, we do not expect to change the template before our review in 5 years' time. At that stage we will consider whether any changes need to be made, for example, to take account of significant emerging business models or products.

We recognise that firms may not always hold all the data points we request. That is why there is flexibility built into the rules, which provide for the submission of reliable estimates where that is the case.

We also recognise that firms may not always be able to provide data at the sub-product level. Where that is the case, the rules also provide for them to include it in the return as unallocated data.

We have set out our response to firms' questions about funds transfer pricing under Q2 and Q3 above.

We do not propose to aggregate small and non-small business data. They should remain separate because small businesses have distinct products, conditions and outcomes, and disaggregated data is essential for understanding and monitoring the market effectively.

Group reporting requirements

Question 6: Do you have any concerns or feedback about the group reporting requirements?

Feedback received

- 2.19** Roughly half of all respondents had no concerns with the group reporting requirements set out in our consultation. However, the others asked for clarity to ensure consistency of interpretation and proportionality across firms with differing group structures and operating models.
- 2.20** A number of respondents asked for clearer guidance on the boundary of the group the requirements apply to, where the firm is not a ring-fenced bank.
- 2.21** Some also asked us to confirm that we only require granular product level data for entities that individually meet the threshold conditions, even where the reconciliation is presented at group level. They also asked about the treatment of non-UK subsidiaries in the product-level data.
- 2.22** One respondent asked whether our references to groups mean regulated groups or accounting consolidation groups. Several firms also raised concerns about the reconciliation section, which we have addressed in our response to Q2 and Q3.

Our response

We have made the group reporting requirements clearer.

We have changed the term 'UK accounting parent firm' to 'UK banking parent firm'. This better reflects the scope of the return, which only relates to groups that provide banking services.

Where we refer to the Handbook Glossary term "group" in the rules, this definition is as per the Glossary. Where we refer to "group accounts", this

refers to the group accounts prepared under the Companies Act 2006 or the Building Societies Act 1976.

The return must be submitted by the ring-fenced parent firm if there is one. Otherwise, the UK banking parent firm must submit it. If the group does not contain either, any firm in the group can submit the return.

A return submitted by a ring-fenced parent firm must relate to all the ring-fenced bodies in the group on an aggregated basis. This includes any ring-fenced bodies that do not meet the reporting thresholds. The reporting thresholds only need to be met by one firm in the group.

A return submitted by a UK banking parent firm must relate to all the firms included in the group accounts it prepares on an aggregated basis.

To avoid capturing a wider group than necessary, such as the 'ultimate' parent company, the rule states that ring-fenced parent firms and UK banking parent firms are those without a subsidiary undertaking that prepares relevant group accounts.

Where there is no ring-fenced parent firm or UK banking parent firm, the return should relate to all the banks and building societies in the group along with their consolidated subsidiaries which are firms.

We have amended the rules relating to the 'whole business' and 'wholesale funding' sections of the return. We allow firms to include data in respect of all the entities within the relevant group accounts. This extra flexibility is intended to make it easier for them to fill out those sections of the return by using existing data.

We have clarified that product-level data should relate to UK customers. Where there is a ring-fenced parent company, this data should be from ring-fenced subsidiaries where it relates to UK customers. Where there is a UK banking parent company, product-level data should cover all regulated subsidiary firms, where it relates to UK customers. Where there is no ring-fenced parent firm or UK banking parent company, product-level data should relate to banks and building societies and their subsidiaries.

Figure 1 and Figure 2 illustrate the group reporting requirements where returns are submitted by a 'ring-fenced parent firm' or 'UK banking parent firm'.

Figure 1: Reports submitted by a ring-fenced parent firm

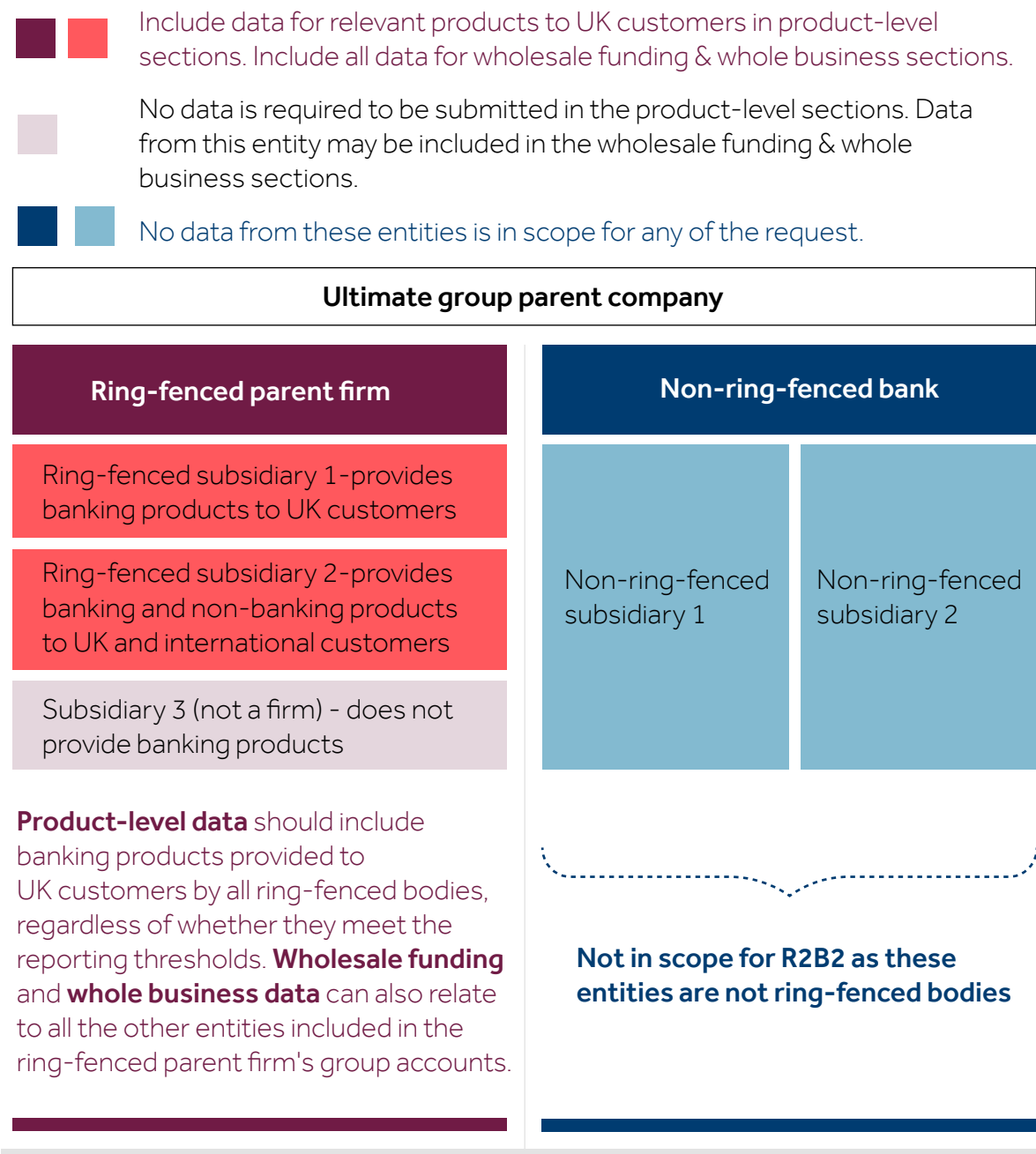
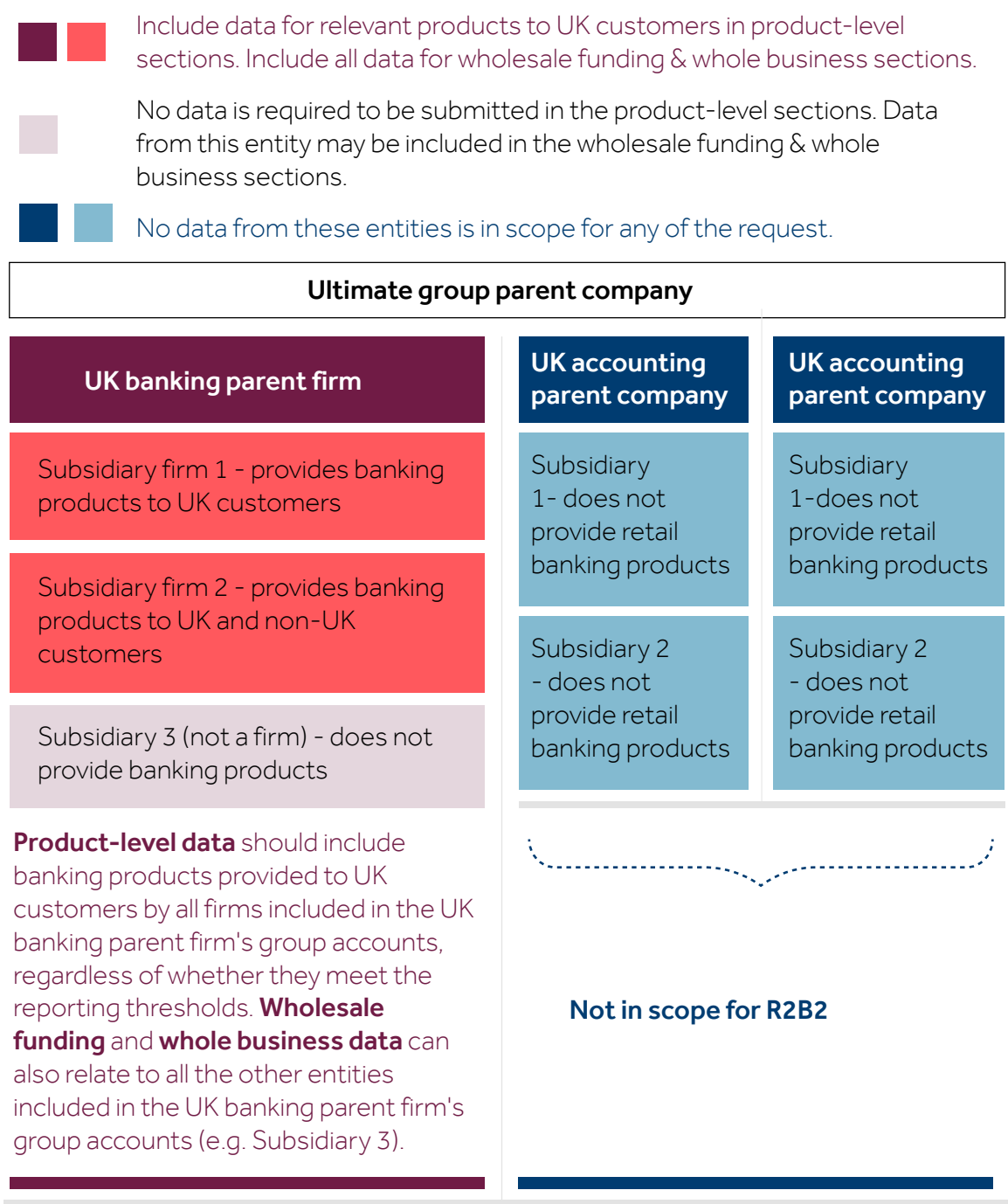


Figure 2: Reports submitted by a UK banking parent firm



Frequency of submission

Question 7: Do you agree with the proposed frequency of submissions?

Feedback received

2.23 Respondents generally supported submitting the returns annually, recognising that a regular and predictable collection would be preferable to ad hoc requests.

- 2.24** One respondent suggested a quarterly submission may be beneficial, since much of the information is collected and reviewed on a quarterly basis for internal management and other regulatory purposes. This would reduce the need for retrospective estimation and adjustment by firms.

Our response

We will retain our proposal for annual submission of R2B2 data. This is more proportionate and suitable than a quarterly submission as firms will only prepare many of the financial items annually.

Accounting periods

Question 8: Do you agree with our proposal for firms to provide data in line with their internal accounting periods?

Feedback received

- 2.25** All respondents agreed with our proposal for firms to provide data in line with their internal accounting periods. Several said this will reduce their manual reporting burden by integrating it with other reporting processes.

Our response

We agree that providing data in line with internal accounting periods will minimise firm burden, and we will retain this proposal.

Implementation

Question 9: Do you agree with the proposed timeline for implementing this return?

Feedback received

- 2.26** There were mixed views on implementing the returns in November 2026. A number of firms thought it was broadly achievable, but a few had concerns – especially those who are newly in scope or have not been part of recent ad hoc R2B2 collections. These firms reported that system changes, data mapping, and control enhancements would take time, and they asked for flexibility in submission timings.

Our response

We will continue to engage with and provide assistance to any firms that need more support in completing the template, to make the process as smooth as possible.

Given the small number of firms that raised concerns, we do not consider it appropriate to have a general provision delaying the first submission date. That could have a significant impact on the value and usability of the data we receive.

Firms can apply for waivers or modifications in the usual way to address their particular circumstances. We would only approve an application if it meets the statutory tests.

Published statistics

Question 10: Do you have any feedback on our proposal to publish an annual set of aggregated statistics and insights based on the data we collect?

Feedback received

- 2.27** All but one respondent welcomed our proposal to publish a set of aggregated statistics and insights each year, noting that they would be valuable from a cost benefit perspective, as a benchmarking analysis and for financial inclusion purposes.
- 2.28** Several firms noted the need for us to anonymise the data carefully to ensure that no commercially sensitive data can be identified as relating to a specific firm, especially when the publication is combined with publicly available data. One firm requested the capability to nominate specific data elements for anonymisation, redaction or aggregation to a higher granularity level.
- 2.29** One firm noted the need for us to include caveats and clear guidance to explain differences arising from different business models. One firm felt some datapoints could not be compared across firms, even with the addition of clear guidance.

Our response

When publishing anonymised statistics and insights, we will remain mindful of the risks around the aggregation of commercially sensitive data. We will continue to consider this on an ongoing basis to mitigate any reidentification risks. In our analysis, we will also ensure we only use data that we are comfortable is comparable across firms.

Other feedback

2.30 Following engagement with various stakeholders, we provide further clarification below:

- We have amended the rules, and provided guidance, to clarify that firms should only provide data in respect of products they provide, and not those where they only act as an intermediary. This is to ensure data on the same product is not provided more than once.
- In the off-the-shelf document request, we have clarified that firms should provide the latest documents available on the submission date, whether or not they relate to the accounting period they are submitting the Core Financial Data for.
- We have given firms more flexibility in how they calculate 'average' figures. They can use their existing methodology or, if they do not have one, the methodology in the rules.
- We do not intend to use the data firms provide in other returns to validate their R2B2 submissions. However, we will check that their R2B2 data provides a consistent picture of them and the market as whole, with reference to other public and in-house data sources.

Chapter 3

Cost benefit analysis

- 3.1** In CP26/3, we presented a cost benefit analysis (CBA) of our proposal and asked the following question. We discuss the feedback we received and our response below.

Question 11: Do you have any general comments on our cost benefit analysis?

Feedback received

- 3.2** A few large and small firms said we underestimated the costs in our CBA, both for one-off implementation costs and ongoing annual costs. These respondents emphasised that the actual costs of redesigning systems, building new data pipelines, enhancing governance, and supporting first-year manual workarounds could be materially higher than we estimated.
- 3.3** Newly in-scope firms stressed that their one-off build costs would be proportionately greater as compared to those firms who have filled out the R2B2 request in the past, since they would need to establish entirely new infrastructure.
- 3.4** No respondents provided estimates of their costs relating to the R2B2 collection.

Our response

As we detailed in CP26/3, the CBA is based on self-reported data from firms on the cost of filling out the 2024 ad hoc collection. Firms who reported costs told us this included the operational, governance and technological costs of filling out the 2024 R2B2 ad hoc request. This data request included three years of data and supplementary elements, and took place before we streamlined and significantly reduced the datapoints in the request. As a result, in our CBA we adjusted the costs downwards to account for the reduced number of datapoints that firms would have to provide in the new, optimised R2B2 request. We assigned equal cost to each datapoint, as detailed in CP26/3.

However, the cost data that firms provided did not include data from any newly in-scope firms. We acknowledged in CP26/3 that one-off implementation costs may be higher for a small number of these firms. We have used our Standardised Cost Model to analyse and estimate these costs and amended our CBA to reflect them. The one-off costs include those relating to familiarisation and gap analysis, change and IT costs and training costs. We estimate a one-off cost of £149,000 across the 8 newly in scope firms, which is approximately £18,625 per firm.

We also updated our CBA to include all firms that we expect to be in scope, following a review of firms' latest Annual Financial Crime Reports. We now expect 36 firms to fall within scope.

Following the inclusion of the one-off costs for the newly in scope firms and the 3 additional firms we now think will be in scope, the cumulative ongoing annual cost across all firms has increased from £0.17m to £0.18m, and the equivalent annual net direct cost to firms from our interventions has increased from £0.18 to £0.19m.

We consider that that the benefits of our intervention continue to outweigh the associated costs and do not believe the revision of the CBA requires changes to the policy proposals or instrument. We will continue to consider the costs of this policy as part of our review in five years' time.

Annex 1

List of non-confidential respondents

We are obliged to include a list of the names of respondents to our consultation who have consented to the publication of their name. That list is as follows:

Aldermore Bank

Atom Bank

Building Societies Association

Fair4All Finance

HSBC UK

Lloyds Banking Group

NatWest Group

Paragon Bank

Vanquis Banking Group

West Bromwich Building Society

Zopa Bank

Annex 2

Abbreviations used in this paper

Abbreviation	Description
CBA	Cost Benefit Analysis
COREP	Common Reporting
CP	Consultation Paper
FINREP	Financial Reporting
MLAR	Mortgage Lending and Administration Return
PS	Policy Statement
PSD	Product Sales Data
R2B2	Retail Banking Business Models
SCM	Standardised Cost Model

Appendix 1

Made rules (legal instrument)

SUPERVISION MANUAL (AMENDMENT) INSTRUMENT 2026

Powers exercised

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 137A (The FCA’s general rules);
 - (2) section 137T (General supplementary powers); and
 - (3) section 139A (Power of the FCA to give guidance).
- B. The rule-making powers listed above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on 1 June 2026.

Amendments to the Handbook

- D. The Glossary of definitions is amended in accordance with Annex A to this instrument.
- E. The Supervision manual (SUP) is amended in accordance with Annex B to this instrument.

Notes

- F. In Annex B to this instrument, the notes (indicated by ‘*Editor’s note:*’) are included for the convenience of readers but do not form part of the legislative text.

Citation

- G. This instrument may be cited as the Supervision Manual (Amendment) Instrument 2026.

By order of the Board
28 May 2026

Annex A

Amendments to the Glossary of definitions

Insert the following new definitions in the appropriate alphabetical position. All the text is new and is not underlined.

- | | |
|------------------------------------|---|
| <i>accounting reference period</i> | <p>(1) (in relation to a <i>company</i> incorporated in the <i>United Kingdom</i> under the Companies Acts) the accounting reference period of that <i>company</i> determined in accordance with section 391 of the Companies Act 2006;</p> <p>(2) (in relation to any other body) its financial year.</p> |
| <i>ring-fenced parent firm</i> | <p>a <i>ring-fenced body</i> in a <i>group</i> that:</p> <p>(a) prepares group accounts under section 399 of the Companies Act 2006 relating to all the <i>ring-fenced bodies</i> in the <i>group</i>; and</p> <p>(b) does not have a <i>subsidiary undertaking</i> that prepares such group accounts.</p> |
| <i>UK banking parent firm</i> | <p>a <i>firm</i> in a <i>group</i> that:</p> <p>(a) prepares group accounts under section 399 of the Companies Act 2006 or section 72E of the Building Societies Act 1986 relating to all the <i>banks</i> and <i>building societies</i> in the <i>group</i>; and</p> <p>(b) does not have a <i>subsidiary undertaking</i> that prepares such group accounts.</p> |

Annex B

Amendments to the Supervision manual (SUP)

In this Annex, underlining indicates new text, unless stated otherwise.

16 Reporting requirements

16.1 Application

...

Application of different sections of SUP 16 (excluding SUP 16.13, SUP 16.14A, SUP 16.15, SUP 16.22 and SUP 16.26)

16.1.3 R

(1) Section(s)	(2) Categories of firm to which section applies	(3) Applicable rules and guidance
...		
<i>SUP 16.32</i>	...	...

[*Editor's note:* The row describing SUP 16.33 is inserted by FCA 2026/6 and comes into force on 18 March 2027.]

<u><i>SUP 16.34</i></u>	<u><i>A firm which is a bank or building society within the scope of SUP 16.34.1R(1), or a ring-fenced parent firm or UK banking parent firm within the scope of SUP 16.34.1R(2).</i></u>	<u><i>Entire section</i></u>
...		

...

16.3 General provisions on reporting

...

Structure of the chapter

16.3.2 G This chapter has been split into the following sections, covering:

...

(27) access to cash reporting (*SUP* 16.32).

[Editor's note: Paragraph (28) is introduced by FCA 2026/6 and comes into force on 18 March 2027, at which point this editor's note will be deleted.]

(29) retail banking business models reporting (*SUP* 16.34).

...

Insert the following new section, *SUP* 16.34, after *SUP* 16.33 (Material third party arrangements register). The text is not underlined.

[Editor's note: *SUP* 16.33 is inserted by FCA 2026/6 and comes into force on 18 March 2027.]

16.34 Retail banking business models reporting

Application: who?

16.34.1 R This section applies to:

(1) all *firms* listed in *SUP* 16.34.2R which:

- (a) provided services to *retail customers* in the *United Kingdom* in the relevant *accounting reference period* referred to in *SUP* 16.34.12R(3);
- (b) were required to submit an Annual Financial Crime Report in accordance with *SUP* 16.23 in respect of their last 3 *accounting reference periods*;
- (c) reported at least 200,000 *customer* relationships in the *United Kingdom* in each of the Annual Financial Crime Reports submitted in respect of their last 3 *accounting reference periods*; and
- (d) reported a total revenue of £5m or more at each of their last 3 *accounting reference dates*; and

(2) *ring-fenced parent firms* and *UK banking parent firms* of the *firms* referred to in (1).

16.34.2 R *SUP* 16.34.1R(1) applies to the following types of *firm*:

- (1) *banks*; and
- (2) *building societies*.

16.34.3 G *SUP* 16.34.1R(1)(a) refers to *firms* that provided services. That does not include *firms* that offered products to *customers* which were provided by another *firm*. As an example, one *firm* (A) could help arrange for a *retail*

customer in the *United Kingdom* to open a bank account with another *firm* (B). That will mean B satisfies SUP 16.34.1R(1)(a) because it provided the account to the *customer*, but not that A does.

Purpose

- 16.34.4 G The purpose of this section is to require *firms* that provide banking services to *retail customers* to submit information on their, or their *group's*, business models in a standard format to the *FCA*. This information will inform the *FCA's* understanding of retail banking market dynamics in the interest of promoting effective competition.

Reporting requirement

- 16.34.5 R (1) Subject to (2) and (3), and SUP 16.34.7R(2) and (3), a *firm* must submit the Retail Banking Business Models Report containing:
- (a) the details specified in SUP 16 Annex 59.4R;
 - (b) the data points and information specified in SUP 16 Annex 59.5R to SUP 16 Annex 59.11R (Core Financial Data Request); and
 - (c) the documents, or parts of documents, specified in SUP 16 Annex 59.12R and the information specified in SUP 16 Annex 59.14R (Off-the-shelf Document Request).
- (2) In the Core Financial Data Request, a *firm* must:
- (a) provide relevant data that it holds or can obtain from other *firms* in its *group*;
 - (b) if it does not hold relevant data and cannot obtain it from other *firms* in its *group*, provide a reliable estimate of the data; or
 - (c) if it does not hold relevant data, cannot obtain it from other *firms* in its *group* and cannot provide a reliable estimate, not provide data.
- (3) In the Off-the-shelf Document Request, a *firm* is only required to provide documents, or parts of documents, which already exist and which:
- (a) it can provide without breaching a duty of confidentiality owed to a third party;
 - (b) it can provide without obtaining the consent of a third party that cannot reasonably be obtained; and
 - (c) it has not already provided to the *FCA*.

- 16.34.6 G A *firm* should only provide a reliable estimate of data (in accordance with SUP 16.34.5R(2)(b)) where data can be reasonably approximated using sound methodology, consistent assumptions and available evidence.

Firms within a group

- 16.34.7 R (1) Where a *firm* is a member of a *group*, the Retail Banking Business Models Report:
- (a) must be submitted by the *ring-fenced parent firm*, if there is one;
 - (b) if (a) does not apply, must be submitted by the *UK banking parent firm*, if there is one; or
 - (c) if (a) and (b) do not apply, may be submitted by any *firm* in the *group* on behalf of any other *firms* in the *group*.
- (2) If (1)(a) or (b) apply, SUP 16.34.5R(1) does not apply to any *firm* in the same *group* as the *ring-fenced parent firm* or *UK banking parent firm*.
- (3) If a report is submitted in accordance with (1)(c), SUP 16.34.5R(1) does not apply to any *firm* on behalf of which it is submitted.
- 16.34.8 R (1) This *rule* applies to a Retail Banking Business Models Report submitted by a *ring-fenced parent firm*.
- (2) The report must contain data, documents and information in respect of all the *ring-fenced bodies* in the *group* on an aggregated basis.
- (3) For SUP 16 Annex 59.10R (wholesale funding) and SUP 16 Annex 59.11R (whole business), the report may also include data and information in respect of all the other entities included in the group accounts prepared by the *ring-fenced parent firm*, in which case (4) applies.
- (4) When this paragraph applies, the data and information in SUP 16 Annex 59.10R or SUP 16 Annex 59.11R (as appropriate) must be provided on an aggregated basis in respect of all the entities included in the group accounts prepared by the *ring-fenced parent firm*.
- 16.34.9 R (1) This *rule* applies to a Retail Banking Business Models Report submitted by a *UK banking parent firm*.
- (2) The report must contain data, documents and information in respect of all the *firms* included in the group accounts prepared by the *UK banking parent firm* on an aggregated basis.
- (3) For SUP 16 Annex 59.10R (wholesale funding) and SUP 16 Annex 59.11R (whole business), the report may also include data and

information in respect of all the other entities included in the group accounts prepared by the *UK banking parent firm*, in which case (4) applies.

- (4) When this paragraph applies, the data and information in *SUP 16 Annex 59.10R* or *SUP 16 Annex 59.11R* (as appropriate) must be provided on an aggregated basis in respect of all the entities included in the group accounts prepared by the *UK banking parent firm*.
- 16.34.10 R (1) This *rule* applies to a Retail Banking Business Models Report submitted by a *firm* in a *group* other than a *ring-fenced parent firm* or *UK banking parent firm*.
- (2) The report must contain data, documents and information in respect of the following on an aggregated basis:
- (a) all the *banks* and *building societies* in the *group* which do not have a *parent undertaking* that is a *bank* or *building society*; and
 - (b) all the *subsidiary undertakings* of such *banks* and *building societies* which are *firms*.
- (3) Paragraph (4) applies if all the *firms* in (2) are included in group accounts prepared under section 399 of the Companies Act 2006 or section 72E of the Building Societies Act 1986.
- (4) For *SUP 16 Annex 59.10R* (wholesale funding) and *SUP 16 Annex 59.11R* (whole business), the report may also include data and information in respect of all the other entities included in the group accounts referred to in (3), in which case (5) applies.
- (5) When this paragraph applies, the data and information in *SUP 16 Annex 59.10R* or *SUP 16 Annex 59.11R* (as appropriate) must be provided on an aggregated basis in respect of all the entities included in the group accounts referred to in (3).
- 16.34.11 G (1) *SUP 16.34.7R(1)(a)* and (b) and (2) apply where a *group* contains a *ring-fenced parent firm* or *UK banking parent firm*. A single Retail Banking Business Models Report must be submitted by the *ring-fenced parent firm* or *UK banking parent firm* covering the *group* entities specified in *SUP 16.34.8R* or *SUP 16.34.9R*, including those that do not satisfy the criteria in *SUP 16.34.1R(1)*. The *ring-fenced parent firm* or *UK banking parent firm* is responsible for ensuring the report is submitted, and for its contents.
- (2) *SUP 16.34.7R(1)(c)* applies where a *group* does not contain a *ring-fenced parent firm* or *UK banking parent firm*. That provision, with *SUP 16.34.7R(3)*, means that a single Retail Banking Business Models Report may be submitted to satisfy the requirements of all *firms* in the *group*. The report can be submitted by the *firm* in the

group that is best placed to do so, whether or not it satisfies the criteria in SUP 16.34.1R(1). The *FCA* expects that *groups* will normally want to report in this way when SUP 16.34.7R(1)(a) and (b) do not apply. Nevertheless, the requirement to ensure the report is submitted, and responsibility for its contents, remain with each *firm* in the *group*.

- (3) SUP 16.34.10R sets out the information that must be provided where a *group* does not contain a *ring-fenced parent firm* or *UK banking parent firm*. This applies whether or not a single report is submitted for the *group*. Each report that is submitted must cover all the *banks* and *building societies* in the *group* and their subsidiary *firms*, including those that do not satisfy the criteria in SUP 16.34.1R(1).
- (4) The requirement to submit data in the Core Financial Data Request on an aggregated basis means that the data for each entity in respect of which the report is submitted must be added together and submitted as a single figure. The data must relate to the relevant *accounting reference period* for each entity, determined in accordance with SUP 16.34.12R(3). Different entities in the *group* may have different *accounting reference periods*.
- (5) SUP 16.34.8R(3), SUP 16.34.9R(3) and SUP 16.34.10R(4) apply to the ‘wholesale funding’ and ‘whole business’ sections of the Core Financial Data Request. They allow, but do not require, data and information to be submitted relating to all the entities included in the relevant group accounts. This should mean *firms* can use figures in those group accounts when submitting those sections of the request.

Frequency and timing of the Retail Banking Business Models Report

- 16.34.12 R
- (1) The Retail Banking Business Models Report must be submitted once each calendar year by the end of the last *business day* of November.
 - (2) In the Core Financial Data Request, *firms* must submit data relating to the relevant *accounting reference period* referred to in (3).
 - (3) The relevant *accounting reference period* for the year a report is submitted (Y) is:
 - (a) that ending in Y if the *firm's accounting reference date* falls on or before 30 June; or
 - (b) that ending in the year before Y if the *firm's accounting reference date* falls after 30 June.
 - (4) In the Off-the-shelf Document request, unless otherwise specified, *firms* must submit the most up-to-date documents, or parts of documents, available on the date of submission (whether or not they relate to the relevant *accounting reference period* in (3)).

How to submit the Retail Banking Business Models Report

- 16.34.13 R The Retail Banking Business Models Report must be submitted online through the appropriate systems made available by the *FCA*.

Insert the following new Annexes, SUP 16 Annex 59 and SUP 16 Annex 60, after SUP 16 Annex 58 (Guidance notes for the Pensions Dashboard Service Firms – Half-Yearly Prudential Return). The text is not underlined.

16 Annex 59 Retail banking business models reporting data

- 16 Annex 59.1 G This annex belongs to *SUP* 16.34. It sets out the contents of the Retail Banking Business Models Report referred to in *SUP* 16.34.5R(1).

Terms used in this annex

- 16 Annex 59.2 R In this annex, the terms used in column (1) below have the meaning set out in column (2).

(1)	(2)
arranged overdraft	an overdraft that is preauthorised by the provider with an agreed limit.
asset finance	a credit arrangement that allows a customer to acquire the use of tangible assets (such as vehicles, machinery or equipment) without paying the full purchase price upfront.
ATM interchange income	income earned from ATM interchange fees.
ATM network direct costs	the direct costs of being part of an ATM network including site rental, equipment, servicing and staff costs, depreciation and amortisation. This does not include interchange costs.
average	(1) the average of a data point as calculated in accordance with the methodology used by the <i>firm</i> for its internal records and systems; or (2) if (1) does not apply, the average of a data point calculated as $(A + B)$ divided by 2, where: (a) <i>A</i> is the value of the data point at the start of the <i>accounting reference period</i> to which the report relates; and

	(b) B is the value of the data point at the end of the <i>accounting reference period</i> to which the report relates.
average account numbers	the average of the total number of accounts held with a <i>firm</i> . Each account held by a customer should be included in this calculation.
average assets under management	the average value of a <i>firm's</i> assets under management.
average balance	the average value of a <i>firm's</i> total book balance.
average credit risk-weighted assets (RWAs)	the average value of a <i>firm's exposure</i> adjusted by a risk weight that reflects the associated credit risk.
average total customer number	the average total number of unique customers. Where a customer used more than one product or account, the customer should only be counted once.
banking as a service income	income from providing licensed infrastructure, compliance frameworks and banking services (such as <i>payment services</i> , accepting deposits and lending application programming interfaces (APIs)) to other entities that are not in the same <i>group</i> .
basic current account	a payment account with basic features as defined in regulation 19(1) of the <i>Payment Accounts Regulations</i> .
benefit of funding	the value ascribed to a funding source in accordance with a <i>firm's</i> funds transfer pricing approach.
branch network direct costs	the direct costs of maintaining a branch network including property costs, equipment and branch staff costs, depreciation and amortisation.
business current account	an account held by a business customer which would be a retail current account if held by a consumer.
business customer	any customer that is not a consumer.

business savings account	a <i>savings account</i> held by a business customer.
buy-to-let mortgage	a <i>buy-to-let credit agreement</i> relating to a mortgage on a property.
card interchange income	income from interchange fees relating to debit or credit card transactions.
CET1 ratio	a <i>firm's common equity tier 1 capital</i> expressed as a percentage of its total risk-weighted assets.
commission income	income from <i>commission</i> .
communications and marketing costs	the direct costs of communications and marketing including switching incentives, sponsorship, staff costs, depreciation and amortisation.
compliance and regulation costs	the costs of complying with regulatory requirements including the payment of regulatory fees, staff costs, depreciation and amortisation.
consumer	a consumer as defined in regulation 2(1) of the <i>Payment Accounts Regulations</i> .
core product	a product referred to in SUP 16 Annex 59.5R to SUP 16 Annex 59.9R.
cost of funds	the cost of funding allocated through funds transfer pricing including interest rate risk transfer costs, liquidity term premium costs, costs of liquidity and any underpinning reference rates.
credit card	an account that allows the holder to use a credit card to borrow funds from the issuer up to a set limit to pay for goods and services.
credit operation costs	costs incurred in credit risk monitoring and recovery including the cost of underwriters and <i>credit risk assessments</i> , credit bureau costs, staff costs, depreciation and amortisation.
customer acquisition costs	operating costs associated with customer acquisition, including a <i>firm's</i> marketing spend and cost of sales.

customer service and support costs	costs relating to customer service activities including call centre costs, customer statement costs, postage costs, staff costs, depreciation and amortisation.
daily, monthly or annual charge income	income from daily, monthly or annual charges which is not recorded as gross interest income.
default charge income	income from charges to customers for failing to make a <i>repayment</i> when it is due.
early repayment charge income	income from charges to customers for making early <i>repayments</i> which is not recorded as gross interest income.
fixed-term savings accounts – 1 to 2 years	<i>fixed-term savings accounts</i> that have a term between 1 and 2 years, inclusive.
fixed-term savings accounts – over 2 years	<i>fixed-term savings accounts</i> that have a term exceeding 2 years.
gross interest income	interest, and other income treated as interest according to a <i>firm's</i> effective interest revenue recognition policy, earned through lending activities.
gross interest paid out	interest, and other expenses recognised as interest in a <i>firm's</i> effective interest recognition policy.
impairment charge	impairments from the recognition of credit losses, including expected credit losses.
initial fixed-rate mortgage	a mortgage in its initial period during which it has a promotional fixed interest rate, and after which it will become a non-SVR mortgage or SVR mortgage.
initial variable-rate mortgage	a mortgage in its initial period during which it has a promotional variable interest rate (eg, a discounted variable rate or tracker rate), and after which it will become a non-SVR mortgage or SVR mortgage.
instant-access savings account	a <i>savings account</i> without a fixed term or notice period for making a withdrawal.
insurance and other add-on fee income	income from insurance products and other add-on products.

international transaction income	fees and foreign exchange margin income from <i>foreign currency</i> transactions made by customers.
investment account	an account through which a customer can hold and transact in investments (eg, shares, bonds and funds), including a stocks and shares <i>ISA</i> .
investment costs	costs relating to business improvement, change or transformation that are expected to have long-term benefits including investment in IT and digital services, depreciation and amortisation.
invoice finance	a business lending arrangement where funds are advanced against the value of unpaid invoices.
IT running costs	business-as-usual information technology costs including staff costs, depreciation and amortisation. This does not include the costs of IT investment and transformation.
leverage ratio	a <i>firm's</i> tier 1 capital divided by the risk-weighted exposure amount referred to in Article 92(3)(a) of the <i>UK CRR</i> .
loan-to-value ratio (LTV)	the total amount of credit secured by a <i>property</i> (including outstanding balances and any senior liens) divided by the current value of the <i>property</i> .
motor finance	a <i>regulated credit agreement</i> which, in whole or part, finances the purchase of a motor vehicle.
net interest margin	a <i>firm's</i> net interest income divided by the value of its average interest-earning assets. The definition of 'average' above does not apply to this definition.
non-core product	a product offered to customers that is not referred to in <i>SUP 16 Annex 59.5R</i> to <i>SUP 16 Annex 59.9R</i> .
non-interest income	an aggregation of: (1) daily, monthly or annual charge income; (2) origination fee income;

	(3) default charge income; (4) early repayment charge income; (5) insurance and other add-on fee income; (6) commission income; (7) card interchange income; (8) ATM interchange income; (9) international transaction income; and (10) other and unallocated non-interest income.
non-SVR mortgage	a mortgage which is not an initial fixed-rate mortgage, initial variable-rate mortgage or SVR mortgage.
origination fee income	income from processing and setting up new loans, mortgages and other lending products which is not recorded as gross interest income.
other and unallocated non-interest income	an aggregation of any income from sources other than interest: (1) which is not: (a) daily, monthly or annual charge income; (b) origination fee income; (c) default charge income; (d) early repayment charge income; (e) insurance and other add-on fee income; (f) commission income; (g) card interchange income; (h) ATM interchange income; or (i) international transaction income; or (2) which cannot be allocated to any category of non-interest income in (1).
other business	any business that is not a small business.
other central function costs	staff and other costs of central functions not otherwise specified including human resources, treasury, finance, legal, risk, audit, depreciation and amortisation.

other property costs	leasing and other property costs relating to non-branch property, including head office and call centres. This includes related staff costs, depreciation and amortisation.
overdraft	an overdraft facility for a current account.
owner-occupied mortgage	a residential mortgage for a property occupied by the mortgage holder.
payments and cash handling costs	infrastructure and other costs relating to <i>payment systems</i> , settlement and clearing, cash handling and security. This includes related staff costs, depreciation and amortisation.
personal banking customer	a consumer that is not a wealth customer.
personal current account	a retail current account held by a personal banking customer.
personal investment account	an investment account held by a personal banking customer.
personal lending	lending provided to a personal banking customer.
personal savings account	a <i>savings account</i> , including an <i>ISA</i> , held by a personal banking customer.
primary personal current account	the personal current account into which a customer has their main income paid.
product and proposition costs	staff and other costs of teams involved in developing and maintaining financial products, including depreciation and amortisation.
property finance	small business lending that is secured on properties used for commercial purposes including commercial mortgages, bridging loans and development loans.
residential mortgage	a <i>regulated mortgage contract</i> or <i>buy-to-let credit agreement</i> for a residential property.
retail current account	a payment account, as defined in regulation 2(1) of the <i>Payment Accounts Regulations</i> , other than a current account mortgage.

rewards and packaged current account	a packaged current account that offers rewards or other benefits compared to a standard current account.
risk-weighted assets	a <i>firm's</i> risk-weighted exposure amount, determined in accordance with Article 92(3)(f) of the <i>UK CRR</i> .
secondary personal current account	a personal current account that is not the customer's primary personal current account.
secured loan	a loan that is backed by <i>collateral</i> or protected by a <i>guarantor</i> , excluding a mortgage.
small business	(1) any business the <i>firm</i> categorises as a small business; or (2) if (1) does not apply, any business with an annual turnover of up to £2m.
standard personal current account	personal current accounts offered to individuals for everyday banking that are not basic current accounts or rewards and packaged current accounts.
SVR mortgage	a mortgage whose interest rate is the <i>firm's</i> standard variable rate (SVR).
third-party fraud costs	costs resulting from third-party fraud including depreciation and amortisation.
tier 1 ratio	the sum of a <i>firm's</i> <i>common equity tier 1 capital</i> and <i>additional tier 1 capital</i> , expressed as a percentage of its total risk-weighted assets.
total capital ratio	the <i>own funds</i> of the <i>firm</i> expressed as a percentage of its total risk-weighted assets.
unarranged overdraft	an overdraft that is not preauthorised by the provider, including any unauthorised balance in excess of an arranged overdraft limit.
under 1 year notice savings account	a <i>savings account</i> with a notice period of less than 12 months for making a withdrawal.
unsecured loan	a loan that is not backed by <i>collateral</i> or protected by a <i>guarantor</i> .

wealth account	a retail current account, investment account or <i>savings account</i> that is only offered to wealth customers.
wealth customer	a consumer the <i>firm</i> offers banking products to because of their high level of wealth or affluence.
wealth lending	any lending products that are only offered to a <i>firm's</i> wealth customers.
weighted average LTV	a weighted average of the loan-to-value ratio calculated based on loan size. The definition of 'average' above does not apply to this definition.
wholesale bank loans and overdrafts	funding obtained from other <i>financial institutions</i> through bilateral or syndicated loan agreements, or overdrafts.
wholesale debt securities on issue	funding raised through the issuance of negotiable instruments such as bonds, notes or commercial paper to institutional investors.
wholesale funding	funding not obtained from consumer or business customer sources.
wholesale subordinated debt	long-term funding raised through instruments that rank below senior obligations in the event of liquidation or insolvency.

16 Annex 59.3 R Terms in italics in this annex have the meaning set out in the *Handbook Glossary*.

General

16 Annex 59.4 R The Retail Banking Business Models Report must include the *firm reference number* and *accounting reference date* of each *firm* in respect of which the report is submitted.

Core Financial Data Request: residential mortgages

16 Annex 59.5 R The Retail Banking Business Models Report must include:

- (1) whether any *firm* in respect of which the report is submitted offered to provide residential mortgages to *UK* customers during the period to which the report relates – if not, the *firm* is not required to provide any more data in this section of the report;

- (2) whether the *firm* holds, or can obtain or reliably estimate, any of the data points in (3) in respect of the provision of the following products to *UK* customers:
 - (a) owner-occupied mortgages:
 - (i) initial fixed-rate mortgages;
 - (ii) initial variable-rate mortgages;
 - (iii) SVR mortgages;
 - (iv) non-SVR mortgages; and
 - (v) other owner-occupied mortgages; and
 - (b) buy-to-let mortgages:
 - (i) initial fixed-rate mortgages;
 - (ii) initial variable-rate mortgages;
 - (iii) SVR mortgages;
 - (iv) non-SVR mortgages; and
 - (v) other buy-to-let mortgages;
- (3) the following data points for each of the sub-products in (2)(a) and (b) in the indicated unit in respect of their provision to *UK* customers:
 - (a) gross interest income (£);
 - (b) non-interest income (£);
 - (c) cost of funds (£);
 - (d) impairment charge (£);
 - (e) average balance (£);
 - (f) average credit RWAs (£);
 - (g) average account numbers (unit);
 - (h) weighted average LTV (%);
 - (i) daily, monthly or annual charge income (£);
 - (j) origination fee income (£);

- (k) default charge income (£);
- (l) early repayment charge income (£);
- (m) insurance and other add-on fee income (£); and
- (n) commission income (£);
- (4) for each data point in (3), the aggregate of any amount the *firm* cannot allocate to a sub-product in (2)(a) or (b);
- (5) whether any data points in (3) were estimated, and the methodology used in making any estimates; and
- (6) for each data point in (3) the *firm* does not provide, confirmation that it either:
 - (a) did not offer the sub-product to which the data point relates; or
 - (b) does not hold the data, cannot obtain it from other *firms* in its *group* and cannot reliably estimate it.

Core Financial Data Request: personal banking

16 Annex
59.6

R The Retail Banking Business Models Report must include:

- (1) whether any *firm* in respect of which the report is submitted offered to provide personal current accounts, personal savings accounts or personal investment accounts to *UK* customers during the period to which the report relates – if not, the *firm* is not required to provide any more data in this section of the report;
- (2) whether the *firm* holds, or can obtain or reliably estimate, any of the data points in (3) in respect of the provision of the following products to *UK* customers:
 - (a) personal current accounts:
 - (i) standard personal current accounts;
 - (ii) rewards and packaged current accounts;
 - (iii) basic current accounts; and
 - (iv) other personal current accounts;
 - (b) primary and secondary personal current accounts:
 - (i) primary personal current accounts; and

- (ii) secondary personal current accounts;
 - (c) personal current account overdrafts:
 - (i) arranged overdrafts; and
 - (ii) unarranged overdrafts;
 - (d) personal savings accounts:
 - (i) instant-access savings accounts;
 - (ii) under 1 year notice savings accounts;
 - (iii) fixed-term savings accounts – 1 to 2 years;
 - (iv) fixed-term savings accounts – over 2 years; and
 - (v) other personal savings accounts;
 - (e) wealth accounts; and
 - (f) personal investment accounts:
 - (i) stocks and shares *ISAs*; and
 - (ii) other investment accounts;
- (3)
- (a) the following data points for each of the sub-products in (2)(a) in the indicated unit in respect of their provision to *UK* customers:
 - (i) gross interest paid out (£);
 - (ii) non-interest income (£);
 - (iii) benefit of funding (£);
 - (iv) average account numbers (unit);
 - (v) average balance (£);
 - (vi) daily, monthly or annual charge income (£);
 - (vii) card interchange income (£);
 - (viii) ATM interchange income (£);
 - (ix) insurance and other add-on fee income (£);

- (x) commission income (£); and
- (xi) international transaction income (£);
- (b) the following data point for each of the sub-products in (2)(b) in the indicated unit in respect of their provision to *UK* customers:
 - (i) average account numbers (unit);
- (c) the following data points for each of the sub-products in (2)(c) in the indicated unit in respect of their provision to *UK* customers:
 - (i) gross interest income (£);
 - (ii) non-interest income (£);
 - (iii) cost of funds (£);
 - (iv) average account numbers (unit);
 - (v) impairment charge (£);
 - (vi) average balance (£);
 - (vii) average credit RWAs (£); and
 - (viii) default charge income (£);
- (d) the following data points for each of the sub-products in (2)(d) in the indicated unit in respect of their provision to *UK* customers:
 - (i) gross interest paid out (£);
 - (ii) non-interest income (£);
 - (iii) benefit of funding (£);
 - (iv) average account numbers (unit); and
 - (v) average balance (£);
- (e) the following data points for the product in (2)(e) in the indicated unit in respect of its provision to *UK* customers:
 - (i) gross interest paid out (£);
 - (ii) non-interest income (£);
 - (iii) benefit of funding (£);

- (iv) average account numbers (unit); and
 - (v) average balance (£); and
- (f) the following data points for each of the sub-products in (2)(f) in the indicated unit in respect of their provision to *UK* customers:
 - (i) non-interest income (£);
 - (ii) average account numbers (unit); and
 - (iii) average assets under management (£);
- (4) the *firm's* average total customer number for consumers;
- (5) for each data point in (3)(a) to (d) and (f), the aggregate of any amount the *firm* cannot allocate to a sub-product in (2)(a) to (d) or (f);
- (6) whether any data points in (3) or (4) were estimated, and the methodology used in making any estimates; and
- (7) for each data point in (3) or (4) the *firm* does not provide, confirmation that it either:
 - (a) did not offer the product or sub-product to which the data relates; or
 - (b) does not hold it, cannot obtain it from other *firms* in its *group* and cannot reliably estimate it.

Core Financial Data Request: personal lending

16 Annex 59.7 R The Retail Banking Business Models Report must include:

- (1) whether any *firm* in respect of which the report is submitted offered to provide personal lending to *UK* customers during the period to which the report relates – if not, the *firm* is not required to provide any more data in this section of the report;
- (2) whether the *firm* holds, or can obtain or reliably estimate, any of the data points in (3) in respect of the provision of the following products to *UK* customers:
 - (a) credit cards;
 - (b) personal lending:
 - (i) secured loans; and

- (ii) unsecured loans;
 - (c) motor finance;
 - (d) wealth lending; and
 - (e) other personal lending;
- (3)
- (a) the following data points for the product in (2)(a) in the indicated unit in respect of its provision to *UK* customers:
 - (i) gross interest income (£);
 - (ii) non-interest income (£);
 - (iii) cost of funds (£);
 - (iv) average account numbers (unit);
 - (v) impairment charge (£);
 - (vi) average balance (£);
 - (vii) average credit RWAs (£);
 - (viii) daily, monthly or annual charge income (£);
 - (ix) card interchange income (£);
 - (x) ATM interchange income (£);
 - (xi) origination fee income (£);
 - (xii) default charge income (£);
 - (xiii) early repayment charge income (£);
 - (xiv) insurance and other add-on fee income (£);
 - (xv) commission income (£); and
 - (xvi) international transaction income (£);
 - (b) the following data points for each of the sub-products in (2)(b) in the indicated unit in respect of their provision to *UK* customers:
 - (i) gross interest income (£);
 - (ii) non-interest income (£);

- (iii) cost of funds (£);
 - (iv) average account numbers (unit);
 - (v) impairment charge (£);
 - (vi) average balance (£);
 - (vii) average credit RWAs (£);
 - (viii) daily, monthly or annual charge income (£);
 - (ix) origination fee income (£);
 - (x) default charge income (£);
 - (xi) early repayment charge income (£);
 - (xii) insurance and other add-on fee income (£); and
 - (xiii) commission income (£); and
- (c) the following data points for each of the products in (2)(c) to (e) in the indicated unit in respect of their provision to *UK* customers:
- (i) gross interest income (£);
 - (ii) non-interest income (£);
 - (iii) cost of funds (£);
 - (iv) average account numbers (unit);
 - (v) impairment charge (£);
 - (vi) average balance (£);
 - (vii) average credit RWAs (£);
 - (viii) daily, monthly or annual charge income (£);
 - (ix) origination fee income (£);
 - (x) default charge income (£);
 - (xi) early repayment charge income (£);
 - (xii) insurance and other add-on fee income (£); and
 - (xiii) commission income (£);

- (4) for each data point in (3)(b), the aggregate of any amount the *firm* cannot allocate to a sub-product in (2)(b);
- (5) whether any data points in (3) were estimated, and the methodology used in making any estimates; and
- (6) for each data point in (3) the *firm* does not provide, confirmation that it either:
 - (a) did not offer the product or sub-product to which the data point relates; or
 - (b) does not hold it, cannot obtain it from other *firms* in its *group* and cannot reliably estimate it.

Core Financial Data Request: small business banking

16 Annex
59.8

R The Retail Banking Business Models Report must include:

- (1) whether any *firm* in respect of which the report is submitted offered to provide lending, business current accounts or business savings accounts to *UK* customers that are small businesses during the period to which the report relates – if not, the *firm* is not required to provide any more data in this section of the report;
- (2) whether the *firm* holds, or can obtain or reliably estimate, any of the data points in (3) in respect of the provision of the following products to *UK* customers that are small businesses:
 - (a) lending to small businesses:
 - (i) asset finance;
 - (ii) invoice finance;
 - (iii) property finance;
 - (iv) term loans – secured loans;
 - (v) term loans – unsecured loans;
 - (vi) credit cards;
 - (vii) overdrafts; and
 - (viii) other lending to small businesses;
 - (b) business current accounts provided to small businesses; and
 - (c) business savings accounts provided to small businesses;

- (i) instant-access saving accounts;
- (ii) under 1 year notice savings accounts;
- (iii) fixed-term savings accounts – 1 to 2 years;
- (iv) fixed-term savings accounts – over 2 years; and
- (v) other small business savings accounts;

(3)

- (a) the following data points for each of the sub-products in (2)(a) in the indicated unit in respect of their provision to *UK* customers that are small businesses:

- (i) gross interest income (£);
- (ii) non-interest income (£);
- (iii) cost of funds (£);
- (iv) average account numbers (unit);
- (v) impairment charge (£);
- (vi) average balance (£);
- (vii) average credit RWAs (£);
- (viii) daily, monthly or annual charge income (£);
- (ix) origination fee income (£);
- (x) default charge income (£);
- (xi) early repayment charge income (£);
- (xii) insurance and other add-on fee income (£); and
- (xiii) commission income (£);

- (b) the additional following data points for credit cards in the indicated unit in respect of their provision to *UK* customers that are small businesses:

- (i) card interchange income (£);
- (ii) ATM interchange income (£); and
- (iii) international transaction income (£);

- (c) the following data points for the product in (2)(b) in the indicated unit in respect of its provision to *UK* customers that are small businesses:
 - (i) gross interest paid out (£);
 - (ii) non-interest income (£);
 - (iii) benefit of funding (£);
 - (iv) average account numbers (unit);
 - (v) average balance (£);
 - (vi) daily, monthly or annual charge income (£);
 - (vii) card interchange income (£);
 - (viii) ATM interchange income (£);
 - (ix) insurance and other add-on fee income (£);
 - (x) commission income (£); and
 - (xi) international transaction income (£); and
- (d) the following data points for each of the sub-products in 2(c) in the indicated unit in respect of their provision to *UK* customers that are small businesses:
 - (i) gross interest paid out (£);
 - (ii) non-interest income (£);
 - (iii) benefit of funding (£);
 - (iv) average account numbers (unit); and
 - (v) average balance (£);
- (4) the *firm's* average total customer number for small businesses;
- (5) the definition of 'small business' used by each *firm* in respect of which the report is submitted;
- (6) for each data point in (3)(a) and (d), the aggregate of any amount the *firm* cannot allocate to a sub-product in (2)(a) or (c);
- (7) whether any data points in (3) or (4) were estimated, and the methodology used in making any estimates; and

- (8) for each data point in (3) or (4) the *firm* does not provide, confirmation that it either:
 - (a) did not offer the product or sub-product to which the data point relates; or
 - (b) does not hold it, cannot obtain it from other *firms* in its *group* and cannot reliably estimate it.

Core Financial Data Request: other business banking

16 Annex
59.9

R The Retail Banking Business Models Report must include:

- (1) whether any *firm* in respect of which the report is submitted offered to provide lending, business current accounts or business savings accounts to *UK* customers that are other businesses during the period to which the report relates – if not, the *firm* is not required to provide any more data in this section of the report;
- (2) whether the *firm* holds, or can obtain or reliably estimate, any of the data points in (3) in respect of the provision of the following products to *UK* customers that are other businesses:
 - (a) lending to other businesses; and
 - (b) accounts provided to other businesses:
 - (i) business current accounts; and
 - (ii) business savings accounts;
- (3)
 - (a) the following data points for the product in (2)(a) in the indicated unit in respect of its provision to *UK* customers that are other businesses:
 - (i) gross interest income (£);
 - (ii) non-interest income (£);
 - (iii) costs of funds (£);
 - (iv) average account numbers (unit);
 - (v) impairment charge (£);
 - (vi) average balance (£); and
 - (vii) average credit RWAs (£); and

- (b) the following data points for each of the sub-products in (2)(b) in the indicated unit in respect of their provision to *UK* customers that are other businesses:
 - (i) gross interest paid out (£);
 - (ii) non-interest income (£);
 - (iii) benefit of funding (£);
 - (iv) average account numbers (unit); and
 - (v) average balance (£);
- (4) the *firm's* average total customer number for other businesses;
- (5) for each data point in (3)(b), the aggregate of any amount the *firm* cannot allocate to a sub-product in (2)(b);
- (6) whether any data points in (3) or (4) were estimated, and the methodology used in making any estimates; and
- (7) for each data point in (3) or (4) the *firm* does not provide, confirmation that it either:
 - (a) did not offer the product or sub-product to which the data point relates; or
 - (b) does not hold it, cannot obtain it from other *firms* in its *group* and cannot reliably estimate it.

Core Financial Data Request: wholesale funding

16 Annex
59.10

R The Retail Banking Business Models Report must include:

- (1) whether any *firm* in respect of which the report is submitted obtained wholesale funding during the period to which the report relates – if not, the *firm* is not required to provide any more data in this section of the report;
- (2) whether the *firm* holds, or can obtain or reliably estimate, any of the data points in (3) in respect of the following funding sources:
 - (a) bank loans and overdrafts;
 - (b) wholesale debt securities on issue;
 - (c) wholesale subordinated debt;
 - (d) funds received from the Bank of England; and

- (e) other wholesale funding sources;
- (3) the following data points for the funding sources in (2) in the indicated unit:
 - (a) gross interest paid out (£); and
 - (b) average balance (£);
- (4) for each data point in (3), the aggregate of any amount the *firm* cannot allocate to a funding source in (2);
- (5) whether any data points in (3) were estimated, and the methodology used in making any estimates; and
- (6) for each data point in (3) the *firm* does not provide, confirmation that it either:
 - (a) did not obtain the funding source to which the data point relates; or
 - (b) does not hold it, cannot obtain it from other *firms* in its *group* and cannot reliably estimate it.

Core Financial Data Request: whole business

16 Annex
59.11

R The Retail Banking Business Models Report must include:

- (1) the following data points in the indicated unit:
 - (a) operating costs (£):
 - (i) investment costs;
 - (ii) IT running costs;
 - (iii) payments and cash handling costs;
 - (iv) customer service and support costs;
 - (v) branch network direct costs;
 - (vi) ATM network direct costs;
 - (vii) communications and marketing costs;
 - (viii) compliance and regulation costs;
 - (ix) credit operation costs;
 - (x) product and proposition costs;

- (xi) other central function costs;
- (xii) third-party fraud costs;
- (xiii) other property costs; and
- (xiv) other operating costs;
- (b) customer acquisition costs (£);
- (c) profit and loss (£):
 - (i) gross interest income;
 - (ii) gross interest paid out;
 - (iii) fee and commission income;
 - (iv) fee and commission expenses;
 - (v) banking as a service income;
 - (vi) other operating income;
 - (vii) non-operating income from fair value adjustments, acquisitions, disposals, etc;
 - (viii) impairment charges;
 - (ix) total operating costs;
 - (x) non-operating costs;
 - (xi) exceptional, one-off items;
 - (xii) profit before tax;
 - (xiii) tax;
 - (xiv) minority interests; and
 - (xv) profit after tax;
- (d) balance sheet (£):
 - (i) cash and balances at banks;
 - (ii) loans and advances to customers;
 - (iii) loans and advances to banks (including those based in other countries);

- (iv) other lending balances;
- (v) property, plant and equipment;
- (vi) intangible assets;
- (vii) other assets;
- (viii) total assets;
- (ix) total customer deposits;
- (x) deposits from banks (including those based in other countries);
- (xi) wholesale funding;
- (xii) other liabilities;
- (xiii) total liabilities; and
- (xiv) total equity;
- (e) risk-weighted assets (RWAs) (£):
 - (i) average credit RWAs – from lending activities;
 - (ii) average other credit RWAs – from other credit exposure;
 - (iii) average operational RWAs; and
 - (iv) average other RWAs (eg, market risk); and
- (f) capital ratios (%):
 - (i) CET1 ratio;
 - (ii) tier 1 ratio;
 - (iii) total capital ratio;
 - (iv) leverage ratio; and
 - (v) net interest margin (NIM);
- (2) whether any data points in (1) were estimated, and the methodology used in making any estimates; and
- (3) for each data point in (1) the *firm* does not provide, confirmation that it does not hold it, cannot obtain it from other *firms* in its *group* and cannot reliably estimate it.

Off-the-shelf Document Request

- 16 Annex 59.12 R The Retail Banking Business Models Report must include documents, or parts of documents, containing the below information in respect of the *firm's UK* customers:
- (1) what core products the *firm* offers;
 - (2) the core products launched or withdrawn by the *firm* during the *accounting reference period* to which the Core Financial Data Request relates, including:
 - (a) the status and timing of the relevant launch(es) or withdrawal(s);
 - (b) the *firm's* reasoning behind launching or withdrawing the product(s); and
 - (c) any analysis conducted on the impact of the launch(es) or withdrawal(s) on the *firm* (including its revenue) and the *firm's* customers;
 - (3) internal financial reporting information provided to the *firm's* senior management on the *firm's* overall financial performance;
 - (4) the *firm's* strategic plans for the business as a whole over at least the next 3 years in respect of:
 - (a) whether the *firm* has a strategic focus on one or more of the nations in the *United Kingdom* rather than the *United Kingdom* as a whole;
 - (b) significant investment or cost reduction programmes;
 - (c) significant changes to the *firm's* core product offering; and
 - (d) other changes that will significantly impact the *firm's* customers or operating model; and
 - (5) the following customer research carried out by, or on behalf of, the *firm*, during the *accounting reference period* to which the Core Financial Data Request relates, on the topics in SUP 16 Annex 59.13R:
 - (a) research in respect of individual core products and non-core products; or
 - (b) where the research in (a) is incorporated into strategic or higher-level research, that strategic or higher-level research.

- 16 Annex 59.13 R The topics referred to in *SUP* 16 Annex 59.12R(5) are:
- (1) who the *firm's* customers are, their circumstances, and any specific needs or preferences they have;
 - (2) uptake rates of products and services, segmented by delivery channel (eg, online, mobile app, telephone and in-branch);
 - (3) customer satisfaction levels and attitudes;
 - (4) factors that influence customers' choice of bank or financial services provider; and
 - (5) customers' future needs (eg, new or enhanced app features).
- 16 Annex 59.14 R If a document, or part of a document, referred to in *SUP* 16 Annex 59.12R is not provided, the Retail Banking Business Models Report must state whether that is because:
- (1) there is no document containing the relevant information;
 - (2) of a duty of confidentiality owed to a third party;
 - (3) the consent of a third party cannot reasonably be obtained; or
 - (4) it has already been provided to the *FCA*.

16 Annex 60G Guidance notes for completion of the Retail Banking Business Models Report

Introduction

1. These guidance notes relate to the Retail Banking Business Models Report containing the information set out in *SUP* 16 Annex 59. They aim to assist *firms* in completing and submitting that report.
2. The purpose of the Retail Banking Business Models Report is to inform the *FCA's* understanding of retail banking market dynamics in the interest of promoting effective competition.
3. Terms used in this annex have the same meaning as in *SUP* 16 Annex 59, and those in italics have the meaning set out in the *Handbook Glossary*.

Data items

4. There are 3 parts to the Retail Banking Business Model Report:
 - (a) information about the *firm(s)* to which the report relates;
 - (b) the 'Core Financial Data Request'; and

(c) the 'Off-the-shelf Document Request'.

Core Financial Data Request

5. Notes 6 to 22 relate specifically to the Core Financial Data Request.
6. All monetary values should be provided in sterling. Where relevant amounts are held in a currency other than sterling, the values should be converted into sterling using the closing spot exchange rate on the *accounting reference date* of the *accounting reference period* to which the report relates.
7. All monetary values should be reported in units and should not be rounded up.
8. Figures provided as a percentage should be entered in decimals (eg, 0.25 instead of 25%).
9. Values for balances and income should be entered as positive numbers unless a negative number is required for accounting reasons. *Firms* should explain the reason for any negative balance or income figures.
10. Values for costs and expenses should be entered as negative numbers unless a positive number is required for accounting reasons (for example, where there is net writeback or impairment). *Firms* should explain the reason for any positive costs or expenses figures.

Data points

11. *Firms* should have regard to the definitions and related guidance provided for the Core Financial Data Request when completing this section of the report. Subject to note 21 below, *firms* should interpret any terms not defined in accordance with their natural meanings.
12. The Core Financial Data Request is split into 7 sections covering:
 - (a) residential mortgages;
 - (b) personal banking;
 - (c) personal lending;
 - (d) small business banking;
 - (e) other business banking;
 - (f) wholesale funding; and
 - (g) whole business.
13. *Firms* are asked if any *firm* to which the report relates offered products in each of the first 5 sections. If they did not, the *firm* should indicate this

and will not be required to submit any further data in that section. Otherwise, the *firm* should indicate that they did and provide the specified data points.

14. *Firms* should only include data in respect of products they provided to customers themselves. They should not include data on products they offer to customers which are provided by another *firm*. As an example, one *firm* (A) could help arrange for a customer to open a bank account with another *firm* (B). Data on that bank account should only be included in B's report.
15. These sections ask *firms* about products provided to *UK* customers. This is not a defined term and we would expect *firms* to use a reasonable interpretation in line with their internal records and systems. *Firms* should, where possible, use a consistent definition over time to ensure the comparability of the data.
16. These sections each cover more than one product. For example, the 'residential mortgages' section covers two products: 'owner-occupied mortgages' and 'buy-to-let mortgages'. Both of these products are split into sub-products. For example, 'owner-occupied mortgages' is split into:
 - (a) initial fixed-rate mortgages;
 - (b) initial variable-rate mortgages;
 - (c) SVR mortgages;
 - (d) non-SVR mortgages; and
 - (e) other owner-occupied mortgages.
17. Where a product is split into sub-products, *firms* should provide data at the sub-product level. Where a product is not split into sub-products, *firms* should provide data at the product level.
18. *Firms* are asked to submit data at the product level or sub-product level as follows:
 - (a) If no *firm* to which the report relates offered the relevant product/sub-product, the *firm* should indicate that the data is not available and note that the relevant product/sub-product was not offered.
 - (b) If a *firm* to which the report relates did offer the relevant product/sub-product, the *firm* should only indicate it does not have data available if it is unable to provide all the *data elements* requested in relation to that product/sub-product.
 - (c) If the value of a *data element* is zero, this should be recorded as such. The *firm* should not say that the data is not available. That

will be the case where, for example, no non-interest income was earned on owner-occupied mortgages.

- (d) The effect of *SUP* 16.34.5R(2) is that where a *firm* cannot provide accurate data it should provide a reliable estimate where possible. If it is not possible for a *firm* to provide a reliable estimate, it should not provide data.
 - (e) If a *firm* can provide data for a product but cannot allocate any of it to the listed sub-products, this unallocated data should be submitted at the product level. For example, a *firm* may hold data on its 'gross interest income' for 'owner occupied mortgages' but only be able to split the data by sub-product for 3 of the 5 sub-products it provides. No 'gross interest income' data should be provided for the 2 other sub-products and the data relating to those 2 sub-products should be aggregated and submitted as unallocated 'gross interest income'.
 - (f) If a *firm* holds data for any sub-products that are not listed under the relevant product, the *firm* should aggregate that data and submit it in response to the data point for 'other' sub-products.
19. In the 6th section, *firms* are asked if any *firm* to which the report relates obtained wholesale funding. If they did not, the *firm* should indicate this and will not be required to submit any further data in relation to this section. Otherwise, the *firm* should indicate that they did and provide the specified data points. *Firms* are asked to submit data at the funding source level and note 18(a) to (d) applies to this section as if references to offering the relevant product/sub-product are instead to obtaining the relevant funding source. If a *firm* cannot allocate any data to a funding source, it should be aggregated and recorded as unallocated. If a *firm* holds data for any wholesale funding sources that are not listed, the *firm* should aggregate that data and submit it in response to the data point for 'other wholesale funding sources'. *Firms* in *groups* can submit data in this section corresponding to that in relevant group accounts.
20. In the 7th section, *firms* are asked to submit data relating to:
- (a) operating costs;
 - (b) customer acquisition costs;
 - (c) profit and loss;
 - (d) balance sheet;
 - (e) risk weighted assets; and
 - (f) capital ratios.
21. This is to get information on *firms*' banking business as a whole. In this section, certain data points relating to a *firm*'s balance sheet and profit and loss data are not defined. We expect *firms* to interpret these *data elements*

in accordance with the applicable financial accounting reporting standards. *Firms* in *groups* can submit data in this section corresponding to that in relevant group accounts.

22. Where a *firm* has not provided a requested data point and not confirmed the reason, this will be shown as an error. *Firms* should resolve all errors before submitting the report.

Off-the-shelf Document Request

23. Notes 23 to 28 and the guidance table below relate specifically to the Off-the-shelf Document Request.
24. The Off-the-shelf Document Request asks *firms* to provide various documents, or parts of documents, that will help the *FCA* better understand *firms*' business models. As set out in SUP 16.34.5R(3), the *FCA* does not expect *firms* to produce new documents for this section. Where *firms* only provide part of a document, the extract should be understandable in isolation. The *firm* should also make sure that the rest of the document does not contain relevant information.
25. SUP 16.34.5R(3) also says a *firm* is not required to provide a document, or part of it, if it cannot do so without breaching a duty of confidentiality or obtaining a consent which cannot reasonably be obtained. A *firm* is also not required to provide documents, or parts of documents, it has previously provided to the *FCA*. If a *firm* does not provide a relevant document, or part of it, it must state the reason for not providing it.
26. The Off-the-shelf Document Request asks *firms* for information in respect of their *UK* customers. This is not a defined term and we would expect *firms* to use a reasonable interpretation in line with their internal records and systems. *Firms* should, where possible, use a consistent definition over time to ensure the comparability of the data.
27. *Firms* can upload several documents, or parts of documents, per request if the information sits across more than one source or if a report is being submitted on behalf of several *firms* in the same group. However, *firms* should not submit multiple documents, or parts of documents, containing the same information that do not contain other relevant information.

Nil responses

28. The *FCA* expects it to be very rare that a *firm* does not hold any documents that are responsive to a particular request. However, if this is the case, a *firm* should not upload any documents and must state that it does not hold any responsive documents.

Guidance for the response to individual requests

Request	Guidance
---------	----------

What core products the <i>firm</i> offers.	<i>Firms</i> should provide documents that list the relevant products. The <i>FCA</i> does not expect <i>firms</i> to provide detailed information about the products they offer such as interest rates or the terms and conditions.
Internal financial reporting information provided to the <i>firm's</i> senior management on the <i>firm's</i> overall financial performance.	This could, for example, be contained in a <i>firm's</i> management accounts, Chief Finance Officer reports or committee papers.
The <i>firm's</i> strategic plans for the business as a whole over at least the next 3 years in respect of: (1) whether the <i>firm</i> has a strategic focus on one or more of the nations in the <i>United Kingdom</i> rather than the <i>United Kingdom</i> as a whole; (2) significant investment or cost reduction programmes; (3) significant changes to the <i>firm's</i> core product offering; and (4) other changes that will significantly impact the <i>firm's</i> customers or operating model.	These should be high-level plans relating to how a <i>firm</i> intends to structure its business, rather than plans for specific products. The <i>FCA</i> would normally expect this information to be in a <i>firm's</i> short- or medium-term business plan. Whether a planned change is 'significant' will depend on the <i>firm</i>. <i>Firms</i> should assess significance in the context of their own business, but the <i>FCA</i> would expect the documents provided to cover investments, programmes or changes that will have a material strategic or financial impact on the <i>firm</i>. The <i>FCA</i> does not expect <i>firms</i> to provide detailed information on planned changes – eg, details of project plans or status updates.

© Financial Conduct Authority 2026
12 Endeavour Square London E20 1JN
Telephone: +44 (0)20 7066 1000
Website: www.fca.org.uk
All rights reserved

Pub ref: 1-008547

All our publications are available to download from www.fca.org.uk.

Request an alternative format

Please complete this [form](#) if you require this content in an alternative format.

Or call 0207 066 1000



Sign up for our **news and publications alerts**