

Four-Step Plan to Prepare Your Organisation for the FCA’s rules on Non-Financial Misconduct

The new rules on non-financial misconduct (NFM) come into force on 1 September 2026. NFM – which the FCA defines to include **bullying, harassment, discrimination and violence** – is now a regulatory risk.

What do the FCA want to see?

While the FCA’s approach is forward-looking and not retrospective, firms are expected to use the lead-in period to prepare. The regulator wants to see **evidence that firms are treating NFM as a regulatory conduct matter**, not just as an HR-only issue. The FCA will look for **clear governance and senior management oversight of cultural issues** and expects the **supply of quality management information focused on NFM**.

What are we helping firms to put in place?

There are some initial, easy steps to ensure you have foundations for compliance in place. To account for the new rules, we are working with firms to: (1) review their governance and policy frameworks; (2) make targeted, proportionate updates to relevant frameworks; (3) design and run a Conduct Rules update workshop for all staff; and (4) record the steps that have been taken in light of the new NFM rules. These workstreams are not expensive, and we can work with and adapt what you already have in place.

Step 1: Review Governance Steps Framework and Policies & Procedures

- Review current governance and policy framework (e.g., compliance manual, investigations procedures, appraisal forms, fitness and propriety assessment documents, and code of conduct) to consider whether updates need to be made to account for NFM.
- Discuss any existing channels which produce data that could help to detect NFM (e.g., exit interviews, speak-up reports) and how these can be used for the provision of NFM-specific management information.

Step 2: Update Governance Framework and Policies & Procedures

- Update governance framework and relevant policies and procedures (including liaising with HR on Personal Conduct/Respect in Workplace Policy) to account for the new rules.
- Consider ancillary supporting material such as board minutes and discussion points for meetings with senior executives.

Step 3: Run Conduct Rule Update Workshop for Staff

- Design and deliver a session which works for your market position, people, and organisational culture. This will include practical scenarios that are relevant to your business and operation.

Step 4: Record Governance Steps

- Draft short memorandum to record the steps you have taken to ensure NFM is included in your governance and compliance structures.

Starting now gives you time to work with key stakeholders, including HR and Executive Leadership, to make targeted changes which suit your culture and market position

For more background, listen to our **podcast mini-series** which summarises the regulatory framework, employment law implications, and the critical role of workplace culture in preventing and addressing NFM. Click the icons below to listen to the first of three episodes on Spotify or Apple Podcasts.



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