

Financial crime enforcement: Key issues to watch in the United Kingdom in 2026

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The landscape of financial crime enforcement in the United Kingdom is undergoing its most significant transformation in decades, driven by significant corporate crime legislative reforms, a sharpened focus on corporate accountability and a decisive pivot towards intelligence-led, technology-enabled enforcement. Although the Economic Crime and Corporate Transparency Act 2023 (ECCTA), the Government's Fraud Strategy 2026–2029, and a renewed focus on public-private collaboration signal substantial policy and legislative change, these developments have not yet been reflected in enforcement practice.

Key issues

- 1 Expansion of corporate criminal liability:** The ECCTA has reshaped compliance by introducing the 'failure to prevent fraud' offence and a new statutory attribution model for senior management, significantly increasing prosecution risks for corporates and their leaders. This has driven widespread fraud risk assessments and a renewed emphasis on documenting reasonable procedures.
- 2 Public-private fraud enforcement:** The Government's [Fraud Strategy 2026–2029](#) prioritises prevention and intelligence-led enforcement, recognising fraud as the UK's most prevalent crime and a major economic and security threat. Central to this is the new Online Crime Centre, targeting large-scale online and overseas fraud, and reflecting a commitment to coordinated public-private action.
- 3 Selective enforcement:** Whilst there have been policy and legislative changes, this has not yet been reflected in enforcement as agencies such as the Serious Fraud Office (SFO) and Financial Conduct Authority (FCA) are focusing on fewer, less high-profile

cases, but with increased use of asset recovery tools and targeted individual charges.

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Incentivising whistleblowing and early engagement: HMRC's Strengthened Reward Scheme introduces financial incentives for information leading to tax recovery, signalling a move towards US-style whistleblower programmes. The SFO is advocating for similar incentives in economic crime, encouraging earlier self-reporting and cooperation.

How has the UK's approach to financial crime enforcement evolved over the past year, particularly in light of recent legislative reforms, strategic initiatives, and enforcement trends?

The UK's financial crime framework has undergone major reform, led by the [ECCTA](#), which took effect on 1 September 2025. ECCTA introduces a statutory senior manager test for a wide range of economic offences, making it easier to attribute liability to corporates (see our previous blog post [here](#)). It also creates a new [failure to prevent fraud offence \(FTPF\)](#) for large organisations, requiring boards to implement [reasonable prevention procedures](#). The [Crime and Policing Bill 2025](#) received Royal Assent on 29 April 2026 to have effect from 29 June this year and will extend this attribution model to *all* criminal offences, which would significantly broaden corporate exposure (see our blog post on this [here](#) and a previous blog post commenting on the Bill's progression [here](#)). For full details of the offence under ECCTA and analysis on how it applies to corporate organisations in the UK and further afield, see our briefing [here](#). Key considerations for implementing reasonable prevention procedures are addressed [here](#), while practical examples of scenarios in which the offence may be engaged are set out [here](#).

The UK Government's [Fraud Strategy 2026–2029](#) responds to fraud's emergence as the UK's most prevalent crime and a growing national security and economic threat. Backed by more than £250 million in government investment, the strategy adopts a system-wide, public-private approach designed to disrupt fraud at the source, safeguard the public and businesses and deliver better outcomes for victims. The strategy centres on upstream, intelligence-led intervention, international cooperation and enhanced technological capability.

As part of the so-called 'disrupt' pillar of the Fraud Strategy, [the UK Government has announced the creation of a new Online Crime Centre](#), a specialist fraud unit backed by a £31 million budget and led by the National Crime Agency (NCA) and the Home Office. Launching in April 2026, the centre is designed to tackle large-scale online fraud and 'overseas scam compounds' (operating across Southeast Asia, West Africa, Eastern Europe, India and China) by bringing together [law enforcement, government, banks, telecoms providers and major technology companies](#). It will use advanced technology, including AI, to disrupt the accounts, websites and payment channels used by organised criminal groups operating across multiple jurisdictions, and analyse data received from the national fraud reporting service, [Report Fraud](#), to strengthen intelligence gathering.

The SFO is now focusing on quicker, more targeted enforcement, with an emphasis on holding individuals to account and pursuing smaller, faster prosecutions, updating its [corporate compliance guidance](#) in November 2025 to reflect the new regime. Recent examples include [guilty pleas from Ethical Forestry directors](#) for fraud linked to a Costa Rica forestry project, with sentencing scheduled for May 2026.

Financial crime enforcement falls within the remit of multiple investigating and prosecuting agencies. The SFO has a specialist remit, and its specialist skills and relatively limited resources are reserved for comparatively complex cases. Some of the highest profile prosecutions to be concluded recently concerning financial crime have flowed from investigations by specialist units within particular police forces or the NCA. For example, a [record 10.5-year prison sentence for bribery](#) handed to a former UK MEP in November 2025 for accepting payments of around £40,000 between 2018 and 2019 resulted from an investigation by the Metropolitan Police that principally related to national security concerns. In 2024, the first conviction of an individual for the offence of bribing a foreign public official, which concerned mining licences in Madagascar and led to two individuals being jailed for a total of almost six years, followed an investigation by the NCA's International Corruption Unit.

No major deferred prosecution agreements (DPAs) were concluded last year. Numbers remain lower than may have been expected when they were introduced over ten years ago, and most have been complied with. However, the SFO has demonstrated that it will take an assertive and determined stance in cases where corporates do not keep to their side of the bargain, successfully pursuing proceedings (which remain ongoing) to enable it to enforce a [breach of a DPA](#) by re-opening criminal proceedings. The Crown Prosecution Service has [entered into its first DPA](#) in a case which may signal broader adoption of DPAs in future. That outcome, although concerned with bribery offences, stemmed from a long-running investigation by HM Revenue & Customs.

For its part, the SFO has been keen to encourage early self-reporting and active engagement from corporates, publishing updated guidance on evaluating corporate compliance programmes (see our previous blog [here](#)). It has also demonstrably sought to use its extensive investigative and asset recovery powers in innovative and previously untested ways. This has included using [unexplained wealth orders](#) for the first time, increased use of civil recovery and account freezing orders (including, for the first time, in respect of [crypto assets](#)) and heavily negotiated arrangements aimed at ensuring that recovered funds are returned to victims (rather than HM Treasury), as in the [Jammal \(global email fraud\) case](#).

Most recently, on 16 April 2026, the SFO published its [Business Plan for 2026-2027](#), marking the midway point of their [five-year strategy](#) (2024-2029). The plan is centred around four strategic outcomes and the various steps that will be taken to achieve those outcomes. Notable outputs include SFO commitments to bolster its in-house workforce, invest further in intelligence and technology (including AI) and strengthen its international partnerships to fight complex fraud, bribery and corruption. The SFO will benefit by £8.3 million of additional funding which it plans to invest in proactive intelligence, new AI opportunities and an expansion of its cryptoassets capabilities.

Which sectors are currently attracting heightened regulatory and enforcement scrutiny for financial crime, and what recent developments illustrate this increased focus?

Overall levels of regulatory enforcement activity are low. The FCA, at pains to ensure that it is not taking action which may stifle economic growth, is opening very few new enforcement cases. However, it has confirmed financial crime compliance remains a priority and we can expect to continue to see periodic significant enforcement outcomes.

The sustainable finance and ESG ratings sector may be one area that will attract heightened scrutiny as the FCA receives powers to regulate ESG ratings providers under draft legislation introduced in October 2025 (see Consultation Paper 25/34 [here](#)). The regulator is continuing to develop the framework it will use to improve transparency, governance and conflict management, and to address risks such as greenwashing and misleading claims. Digital assets and crypto trading are priorities as well, evidenced by the SFO's [first crypto-related fraud investigation](#) and the FCA's [first data misuse prosecution](#).

More traditional high-risk sectors, such as public-sector procurement, construction and complex supply-chain industries, remain in focus due to sustained exposure to fraud, bribery and false accounting risks. These issues have been amplified by ECCTA's reforms lowering the threshold for attributing senior manager conduct to corporates.

Looking ahead, in addition to continued high levels of scrutiny of financial services firms, there may be more enforcement outcomes against large corporates across the economy, particularly consumer-facing businesses, digital platforms, and businesses in the telecommunications and professional services sectors. The Government's [Fraud Strategy 2026–2029](#) places greater responsibility on sectors that sit closest to fraud origination or enablement to implement robust preventative controls, signalling a heightened enforcement landscape for corporates that fail to mitigate fraud risks effectively.

What recent structural or leadership changes have occurred within the main financial crime enforcement bodies?

The early retirement of SFO director [Nick Ephgrave](#) in March 2026 marks a significant moment for the agency, following a tenure characterised by greater pace, innovation and strategic focus. Mr Ephgrave championed the use of AI and machine learning in disclosure, established the SFO's crypto-asset capability and played a key role in founding the first international [Anti-Corruption Prosecutorial Taskforce](#), strengthening global collaboration on fraud and corruption cases.

In February 2026, Graham McNulty (already a senior leader within the SFO during Mr Ephgrave's directorship and a fellow former senior police officer) was [appointed as interim director of the SFO](#). His approach is likely to mirror that of his predecessor.

The Competition and Markets Authority (CMA) announced in February 2026 that [Doug Gurr has been selected as the preferred candidate to remain as chair of the CMA](#). Mr Gurr was appointed as interim chair of the CMA in January 2025 following a career as a [tech entrepreneur and senior executive of Amazon](#).

To what extent will the proposed reforms addressing capacity issues in the UK criminal courts affect the efficiency and fairness of financial crime enforcement?

Sir Brian Leveson's [Independent Review of the Criminal Courts](#) (Part I published July 2025, Part II February 2026) has highlighted significant structural challenges in the UK's criminal courts, including chronic delays and capacity issues. These pressures are already having a tangible impact on financial crime enforcement. For example, the [Patisserie Holdings prosecution](#), charged in 2023, has been relisted to January 2028, underlining the extent of delays facing serious fraud trials.

This environment explains why the SFO and other agencies are increasingly seeking alternative enforcement strategies – such as asset recovery under the Proceeds of Crime Act 2002 (POCA), focusing on individual accountability or pursuing negotiated settlements – to achieve timely disruption and deterrence, even as they prepare for full trials where the public interest and evidential strength require it. For in-house teams, such delays mean prolonged litigation holds, greater risks to witness memory and increased costs associated with unresolved exposure, all of which further incentivise early and credible engagement with prosecutors when issues arise.

To address these issues, the Review recommended a range of reforms, including limiting jury trials for certain lower-level offences, introducing a judge-led “intermediate” model in the Crown Court, and investing in technology for case management, remote hearings, and dedicated case progression roles. For further analysis, see our previous blog [here](#).

Some of these proposals are now being taken forward through the [UK Government's Courts and Tribunals Bill](#), although their passage through Parliament may be tumultuous and it is, as yet, far from certain that proposals to limit availability of jury trial and other changes will reach the statute book. For further analysis, see our previous blog [here](#).

What recent enforcement initiatives and policy shifts are driving changes in fraud detection, intelligence-sharing and whistleblower incentives?

Enforcement bodies are prioritising earlier fraud detection and disruption through enhanced intelligence sharing, advanced technology and data analytics, and closer collaboration with overseas regulators and the private sector. Recent initiatives include the SFO's contribution to international [foreign bribery indicators guidance](#), published by the International Foreign Bribery Taskforce, in December 2025.

A [Home Office call for evidence](#) on improving data sharing, which closes in May 2026, may eventually improve the efficacy and effectiveness of information exchange amongst regulated financial services firms and between the public and private sectors in relation to financial crime.

The UK is also moving towards a US-style whistleblower incentive scheme, with HMRC's [Strengthened Reward Scheme](#) now offering 15-30% of tax recovered (over £1.5 million) to informants in serious tax cases. This represents a shift from the UK's traditionally limited approach to whistleblower rewards, and the SFO has expressed strong support for similar incentives to boost reporting of fraud, bribery and corruption. However, concerns remain about the risk of unreliable or malicious reports

and whether financial rewards will significantly increase whistleblowing. See previous blog [here](#).

What recent trends have you observed in the size and frequency of financial penalties imposed on companies and financial institutions for financial crimes in the UK?

Financial penalties remain substantial but are increasingly targeted, with authorities focusing on fewer, higher-impact cases and using asset recovery for quicker disruption and restitution. The FCA opened 23 new enforcement actions between June and December 2025, reflecting a shift towards faster, more impactful outcomes – for example, [concluding its investigation into John Wood Group plc within nine months](#) and [imposing a £13 million penalty for publishing inaccurate financial results](#).

There is also greater reliance on POCA tools, with asset recovery receipts [reaching £284.5 million in the year to March 2025](#), driven by increased use of confiscation, forfeiture and civil recovery. For firms, this means a higher risk of early freezing and forfeiture of assets – sometimes with victim compensation – well before any trial concludes. While headline fines remain large, firms must also prepare for the practical impact of swift POCA interventions that can immobilise funds and crystallise losses early in the enforcement process.



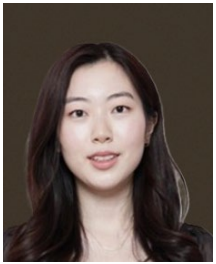
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