

# What is a Skilled Person Review (section 166)

**What they are and how financial firms should choose a skilled person.**



## Highlights

A Skilled Person Review (section 166) is an independent regulatory assessment commissioned by the FCA or PRA.

It is used to assess risks in areas such as governance, conduct, financial crime, and operational resilience.

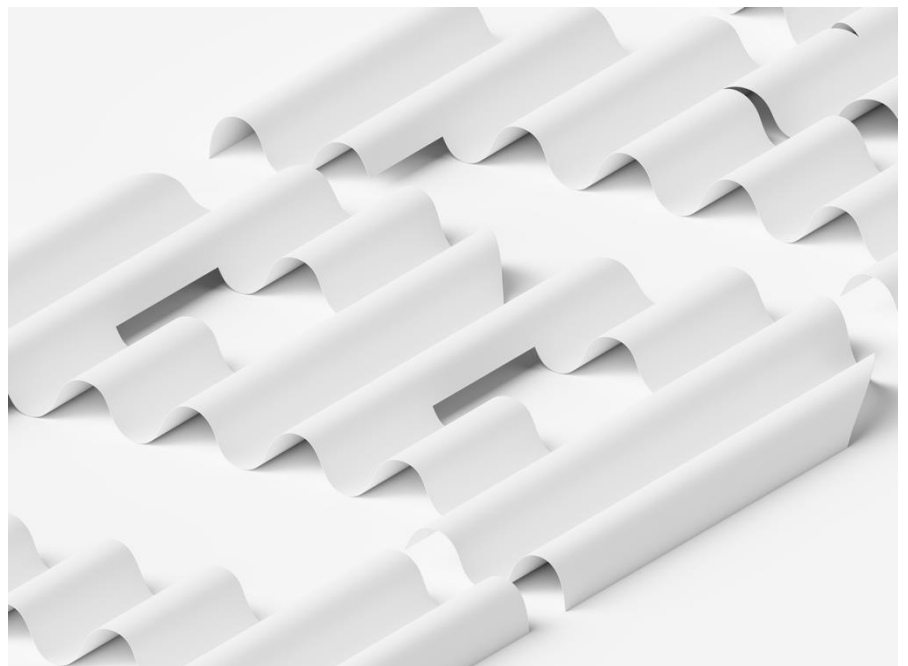
Firms typically appoint the skilled person, subject to regulatory approval.

Choosing the right reviewer requires expertise, independence, and strong regulatory understanding.

**What is a Skilled Person Review** — and how should decision-makers at a regulated financial services firm choose a Skilled Person?

If you need a skilled person in the areas of governance, accountability and culture, controls and risk management frameworks, conduct of business, financial crime or ICT, cyber risk and resilience, we at Promontory, a business unit of IBM, will be able to help.

With the **FCA and PRA publishing their updated Skilled Person Panel list in April 2026**, regulated firms are taking a refreshed interest in understanding how skilled person reviews work and how best to approach them. The updated panel, which is expected to be in place until **31 March 2030**, sets out the different categories (“lots”) that regulators may use when selecting skilled persons for regulatory reviews. This update means now is an ideal time for firms to revisit what a skilled person review entails, why regulators commission them, and how to choose an appropriate reviewer.



## What is a Skilled Person Review (section 166)?

A skilled person review—commonly referred to as a **section 166** review—is a formal **regulatory review** conducted under **section 166 of the Financial Services and Markets Act (FSMA)**.

It is commissioned where the FCA or PRA requires an independent assessment of specific aspects of a firm’s activities, such as governance, conduct, risk management, prudential soundness, operational resilience, or financial crime controls.

## Why do regulators commission Skilled Person Reviews?

The regulators use this tool (under s166) for various reasons.

Common reasons include:

- information gathering (to provide assurance to the regulators on a particular area)
- assessing governance, controls or risk frameworks
- confirming or otherwise concerns the regulators may have, which may lead to further regulatory action (e.g. issue of a VREQ restricting some or all of the firm’s business up to and including enforcement investigations).

**Under FSMA s166**, the skilled person may conduct diagnostic work, assess risks, or provide recommendations for remediation. The resulting skilled person report is submitted directly to the regulator and often informs subsequent supervisory steps.

Although the regulators initiate the need for a **skilled person report** (and will approve the scope), it is mostly the firm that appoints the skilled person (subject to regulatory approval). In some cases (usually where there are particular concerns), however, an **FCA-appointed skilled person** or **PRA-appointed skilled person** may be selected directly by the regulator and imposed on the firm.

## When might a firm face a Skilled Person Review?

The increasing regulatory emphasis on proactive, data-driven oversight means s166 powers are being used more frequently. Common triggers include:

- Concerns about regulatory compliance or potential breaches.
- Weaknesses in governance, culture, risk management, or internal controls.
- Issues relating to prudential stability or financial resilience.
- Indicators of potential market abuse, misconduct, or poor customer outcomes.

Recent regulatory trends show heightened focus on accountability, culture, conduct, and controls—and the updated Skilled Person Panel reflects these supervisory priorities.

## Why the April 2026 panel update matters

The **2026 update** to the Skilled Person Panel provides an opportunity to reinforce the regulatory expectations around:

- **Clear alignment between the subject matter of the review and the expertise of the appointed skilled person.**
- **Transparency and proportionality in the execution of s166 reviews.**
- **Ensuring that firms take a structured, consistent approach to skilled person selection.**

Firms may be advised to treat the refreshed panel as a prompt to strengthen their internal readiness for regulatory discussions, especially given the increasing frequency of s166 reviews across key risk areas.

## How should a firm choose a Skilled Person?

When firms are required to appoint a skilled person, the selection process is strategically important. In practice, firms are often expected to propose multiple candidates and clearly justify their preferred choice to the regulator.

The FCA's and PRA's **Skilled Person Panel**, organised into technical "lots," provides a structured reference point for assessing capability and expertise. In most instances, the regulatory expectation will be that firms choose a provider from the panel (typically the regulator might want to seek quotes from three different skilled person firms, together with a recommendation of preference). Key considerations include:

### **1. Expertise aligned to scope**

The chosen skilled person must demonstrate deep and relevant subject-matter expertise aligned to the specific lot applicable to the review—for example, governance, conduct (including the Consumer Duty), operational resilience, prudential risk, or fraud and financial crime.

### **2. Independence and objectivity**

The regulator requires independent skilled persons, and any potential conflicts of interest will be scrutinised. Maintaining objective judgment throughout the review is critical.

### **3. Proportionate, transparent methodology**

Clarity around the review approach—evidence gathering, validation of findings and proportionality—is essential. Firms benefit from selecting skilled persons who commit to a transparent and efficient process.

### **4. Strong understanding of regulatory standards**

A skilled person with deep familiarity with regulatory expectations provides actionable insights and ensures the firm's practices are assessed against the correct frameworks

Conclusion:  
a timely opportunity to  
strengthen regulatory  
readiness

With **the 2026 Skilled Person Panel** update now in effect, this is an opportune moment for firms to revisit how they prepare for and engage with skilled person reviews, especially as it presents an opportunity to engage with the relevant regulator (which for all but the very largest firms might not happen regularly).

How IBM  
Promontory can help

IBM Promontory has been selected for the "lots" that reflect our capability and expertise:

Lot B: governance, accountability and culture

Lot C: controls and risk management frameworks

Lot D: conduct of business

Lot E: financial crime

Lot J: information and communications technology and cyber risk and resilience management

If your firm is preparing for a potential s166 review, responding to regulatory concerns, or seeking clarity on the skilled person selection process, in any of these areas we encourage you to get in touch with us. We can help you navigate the requirements, prepare effectively, and ensure that you are well positioned to engage constructively with the FCA or PRA through every stage of the skilled person review process.



## Frequently Asked Questions

1. What is a Section 166 review?  
A Section 166 review is an independent regulatory assessment conducted under FSMA to evaluate specific risks within a firm.
2. Who appoints the skilled person?  
In most cases, the firm appoints the skilled person, subject to regulatory approval.
3. Do firms have to choose from the Skilled Person Panel?  
Typically, yes, the regulatory expectation will be that firms choose a provider from the panel and regulators may request multiple proposals.
4. What happens after a skilled person report?  
The report is submitted to the regulator and may lead to remediation actions or enforcement steps.

[Learn more about IBM Promontory](#)



## Contact our experts:



**Christopher Atkinson**  
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Chris has over 25 years' experience advising UK financial services firms on risk, regulation, governance and controls, including as a Skilled Person (s166) and lead adviser on regulator-mandated reviews: Chris brings a regulatory perspective, practitioner experience, and board-level judgement to complex regulatory challenges across the UK financial services sector. He is a trusted adviser to boards, CROs and senior executives on matters of regulatory risk, assurance and large-scale remediation.

Since 2024, Chris has led the Promontory UKI practice at IBM, overseeing engagements covering customer remediation, risk management, and governance and control frameworks for major financial services firms, including FTSE 100 companies. As well as leading and delivering Skilled Person reviews and other FCA- and PRA-required assessments, he advises firms on regulatory engagement and supervisory expectations.

Chris has designed, delivered and independently assessed remediation programmes spanning customer outcomes, operating model deficiencies, and control and governance weaknesses. His experience includes both the development of remediation strategies and the assessment of their design and implementation, providing boards and regulators with confidence in execution and outcomes.

In addition, Chris regularly advises boards and executives on what effective governance looks like, both in business-as-usual operations and during periods of significant regulatory intervention, remediation or transformation.

Prior to joining Promontory in 2015, Chris held senior second-line roles at Lloyds Banking Group, leading activity on regulatory, compliance and conduct matters, as well as group-wide policy and control frameworks. He began his career as a regulator at the Financial Services Authority.



**Guy Sagar**  
Managing Director  
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Guy joined Promontory in February 2011, following an extensive career at the Bank of England and FSA where he was latterly a Head of Department and regularly chaired the Regulatory Transactions Committee.

At Promontory, Guy has led Skilled Person assignments and fully understands regulatory expectations. He has also assisted firms respond appropriately to Skilled Person reviews (eg in circumstances where he was otherwise conflicted from being put forward as a potential Skilled Person). More generally, Guy has led assignments with a range of firms from the banking, building society, insurance, investment/asset management and consumer credit industries, including with large complex firms (with overseas interests/ownership). This includes advising on strategy, governance, risk management, conduct and prudential risk, operational resilience (including payment systems), corporate structures and roles and responsibilities. Guy has also led work on complex file reviews with clients.

Guy leads much of Promontory's work in preparing senior individuals for regulatory interview under SMCR, including at board level for FTSE 100 companies. He has a deep understanding of the regulators' expectations under the Senior Managers Regime, including the importance of clear accountabilities. Guy is seen as a credible and trusted advisor to firms (including boards) on strategic issues, governance and conduct/prudential risk, as well as the associated regulatory challenges.

Contact our  
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**Prashant Jobanputra**  
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Prashant joined Promontory in 2015. His expertise lies in the field of Operational Risk and Control, bringing together a blend of advisory, consulting and industry experience. Prior to joining Promontory, Prashant led global and multi-asset class teams at a leading investment bank in roles including Operational Risk and Control, Data Management, Business Information Security and Regulatory Change across a portfolio of initiatives.

At Promontory, Prashant leads our work on risk and regulation for digital transformation. He brings together his business, operations and technology experience to advise senior leaders in these functions across a range of converging requirements, including data protection, security, operational resilience, third party and outsourcing, governance and risk management.

Prashant has led assignments to advise on regulatory strategy in response to client incidents across these areas, often before taking a 'hands-on' role to stabilise, restore and enable improvements for BAU. He has prepared senior individuals for the regulatory interview preparation under SMCR and presented training at a board level with a variety of firms across financial services.

Sources:

1. Financial Services and Markets Act 2000, section 166
2. FCA Handbook, SUP 5 – Skilled Persons
3. PRA Rulebook – Use of Skilled Persons and Supervisory Statements on Skilled Persons incl SS7/14 and SS7/24
4. FCA & PRA Skilled Person Panel Update, April 2026
5. FCA Annual Work Programme and Supervisory Priorities (latest edition)

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