

# The FCA proposes removal of mandatory CPD hours for insurance sector

30 May 2025  Felicity Pallas

The Financial Conduct Authority (FCA) has proposed removing the requirement for insurance and funeral plan employees to complete 15 hours of continuous professional development (CPD) annually, suggesting that existing rules from 2018 already mandate businesses to ensure their employees possess the necessary skills and expertise to perform their role.

The FCA has argued that the specific 15-hour requirement is redundant, and that some roles may require more than 15 hours of training to maintain competence. This decision has sparked debate, with some industry professionals expressing concerns about potential negative impacts on professional standards, and the ability of the industry to attract and retain talent. Critics argue that removing the CPD requirement could lead to some firms neglecting necessary training, particularly smaller insurance firms.

However, professional bodies like the Chartered Insurance Institute (CII) have decided to maintain their higher CPD requirements regardless of the FCA's changes. The FCA has stated it will continue to monitor the situation closely, responding to feedback specific to the insurance sector.

## What does this mean for insurers?

The proposed changes by the FCA may have several implications for insurers. Insurers will have more flexibility to determine the type and amount of training their employees need, rather than adhering to a fixed number of hours. This could allow for more tailored, and potentially more effective training programs that are specific to the roles and responsibilities of different employees.

However, the responsibility will be on the insurers themselves to ensure that their employees are adequately trained and competent. This could increase the burden on firms to develop and maintain robust training programs to meet the regulatory requirements and to ensure that employees possess the necessary skills, knowledge, and expertise.

There is a concern that without a specified minimum training requirement, some firms, particularly smaller ones, might reduce their investment in employee training. This could lead to a disparity in professional standards within the industry, potentially affecting the quality of service and outcomes for customers.

The FCA has indicated that it will monitor the situation closely. Insurers will need to be prepared for potential reviews of their training and development practices to ensure compliance with the overarching requirement that employees are competent.

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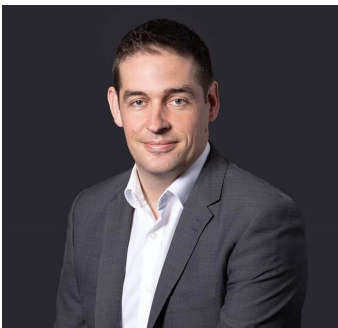


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