

Briefing: growth of financial regulators

November 2025

Introduction

Financial regulators are a prominent part of Britain's quango landscape. Operating at arm's length from ministers, they oversee markets, firms and consumers, with their responsibilities spanning monetary stability prudential supervisions, competition and conduct. In recent years, their size and influence have grown considerably, reflecting an ongoing expansion of the regulatory state. Over the same period, however, UK economic growth has remained weak, averaging 1.4 per cent per annum from 2015 to 2024.¹

These regulators are sustained by significant budgets, with resources allocated to staffing, oversight and enforcement activities. Rising staff numbers and costs highlight the scale of their operations, while increases in income and expenditure point to their growing role in the wider economy. While they may appear independent of day-to-day government spending, their costs ultimately impact businesses and consumers, with implications for economic growth and competitiveness. Understanding these trends is central to assessing the accountability of regulators and the burden their growth places on taxpayers.

This note examines the growth of five major financial regulators between 2015-16 and 2024-25: the Bank of England (BoE), Competition and Markets Authority (CMA), Financial Conduct Authority (FCA), Payment Systems Regulator (PSR) and Prudential Regulation Authority (PRA).^{2,3} Using figures from the respective annual accounts for each organisation, it tracks changes in income, expenditure, staff numbers and staff costs over the period.

Key findings

- The total headcount across all the regulators increased by **55 per cent**, a nominal increase of **4,465** members of staff between 2015-16 and 2024-25.⁴
- Between 2015-16 and 2024-25, the **FCA's** income rose from **£554 million** to **£820 million**, an increase of **£266 million**. This is the largest cash terms increase among the regulators examined, and a rise of **48 per cent**.
- The **FCA** had the largest increase in expenditure in cash terms, increasing by **£230 million, or 42 per cent**, from **£543 million** to **£774 million** between 2015-16 and 2024-25.
- The **BoE** had the smallest percentage increase in expenditure between 2015-16 to 2024-25, rising by **30 per cent**. In cash terms, expenditure rose from **£393 million** to **£511 million**. This was impacted by the PRA's status change from a subsidiary of the BoE to being integrated into the bank from March 2017.⁵
- The largest percentage increase in expenditure was by the **PSR** rising by **166 per cent** between 2015-16 to 2024-25. In cash terms, expenditure increased from **£11 million** to **£28 million**.⁶
- The **PSR** had the largest percentage increase in headcount between 2015-16 and 2024-25, at **198 per cent**.⁷
- The **FCA's** staff costs increased the most in nominal terms, from **£324 million** to **£492 million** between 2015-16 and 2024-25, a **52 per cent** or **£168 million rise**.

¹ Office for National Statistics, *Gross Domestic Product: Year on Year growth: CVM SA %*, 14 August 2025, www.ons.gov.uk/economy/grossdomesticproductgdp/timeseries/ihyp/pn2 (accessed 29 September 2025).

² The government has announced that the PSR will be abolished and its functions integrated into the FCA.

³ Prime Minister's Office, *Regulator axed as red tape is slashed to boost growth*, Gov.uk, 11 March 2025, www.gov.uk/government/news/regulator-axed-as-red-tape-is-slashed-to-boost-growth (accessed 5 November 2025).

⁴ Some regulators reported their headcount in FTE.

⁵ The decrease in total expenditure reflects the removal of internal recharges between the BoE and the PRA after the PRA was incorporated into the BoE, meaning those costs are no longer recorded as separate expenses in the Bank's accounts.

⁶ The PSR became fully operational in 2015-16.

⁷ Ibid.

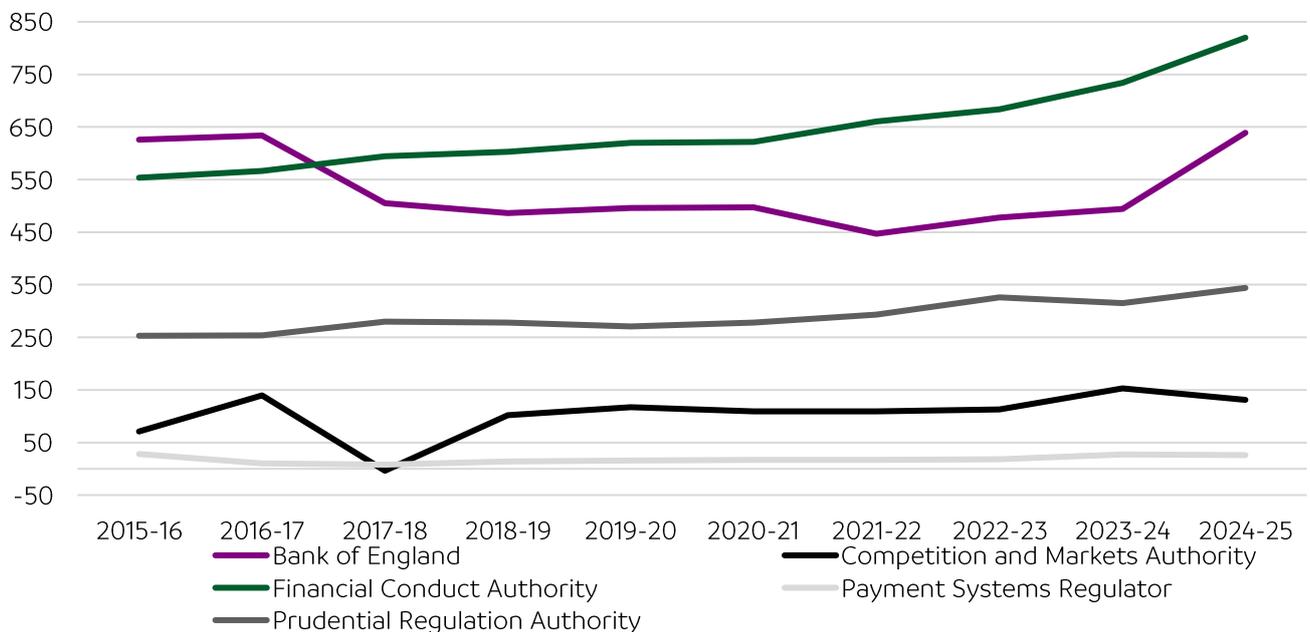
- The **PSR** had the largest percentage increase in its staff costs, rising by **207 per cent**, from **£7 million** to **£20 million** between 2015-16 and 2024-25.⁸
- Since 2015-16, the **FCA's** headcount has risen from **3,285** to **5,434** in 2024-25, a **65 per cent** increase. This is the largest rise in staff headcount with more than **2,100** employees added.

Data

Table 1: income of financial regulators and percentage increase, 2015-16 to 2024-25 (£ million)

Year	Bank of England ⁹	Competition and Markets Authority ¹⁰	Financial Conduct Authority	Payment Systems Regulator	Prudential Regulation Authority
2015-16	626	71	554	28	253
2016-17	634	140	566	10	254
2017-18	505	-4 ¹¹	594	8	280
2018-19	486	102	603	14	278
2019-20	496	117	620	16	271
2020-21	497	109	621	17	278
2021-22	447	109	661	17	293
2022-23	478	113	684	18	326
2023-24	494	153	734	27	315
2024-25	639	131	820	26	344
Increase (%)	2	84	48	-7¹²	36

Chart 1: income of financial regulators, 2015-16 to 2024-25 (£ million)



⁸ The PSR became fully operational in 2015-16.

⁹ Prior to 2017-18, the PRA was a subsidiary of the BoE. From 2017-18 it became part of the BoE's banking department. Figures for all years provided in all tables and charts disaggregate the PRA from the BoE.

¹⁰ The CMA's income was calculated by combining total operating income and the total resource and capital outturn in the statement of parliamentary supply.

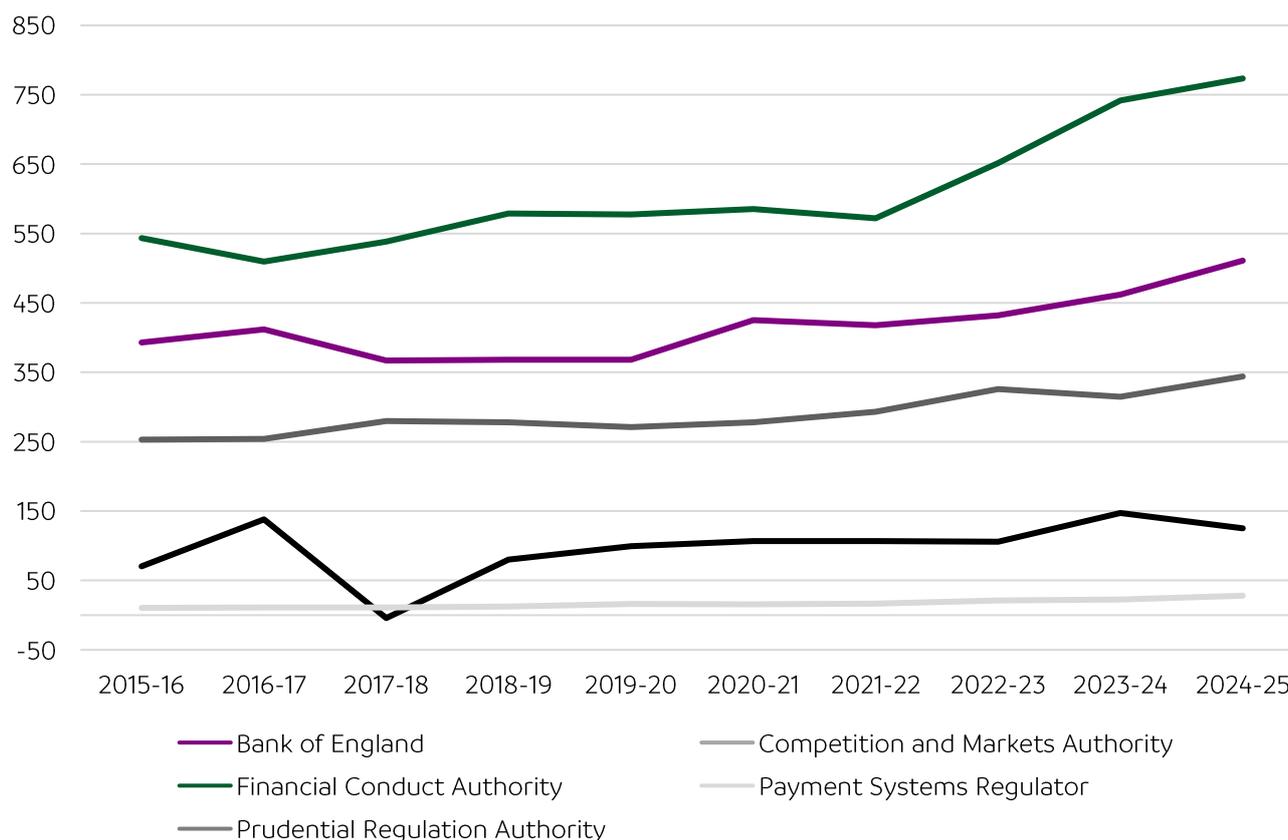
¹¹ Movements in legal costs provision in 2017-18 impacted the CMA's total income that year.

¹² The PSR only became fully operational in 2015-16, and therefore, the income shows a decrease over the period. From 2016-17 to 2024-25, however, the PSR's income increased by 155 per cent.

Table 2: total expenditure by financial regulators, 2015-16 to 2024-25 (£ million)

Year	Bank of England	Competition and Markets Authority ¹³	Financial Conduct Authority	Payment Systems Regulator	Prudential Regulation Authority
2015-16	393	70	543	11	253
2016-17	412	138	510	11	254
2017-18	367	-4 ¹⁴	538	11	280
2018-19	368	80	579	13	278
2019-20	368	99	578	16	271
2020-21	425	107	585	16	278
2021-22	418	107	572	17	293
2022-23	432	106	651	21	326
2023-24	462	147	742	23	315
2024-25	511	125	774	28	344
Increase (%)	30	78	42	166¹⁵	36

Chart 2: expenditure of financial regulators, 2015-16 to 2024-25 (£ million)



¹³ The CMA's expenditure figure is total operating expenditure.

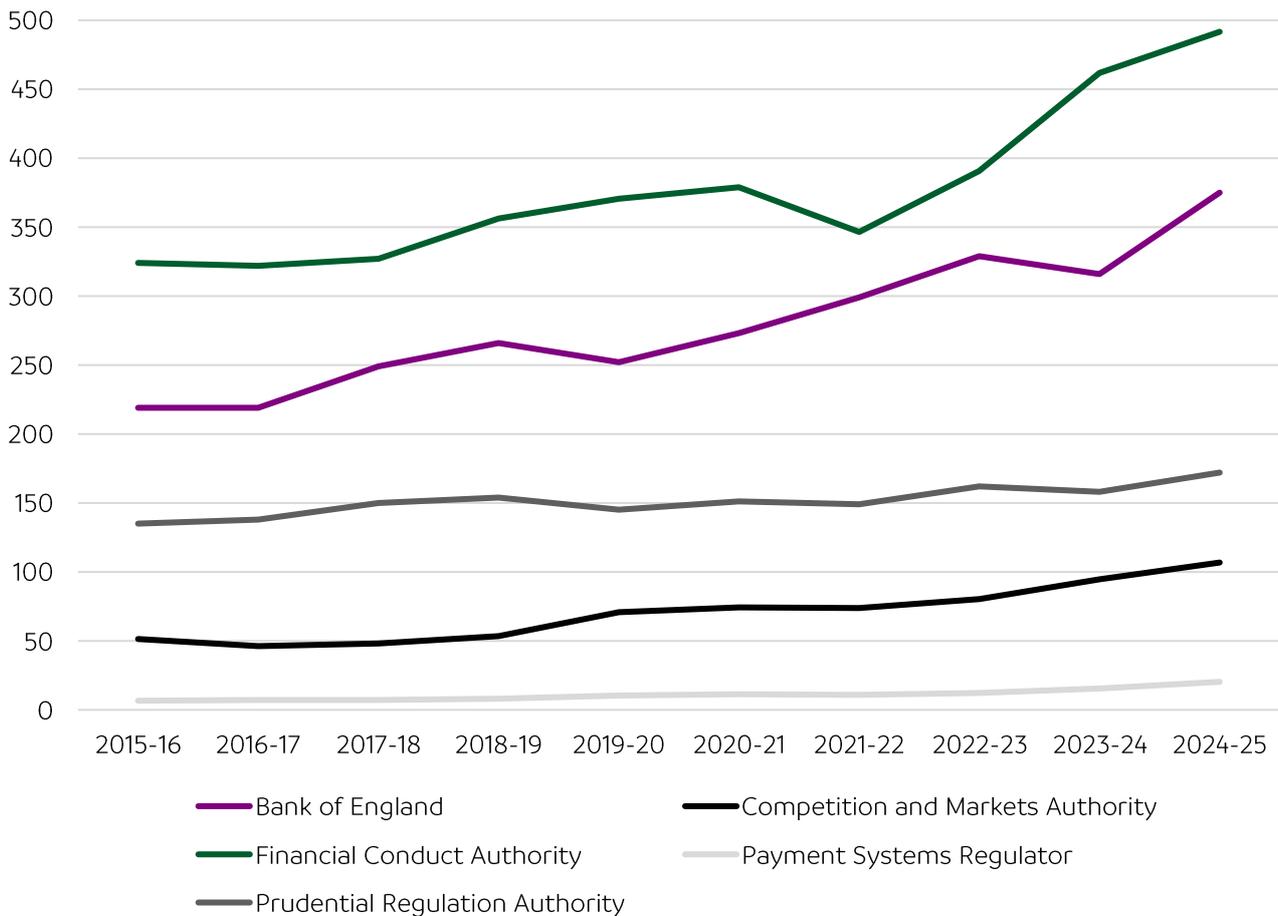
¹⁴ Movements in the CMA's legal costs provision during 2017-18 had a significant impact on its accounts, resulting in a negative total operating expenditure for the year. The adjustment, a £69,175,000 reduction, reflected a downward revision of anticipated legal liabilities, meaning previously allocated funds were released back into the CMA's budget.

¹⁵ The PSR only became fully operational in 2015-16.

Table 3: staff cost of financial regulators, 2015-16 to 2024-25 (£ million)

Year	Bank of England	Competition and Markets Authority	Financial Conduct Authority	Payment Systems Regulator	Prudential Regulation Authority
2015-16	219	51	324	7	135
2016-17	219	46	322	7	138
2017-18	249	48	327	7	150
2018-19	266	53	356	8	154
2019-20	252	71	371	10	145
2020-21	273	74	379	11	151
2021-22	299	74	347	11	149
2022-23	329	80	391	12	162
2023-24	316	95	462	16	158
2024-25	375	107	492	20	172
increase (%)	71	108	52	207¹⁶	27

Chart 3: staff cost of financial regulators, 2015-16 to 2024-25 (£ million)

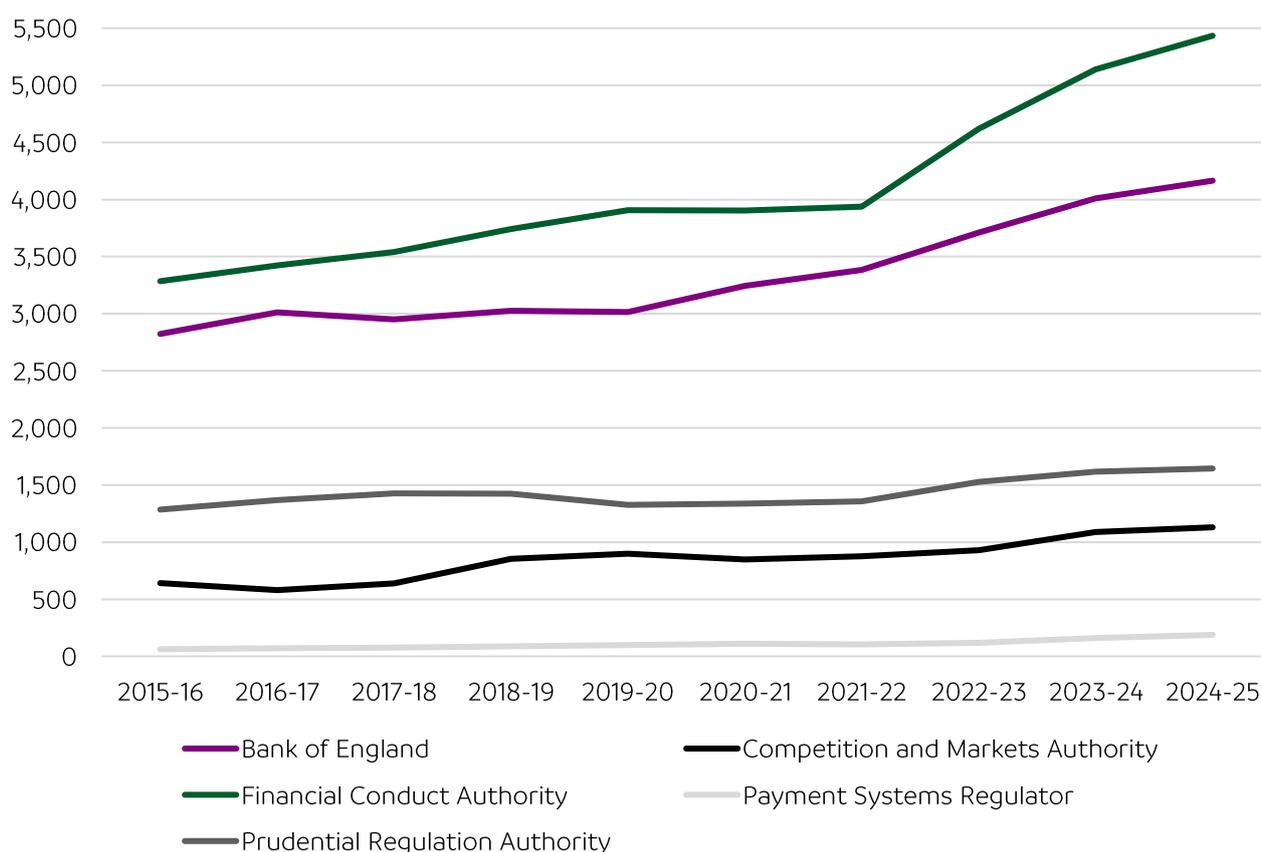


¹⁶ The PSR became fully operational in 2015-16.

Table 4: headcount of financial regulators, 2015-16 to 2024-25¹⁷

Year	Bank of England	Competition and Markets Authority	Financial Conduct Authority	Payment Systems Regulator	Prudential Regulation Authority
2015-16	2,823	641	3,285	63	1,285
2016-17	3,013	580	3,422	71	1,367
2017-18	2,951	640	3,541	78	1,427
2018-19	3,027	853	3,742	89	1,423
2019-20	3,014	899	3,906	100	1,325
2020-21	3,244	847	3,903	109	1,337
2021-22	3,384	875	3,938	104	1,356
2022-23	3,710	928	4,620	120	1,529
2023-24	4,010	1,088	5,140	160	1,617
2024-25	4,165	1,130	5,434	188	1,645
increase (%)	48	76	65	198¹⁹	28

Chart 4: headcount of financial regulators, 2015-16 to 2024-25



¹⁷ Headcount for the Competition and Markets Authority, Financial Conduct Authority and the Payments Systems Regulator is presented in full time equivalent (FTE).

¹⁸ Figures for 2015-16 to 2023-24 are FTE. In 2024-25, the figure is total headcount as FTE was not provided.

¹⁹ The PSR became fully operational in 2015-16.

Regulator functions

Bank of England

The BoE operates its regulatory functions through two committees: the Financial Policy Committee (FPC) and the Prudential Regulation Committee (PRC).

The FPC was established in 2013 to strengthen the UK's financial stability framework. It is responsible for identifying, monitoring, and addressing systemic risks that could threaten the resilience of the financial system, such as excessive debt or rapid credit growth, and has the authority to take action to mitigate those risks. It also has the secondary objective to support the government's economic policy.²⁰

The PRC is chaired by the governor of the BoE and responsible for the PRA's strategy, policy, and supervision. It sets the PRA levy and budget. The PRC board includes the FCA chief executive, three of the BoE's deputy governors, a member appointed by the governor and at least six members appointed by the chancellor. The PRC decides regulatory rules, practices and firm-specific matters.²¹

Financial Conduct Authority

The FCA regulates the UK financial services industry, with a mandate to protect consumers, maintain market integrity and promote effective competition among financial service providers.²²

Prudential Regulation Authority

The PRA oversees banks, insurers and major investment firms in the UK to ensure the stability and resilience of the financial system. Its core objectives are to promote the safety and integrity of regulated firms and to protect policyholders, primarily by ensuring institutions hold adequate capital and manage risks effectively.²³

Competition and Markets Authority

The CMA promotes competition and consumer protection in the UK. It investigates mergers, cartels, and unfair practices, oversees markets and regulatory appeals. It also provides advice on the UK internal market and government subsidies.²⁴

Payment Systems Regulator

Payment systems are the networks and processes that enable money to be transferred between people, businesses, and financial institutions including bank transfers, card payments, and digital transactions. The PSR aims to promote competition and innovation while ensuring that payment systems operate in the interests of people and businesses. It works to make systems resilient, transparent and accessible, to create a competitive payments landscape.²⁵

²⁰ Bank of England, *Financial Policy Committee*, 30 October 2025, www.bankofengland.co.uk/about/people/financial-policy-committee (accessed 5 November 2025).

²¹ Bank of England, *Terms of Reference for the Prudential Regulation Committee*, 2025. p.1.

²² Financial Conduct Authority, *About the FCA*, 18 April 2016, www.fca.org.uk/about/what-we-do/the-fca (accessed 11 November 2025).

²³ Bank of England, *What is the Prudential Regulation Authority (PRA)?*, 30 October 2025, www.bankofengland.co.uk/explainers/what-is-the-prudential-regulation-authority-pra (accessed 5 November 2025).

²⁴ Competition and Markets Authority, *About us*, Government UK, www.gov.uk/government/organisations/competition-and-markets-authority/about (accessed 5 November 2025).

²⁵ Payment Systems Regulator, *Who we regulate*, www.psr.org.uk/how-we-regulate/who-we-regulate (accessed 5 November 2025).