skillcast

The Future of Compliance

2025 Annual Benchmarking Survey Results

Contents

Summary

The Skillcast annual benchmarking report brings together the perspectives of compliance professionals on "The Future of Compliance". The survey comprises of fifteen questions exploring our core pillars: Innovation, Data-led Compliance, Culture, Conduct & Ethics and Value.

Over 100 compliance, L&D, and training professional from a diverse range of organisations completed the survey.

This annual survey builds on previous reports, offering a year-on-year analysis of key trends and challenges within the compliance landscape. The findings are being unveiled and discussed at our flagship summit, providing a platform to dive deeper into these pivotal themes and their implications for the compliance landscape.

Innovation

Data-led Compliance

Culture, Conduct & Ethics

Value

How will this information be used?

The purpose for devising this survey and publishing these results to our community is two-fold. Firstly, we aim to provide you with insights shared by your peers. We believe there is a lack of high-quality narrative surrounding compliance technology and learning, and we wanted to contribute meaningfully to this discussion. With over 20 years of experience delivering learning solutions and technology at Skillcast, we are pleased to share our expertise with you.

Secondly, your input to this survey plays a crucial role in shaping our future at Skillcast. Your responses will directly influence the development of our learning content, technology platform, and product initiatives.

Contributors

David Kenmir Advisory Board Chair, Skillcast

David Kenmir has 35 years of regulatory experience, including five years as a Managing Director at the FSA and 14 years as a Risk and Regulatory Partner at PwC. Having retired from PwC last year, he is building a plural career, part of which includes taking on the role of Chair of Skillcast's new Advisory Board and has become an INED at a start-up bank.

David has extensive regulatory experience and has worked with many organisations on the strategic and day-to-day challenges they face. He has broad expertise in Financial Crime, including s166 reviews and Enforcement cases. David is known for speaking and writing about many aspects of regulation and its unintended consequences.

Scott Morris Advisory Board Member, Skillcast

Scott has over 40 years of banking and compliance leadership experience, acquired across a number of global banking organisations, as well as a regulator and professional body. Scott has extensive experience in creating and directing large teams across different regions. Throughout his career he has taken on senior roles in Compliance and Anti-Financial Crime, operating at Board, Senior Advisor, Managing Director and Executive Vice President levels.

Katharine Leaman Advisory Board Member, Skillcast

Katharine has worked in financial services for over 30 years including insurance claims, investment advice, regulation and banking compliance. Katharine has been European Head of Regulatory Compliance at Standard Chartered Bank and spent over a decade at the UK's regulator, the FSA (now FCA), in senior policy and supervision roles.
Katharine has extensive expertise on the technical areas of the rules, such as market abuse, CASS, SMCR, and outsourcing. She also addresses issues that have a broader regulatory focus such as market conduct, non-financial misconduct, conduct risk, operational resilience, and consumer duty. At Leaman Crellin, Katharine regularly provides compliance advice to the C-suite, as well as to front-office trading and salespeople around the world.
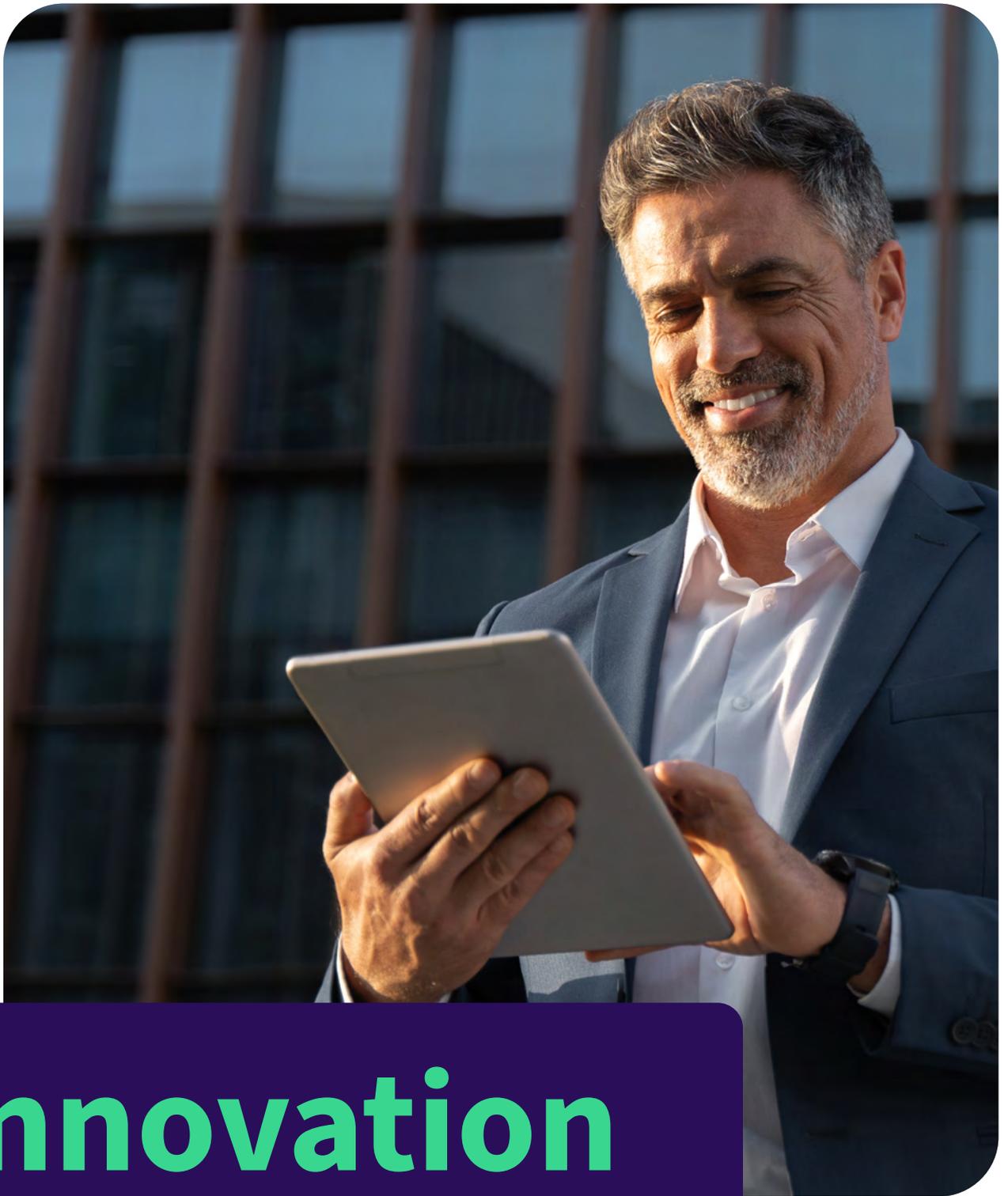
Innovation

Insights on methods and tools used to reinforce compliance.

Reinforcing compliance

Q1. Which methods, if any, do you use to reinforce ethics and compliance in your business?
(% of respondents)

92%

Compliance training

- 61% — Policy attestations
- 53% — Regular "tone from top" communications
- 73% — Controls embedded in business processes
- 58% — HR processes - disciplinary or incentive
- 1% — Prefer not to say/other
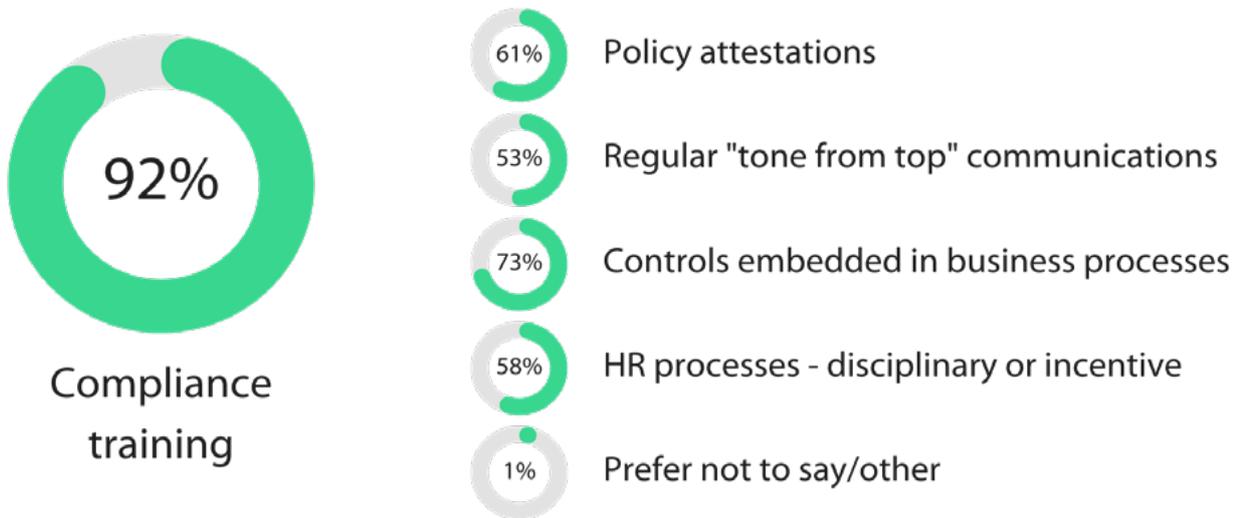
Responses are strikingly consistent to last year's results, highlighting that the primary sources for reinforcing compliance obligations are compliance training (92%) and embedding controls (73%). These are two key areas where businesses can potentially harness the power of innovation to reinforce their compliance frameworks. Notably, this year has seen a slight shift away from policy attestations (down 6 percentage points on 2024) as a method of managing compliance, as effective compliance is centred on understanding and awareness.

"It's great to see a strong response for compliance learning in reinforcing compliant behaviour in firms. In my experience, training produces even stronger outcomes when it is combined with the full range of methods to reinforce compliance and ethics as part of a strategic programme.

A holistic approach will deliver greater returns on the training investment and can build trust between employees and leadership, as everyone better understands their roles and responsibilities, which in turn reduces risk."

**Scott Morris**   Advisory Board Member, Skillcast

Enhancing training

Q2. Which methods, if any, do you use to enhance the ethics and compliance training experience for your employees? (% of respondents)

53%
Continuous learning

29% Microlearning

52% Email updates

9% Daily questions/reminders

37% Embedded learning at the point of need

49% Blended Learning (classroom and e-Learning)

9% Prefer not to say/other
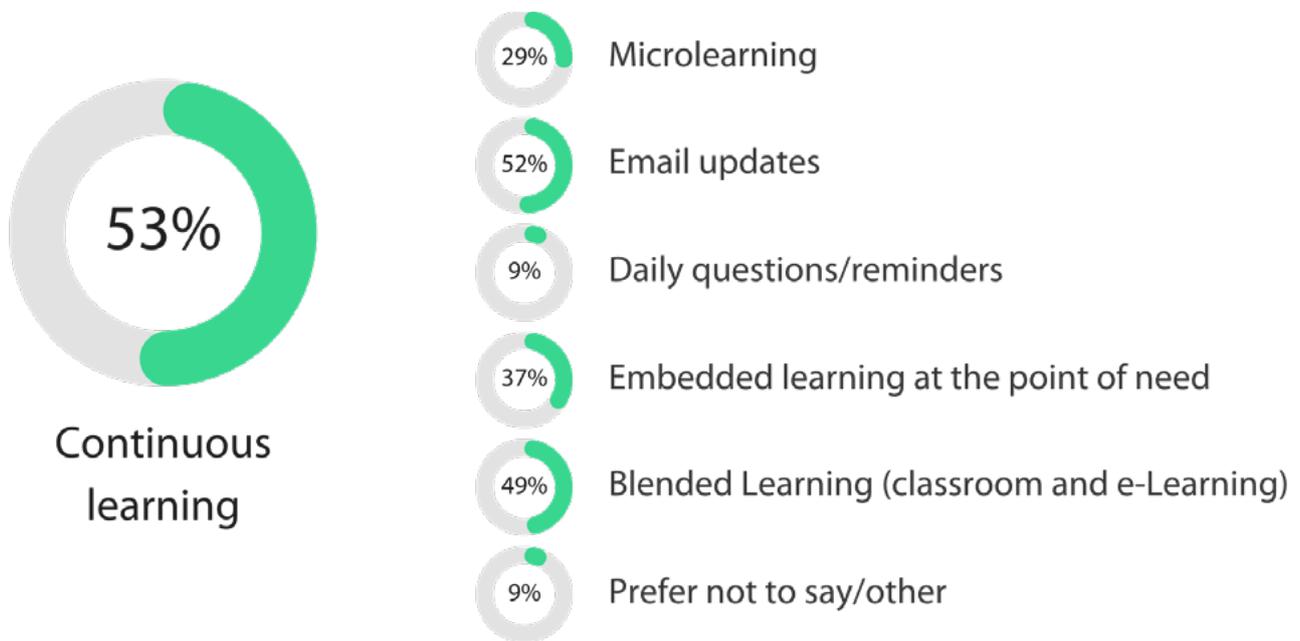
Regulators guide that all firms should leverage a broad range of techniques to properly embed learning. Whilst continuous learning has remained the primary delivery method to enhance understanding, this year there is a greater reliance on email updates to deliver key messages (up from 46% in 2024). Whilst being a quick and easy methodology to deliver a clear message, there are clear risks to manage around proof of readership, engagement and comprehension. The comparison also reveals a decline in the use of microlearning (down from 46% in 2024), a concerning statistic at a time when attention spans are waning.

Learning impact

Q3. In which ways, if any, do you evaluate the business impact of your compliance learning? (% of respondents)

52%

Attendee feedback

51% Analytical data e.g. scores

43% Reduction in incidents, breaches etc.

27% We don't formally evaluate the impact

4% Prefer not to say/other
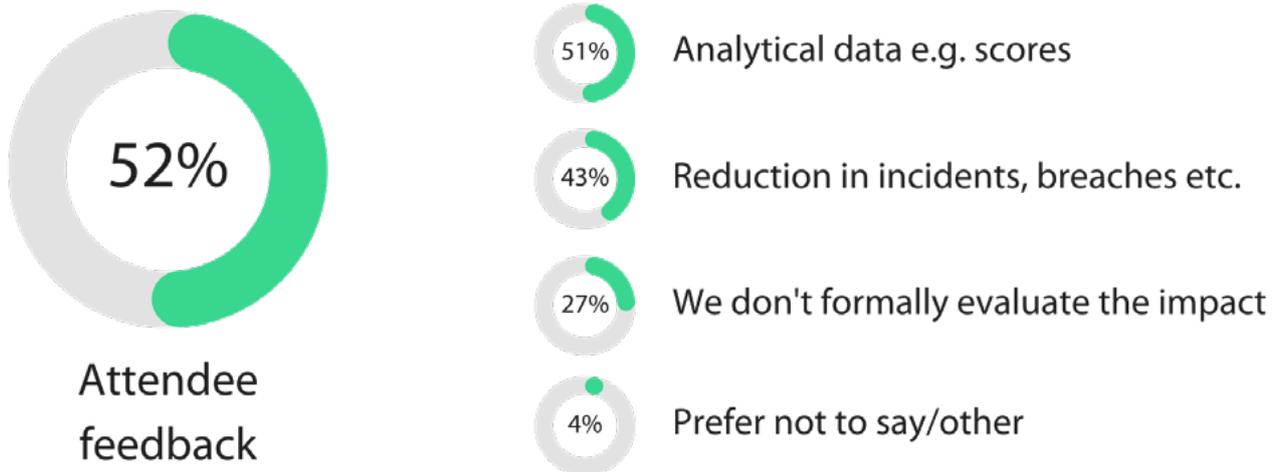
Responses show that attendance feedback (52%) and analytical data (51%) are the two most used ways to evaluate the business impact of compliance learning. Notably, the use of analytical feedback has increased by approximately 10% compared to last year. This offers organisations the opportunity to generate richer, more actionable insights for future enhancement of learning solutions. This upward trend aligns with key regulatory guidance, emphasising the importance of data-driven compliance and ethics programmes.

"It's encouraging to see an increase, since last year's survey, in the number of participant organisations who are actively measuring the impact and success of their compliance learning programmes. However, it is important to acknowledge that demands from regulators, to better use relevant data to drive an organisation's compliance programme, and to thereafter evaluate its effectiveness have also increased. Merely measuring attendance is no longer enough. In this area, more really is more!"

Scott Morris Advisory Board Member, Skillcast

Utilising AI

Q4. In which areas of compliance, if any, do you use AI tools to support your control measures? (% of respondents)

57%

We don't use AI tools in compliance yet

- 10% Financial crime monitoring
- 12% General compliance monitoring
- 6% Market abuse monitoring
- 12% Cyber security
- 10% Staff awareness and training
- 8% Analytics/data mining
- 14% Prefer not to say/other
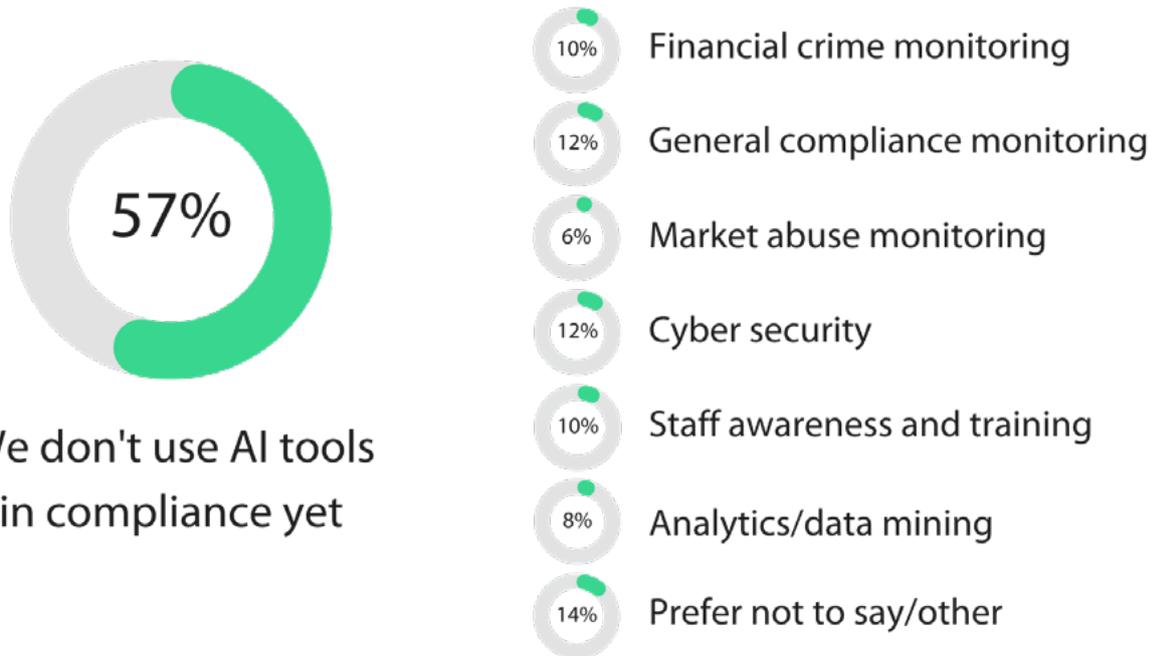
This year's survey results show that 57% of companies aren't using AI for compliance yet, down 10% from last year. This slow uptake suggests businesses are still figuring out how to best use AI. While AI is great for spotting patterns and crunching numbers, most companies want human experts making the final decisions. There are indications of a move towards using AI for routine compliance tasks, while keeping experienced professionals in charge of interpreting complex regulations and making judgements about ethics and conduct.

> "This shows a continued picture of caution. People are still not sure if they could or should adopt AI partly because of concerns about how they could oversee and audit machine learning. It would be interesting is to see a big and small firm overlay to these responses as I suspect that bigger firms will have longer sign-off processes."

**Katharine Leaman** Advisory Board Member, Skillcast
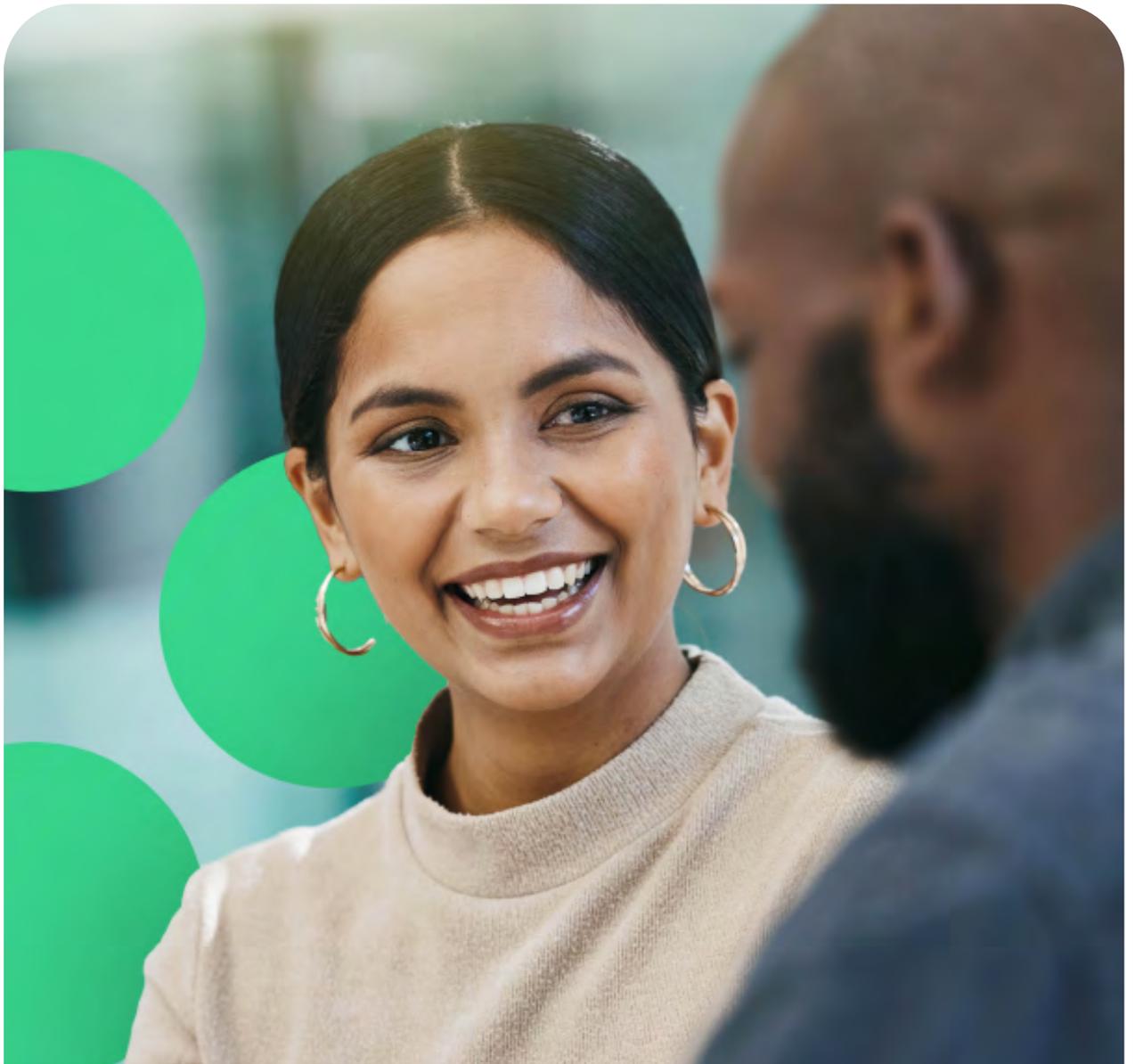
Data-led Compliance

The technology and data in compliance processes.

Compliance processes

Q5. How do you use technology in your compliance processes? (% of respondents)

75%

Tracking staff training

- 34% Tracking / communicating regulatory changes
- 58% Compliance reporting
- 25% Automation of compliance processes
- 26% Consolidation of data to identify risks, themes & trends
- 8% We don't use such technology systems
- 2% Prefer not to say/other

"We can see a clear trend emerging year-on-year with a notable 20% rise in the use of technology in tracking staff training, highlighting the growing recognition of its value in enhancing training outcomes. This trend points to a continued opportunity to leverage technology. Similarly, there is a significant year-on-year growth in regulatory tracking technology usage (15%). This reflects the growing pressure on compliance departments to deliver more with fewer resources as budgets tighten. Together, these findings illustrate a broader shift toward technology-driven solutions in compliance, but also emphasise the need to balance automation with robust oversight."

**David Kenmir** Advisory Board Chair, Skillcast

Collating data

Q6. How do you normally collect and retain important compliance data? (% of respondents)

81%

Excel spreadsheets or something similar

- 40% Specialist digital platform
- 52% Paper-based forms
- 37% Emails
- 16% Messages on Teams or something similar
- 2% None of the above
- 7% Prefer not to say/other
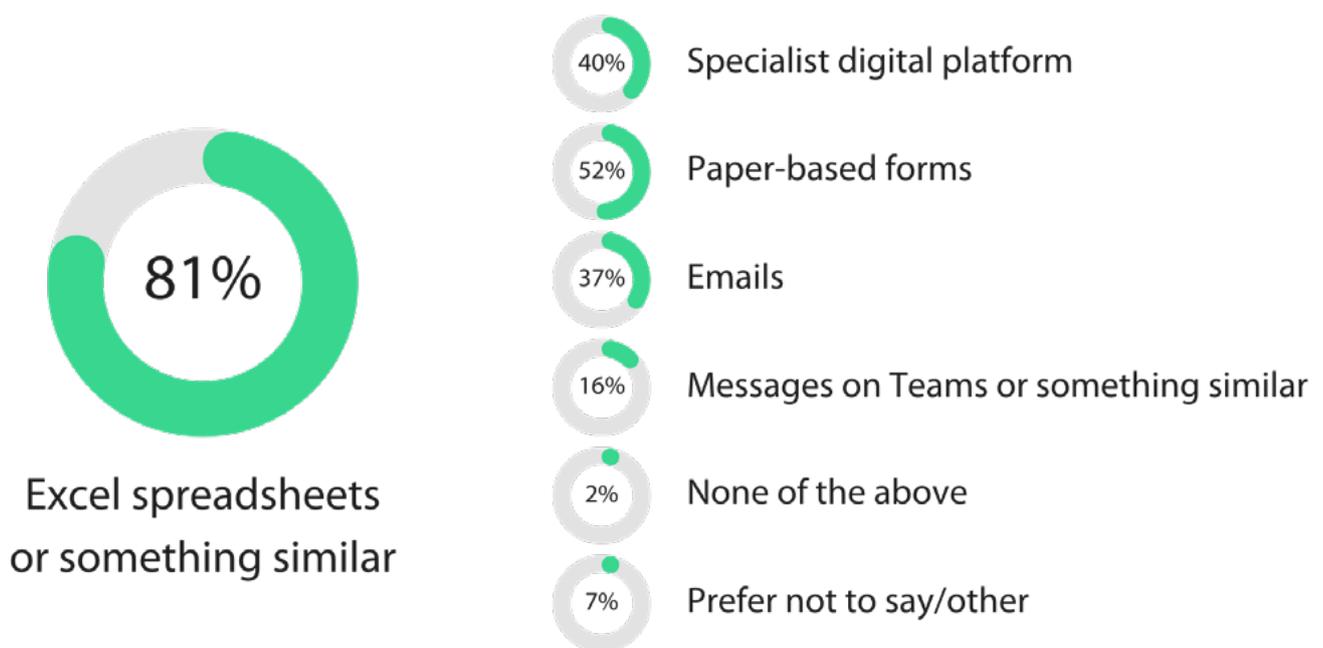
The continued reliance on Excel spreadsheets as the primary data collection tool raises important questions about technological adoption in compliance processes. We can see an upward trend with usage increasing by 10% compared to last year. For larger firms, this is surprising given the availability and advantages of RegTech solutions. However the small to mid-size sector's use of Excel perhaps reflects that budgets do not extend to investing in Regtech. Emails are also widely used in the process of collecting data. Despite this, it is interesting to note that the use of emails has almost halved and the use of paper-based forms has more than doubled which could imply businesses have switched from email to Excel or paper usage. In either case, this is concerning with the use of these methods increasing the risk of data loss and lack of corporate tracability associated with over reliance on email.

Regulatory requests

Q7. When, if ever, did you last receive a substantial ad-hoc regulatory request beyond day-to-day reporting information? (% of respondents)

22%

In the last 3 months

14%	In the last 6 months
11%	In the last 12 months
12%	Over 12 months ago
21%	Never received such a request
20%	Prefer not to say/other
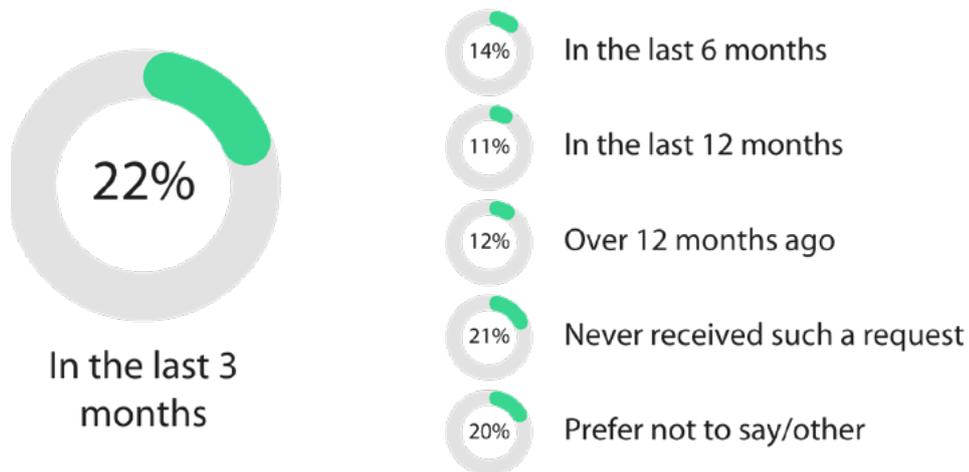
Most firms have received a regulatory request in the last three months, highlighting the need for efficient data management. The responses to Q6 suggest that many respondents are likely compiling data for these regulatory requests using Excel spreadsheets and emails. This will probably present significant challenges if they are asked follow-up questions or required to reproduce data sets. Year-on-year, we observe a slight reduction (down from 24% in 2024) in the number of firms reporting they have never received a regulatory request. This is a trend that warrants close attention, as it suggests the FCA is reaching more firms or targeting those it has not been in touch with recently.

"The year-on-year reduction in the number of firms never having received a regulatory request shows that the FCA's data-led approach is enabling it to better target firms that have previously slipped under the radar. These findings paint a picture of an increasingly proactive and engaged regulator, as evidenced by more firms having regulatory interactions within the past six months. This heightened activity reflects the FCA's preference for a supervisory-led approach that involves bilateral discussions with regulated firms, as opposed to public discipline. It means that firms need to stay prepared and see these interactions as opportunities for constructive dialogue, not investigation and challenge. Remember, a proactive regulator helps maintain a healthy financial ecosystem, which benefits everyone in the long run."

Katharine Leaman **Advisory Board Member, Skillcast**

Business benefits

Q8. For which purposes, if any, would your business benefit from having more, or better quality, compliance data? (% of respondents)

73%

Monitoring and controls

- 47% Regulatory reporting
- 26% Individual investigations
- 55% Board reporting
- 26% Ad hoc regulatory requests
- 7% None of the above
- 9% Prefer not to say/other
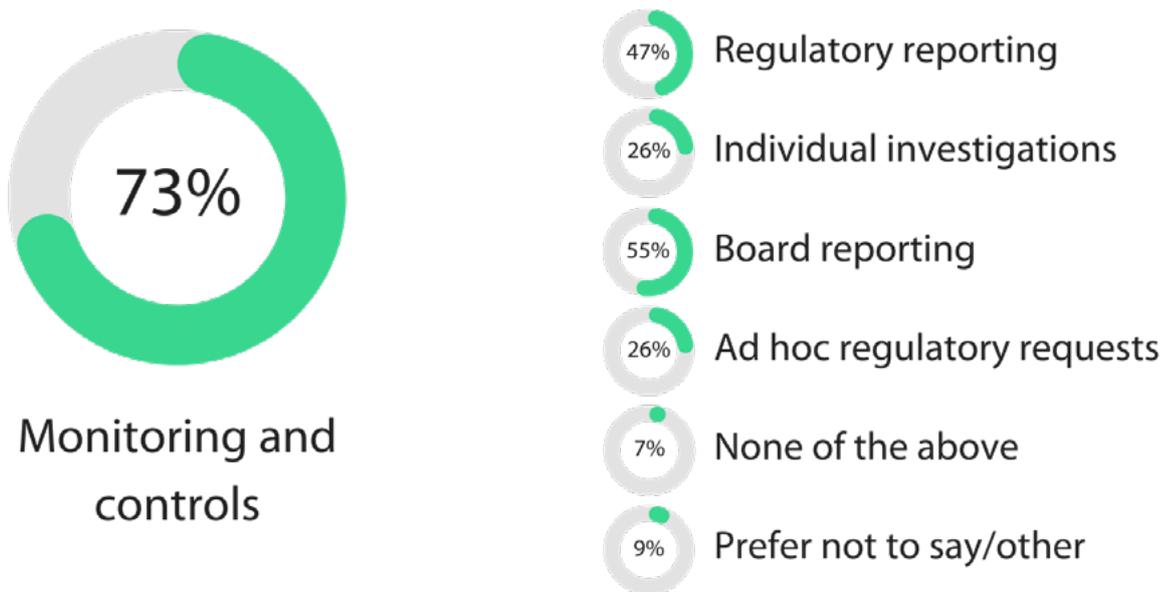
There is a demand for more or better-quality data, with 73% of respondents stating that access to it would benefit monitoring and controls. Additionally, 55% believe better compliance data would improve board reporting, while 47% see its value in regulatory reporting. Investing in improved data capabilities could meet the ongoing need for more robust data, particularly with the heightened expectations brought by the FCA's Consumer Duty.
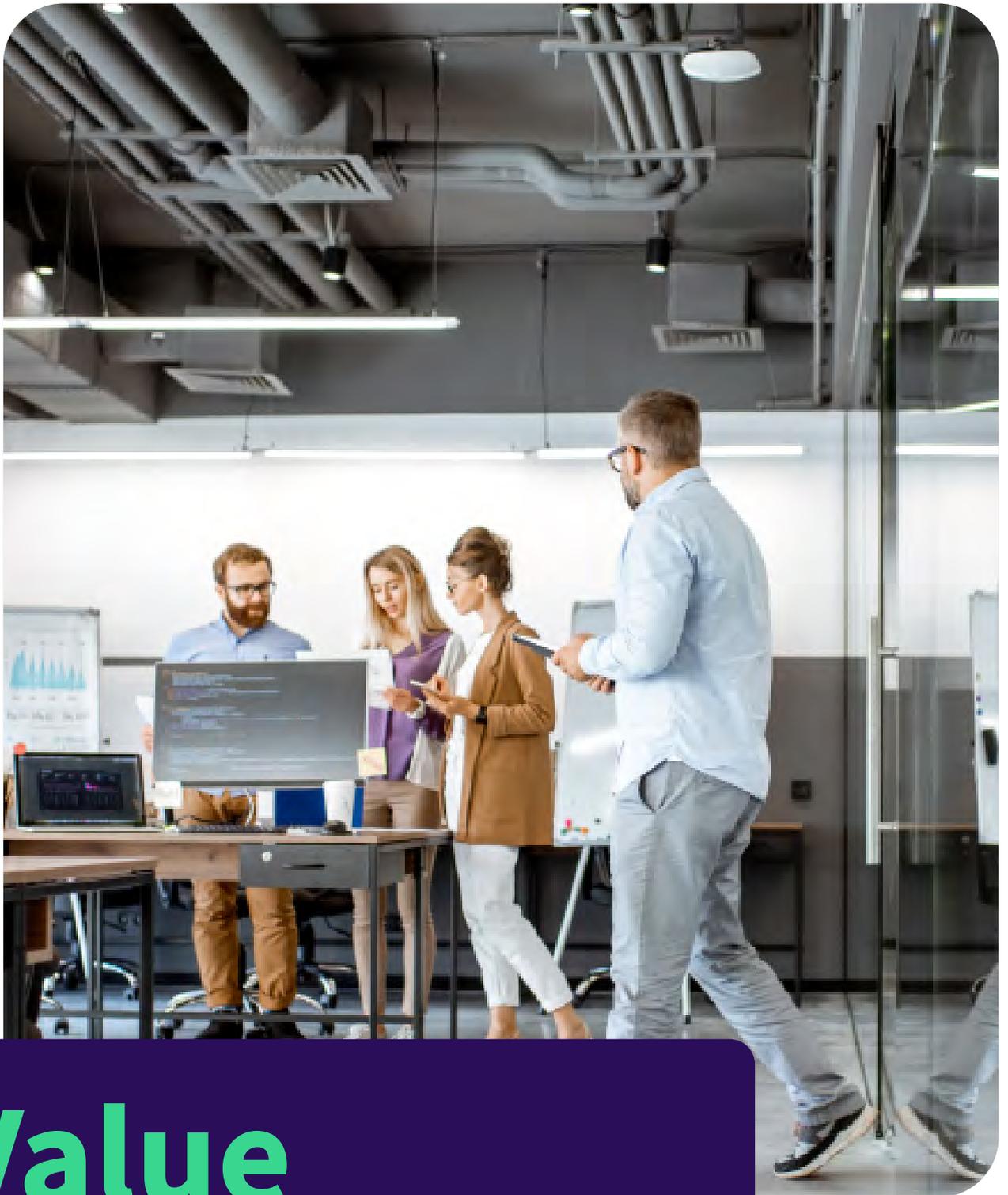
Value

How firms manage their compliance budgets, as well as justification for their compliance expenditures.

Cost perception

Q9. Do you think your 2025 compliance budget will be...(% of respondents)

40% The same as last year

25% Increased by inflation

14% Significantly increased to meet ongoing regulatory demands

6% Reduced

17% Don't know/prefer not to say

Most organisations expect their compliance budgets for next year to either remain consistent with the previous year (40%) or increase in line with inflation (25%). Only a small proportion of respondents anticipate budgets will be reduced, reflecting relative stability in compliance funding.

"After factoring in inflation, half of those that responded are reducing cost year on year. Perhaps this is not unexpected, given the increased cost burden on businesses, but there's been little indication that regulatory pressure on industry has lessened year-on-year. The Government's focus on international competitiveness and more proportionate regulation could lead to cost-saving opportunities in the medium to long term."

David Kenmir Advisory Board Chair, Skillcast

Cost justification

Q10. When justifying the cost of compliance, which of the following, if any, would you give as a reason/benefit from this expenditure? (% of respondents)

77% — Avoid fines and reputational loss

62% — Cheaper than the cost of remediation following an incident

58% — Ensuring better customer outcomes

26% — Source of competitive advantage

56% — Compliance is the cost of staying in business

10% — Don't know/prefer not to say

Most respondents (77%) link this cost with avoiding fines and reputational damage, which is slightly down from last year (87% in 2024). Additionally, 62% believe that the cost of compliance is cheaper than remediation, while a significant proportion associate compliance costs with staying in business or delivering better outcomes for customers. What is surprising is that 58% say compliance ensures better customer outcomes, but only 26% see this as a competitive advantage. This suggests that compliance and marketing teams could work closer together to reinforce the importance of delivering good customer outcomes, particularly in times of consumer cynicism towards financial institutions, and the advantages of doing so.

While the focus on risks and consequences of non-compliance remains important, the findings highlight an opportunity to shift the narrative towards the positive aspects of compliance and embed this perspective into company culture.

Compliance obstacles

Q11. What, if any, are the obstacles to meeting your compliance goals? (% of respondents)
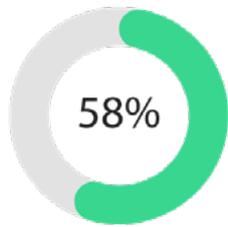
58% — Manual processes
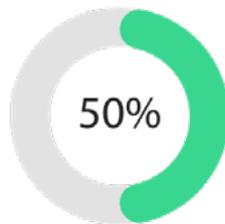
50% — Lack of resources
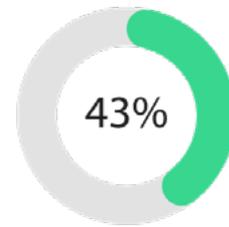
43% — Consolidating unconnected processes/structures
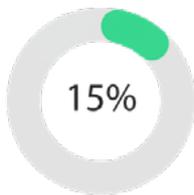
15% — Persistent interruptions by colleagues
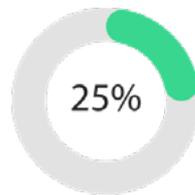
25% — Slow decision making
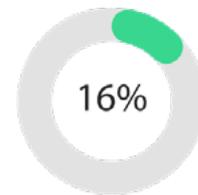
16% — Prefer not to say/other

Survey results reveal that manual processes (58%) and lack of resources (50%) are the top obstacles hindering compliance goals. This aligns with our earlier findings about firms relying on Excel spreadsheets and emails for regulatory requests, highlighting a widespread issue in the industry. Consolidating unconnected processes (43%) also emerges as a significant challenge, pointing to the need for more integrated compliance systems.

"These findings should be a wake-up call for senior leadership. The reliance on manual processes isn't just inefficient; it's a ticking time bomb for compliance failures. In today's fast-paced regulatory environment, sticking to outdated methods is like trying to win a Formula 1 race with a horse and cart. It's time to view compliance not as a cost, but as an investment in your firm's future. By addressing these obstacles head-on, companies can not only safeguard against risks but also gain a competitive edge. Remember, in the world of compliance, being reactive is expensive – it's proactivity that pays dividends."

**Katharine Leaman** Advisory Board Member, Skillcast

Culture, Conduct and Ethics

The role of leadership and commitment in promoting a strong compliance culture within your organisation.

Communicating updates

Q12. How frequently do members of your board emphasise the importance of your organisation's culture and values to staff? (% of respondents)

43% At every opportunity

37% Occasionally (once or twice a year)

11% Rarely (less than once a year)

6% Never

3% Don't know/prefer not to say

It is encouraging to see that board members frequently emphasise culture and values, with 43% indicating this happens at every opportunity - setting a strong tone from the top. However, the less frequent communication reported by others suggests missed opportunities to embed these. Clear, consistent leadership messaging ensures these values resonate throughout the organisation.

Colleague impact

Q13. Which stakeholders are actively engaged in championing your compliance programme? (% of respondents)

83% The Compliance team

- 35% The Learning & Development team
- 48% Senior managers across the business
- 50% Senior executive team/board
- 4% Prefer not to say
- 2% The senior management team
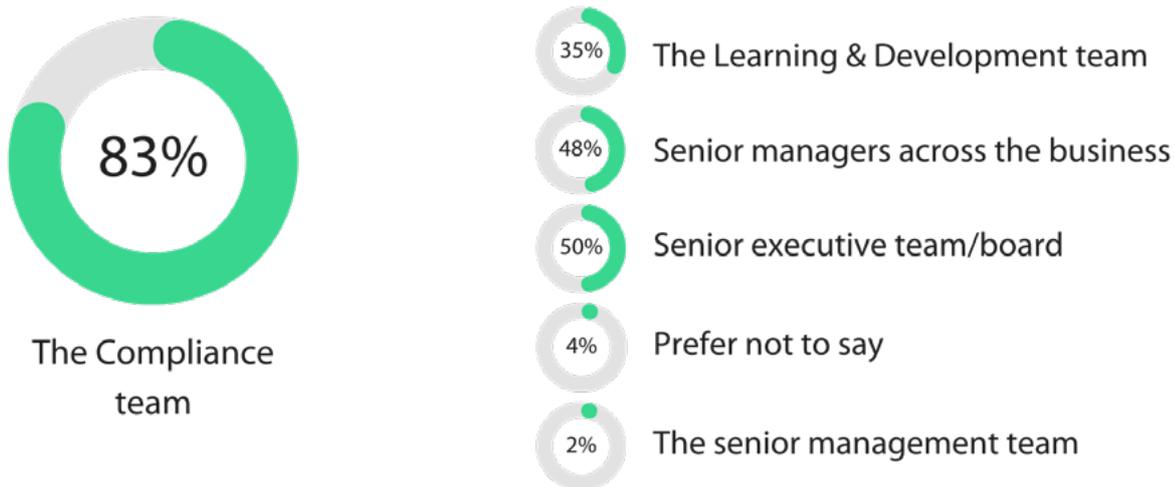
L&D plays a vital role in enabling employees with the necessary knowledge and skills, making their active involvement critical for a successful compliance programme. Organisations must address gaps to ensure compliance becomes a shared responsibility across all levels and departments.

> "Given the importance of 'tone from the top', it is disappointing that less than 50% of respondents highlight the role of senior leadership in championing the compliance programme. While the compliance team's active involvement (83%) is essential, true cultural alignment requires visible, ongoing sponsorship from the senior executive team and board to reinforce the programme's significance. Compliance, Risk, and Internal Audit cannot drive this alone—they need clear and vocal support from leadership to embed compliance as a core business priority.
>
> **David Kenmir** Advisory Board Chair, Skillcast

Compliance reporting

Q14. What channels are available for employees to report compliance concerns or violations?
## (% of respondents)
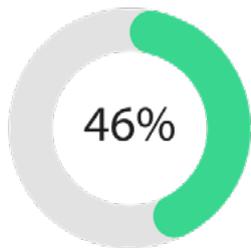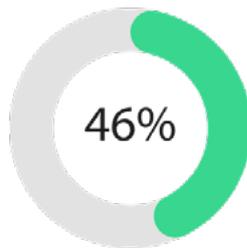
46% — Anonymous hotline

46% — Online reporting system
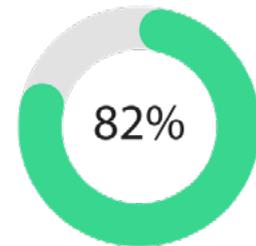
82% — Email reporting
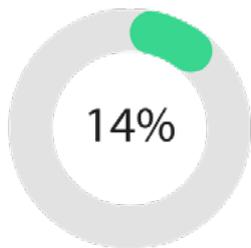
14% — Physical complaints box
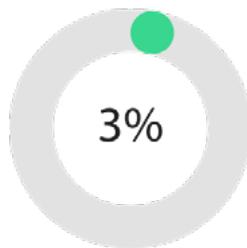
3% — None currently
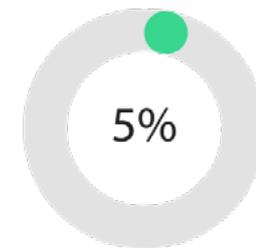
5% — Prefer not to say/other

Email remains the dominant tool for employee reporting (82%), though it lacks the anonymity that many employees may prefer and may subsequently lead to challenges. The use of anonymous hotlines (46%) and online reporting systems (46%) indicates a growing demand for confidential reporting options. The 14% using physical complaints boxes suggests that traditional methods still have value in some organisations. This data highlights the need for a hybrid approach in future compliance training programmes, combining both digital and traditional reporting channels to ensure accessibility, confidentiality, and employee trust.

Training improvements

Q15. What would you like to improve in your future compliance training programme?
(% of respondents)
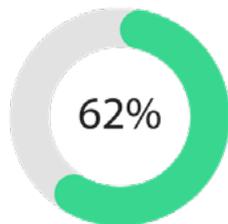
62% Content customised to my business
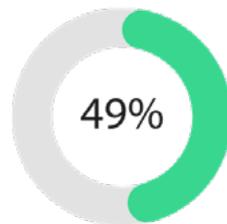
49% Tailored training based on individual learners' knowledge
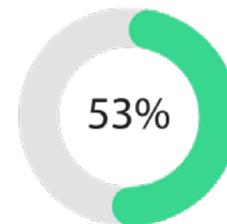
53% Shorter more engaging courses
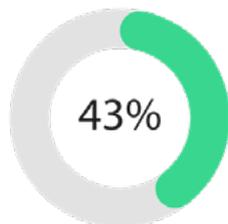
43% Deeper data analytics to identify weaknesses
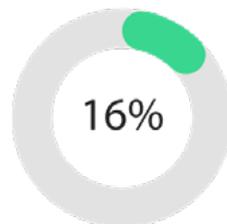
16% Daily questions to reinforce learning
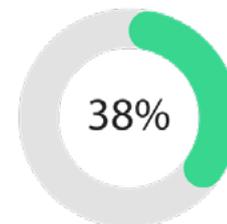
38% Training embedded at the point of need

There is a strong demand for customised content, with 62% of respondents expressing interest and a preference for shorter, more engaging courses (53%). This indicates a shift towards more efficient, targeted training. Additionally, 49% favour tailored training based on individual learners' knowledge, recognising the value of personalised learning paths. The desire for deeper data analytics (43%) reflects businesses' focus on identifying weaknesses and improving training effectiveness. Meanwhile, 38% of respondents want training embedded at the point of need, supporting just-in-time learning that reinforces concepts and boosts retention.

"It's pleasing to see that firms are starting to consider their training interventions and solutions more strategically by customising the content and delivery mechanism" This strategic approach will not only make training more relevant and engaging but will also contribute to a more informed and compliant workforce."

Scott Morris Advisory Board Member, Skillcast

skillcast

Giving back

Skillcast promotes ethical behaviour not only to our customers, but to society in general. We do this through education, charitable donations and managing our impact on the environment. We regularly organise games, surveys and other promotions and link these to supporting worthy causes.

We are pleased to be able to donate £625 each to Crisis and the Royal British Legion and would like to thank all who contributed to this survey. We hope you find the results, comments, and content useful regarding "The Future of Compliance". We look forward to working with you throughout 2025.

About us

Skillcast helps companies to create compliance awareness and inspire their employees to act with integrity. We offer bespoke e-learning content development, libraries of ready-made courses and a digital platform specifically built for compliance training. Over 1,300 companies use our digital products to deliver millions of learning interventions each year.