

ECCTA REGULATIONS

ARE INDUSTRIES PREPARED
TO PREVENT FRAUD?



Contents

- Quick Summary from Skillcast’s ECCTA Readiness Index..... 3
- What is The Economic Crime and Corporate Transparency Act 2023?..... 5
- Skillcast’s ECCTA Readiness Index..... 6
- What does this mean for ECCTA compliance?..... 13
- Methodology..... 14



Quick Summary from Skillcast's ECCTA Readiness Index

The deadline for compliance with the new requirements of the Economic Crime and Corporate Transparency Act 2023 (ECCTA) is September 1st 2025.

Under ECCTA, large organisations can be held criminally liable for the corporate offence of “[failure to prevent fraud](#)” if committed by associates intending to benefit the business or its clients.

To comply with [fraud prevention](#) requirements, businesses must implement reasonable prevention measures, including top-level commitment, [risk assessments](#), and due diligence procedures.

Skillcast's ECCTA Readiness Index evaluated how prepared different UK sectors are for the 'failure to prevent fraud' requirements.

Financial services and legal sectors ranked lowest in ECCTA readiness, highlighting significant governance risks and vulnerabilities, which Skillcast warn may impact compliance.

The technology sector scored highest for overall readiness for the ECCTA 2023, followed by the property and construction sector.

At the same time, we can't ignore the fact that compliance demands an investment of time and resources. Take training for instance – most professionals must complete at least 35 CPD hours per year, which could amount to significant time taken out of the office for conferences. Sometimes, just finding the right information from a library of resources and training materials can slow employees down and make compliance harder to achieve.

The stakes are rising - and businesses must act now to protect their reputation, resilience, and regulatory standing.

It's been a turbulent year for UK businesses, with economic uncertainty, increasing cyber threats, and new regulations that place corporate fraud prevention firmly under the spotlight. One of the most significant developments is the Economic Crime and Corporate Transparency Act 2023 (ECCTA) - which has resulted in a major shift in corporate accountability.

ECCTA makes robust compliance training and fraud prevention strategies more critical than ever. Non-compliance carries serious consequences, including substantial fines, legal action, and significant reputational harm. Regulatory scrutiny is likely to intensify, and senior leaders could face personal accountability if their organisation is found lacking in effective oversight or controls.

With Companies House now granted broader powers to scrutinise data and company filings, organisations that ignore the issue risk falling under investigation.

But beyond the legal risks, failing to invest in compliance training and corporate governance can be a sign of weak internal culture - something that may deter partners, customers, and investors.

In contrast, those that adopt a proactive approach and invest in employee awareness to embed effective fraud detection and prevention, will be better positioned to demonstrate integrity, build stakeholder trust, and mitigate long-term risks to align with [ECCTA failure to prevent fraud guidance](#).



What is The Economic Crime and Corporate Transparency Act 2023?

The Economic Crime and Corporate Transparency Act 2023 (ECCTA) is a landmark piece of UK legislation aimed at cracking down on economic crime and increasing corporate accountability. It introduces tougher regulations around transparency, governance, and, crucially, fraud prevention.

A key provision of the Act is the new 'failure to prevent fraud' offence. According to [Home Office guidance](#), an organisation can be held criminally liable if:

“An employee, agent, subsidiary or other ‘associated person’ commits a fraud intending to benefit the organisation - and the organisation did not have reasonable fraud prevention procedures in place.”

This means that businesses are not just being judged on their response to fraudulent activity, but on the steps they have proactively taken to prevent it from occurring in the first place.

The stakes are rising - and businesses must act now to protect their reputation, resilience, and regulatory standing

The implications for UK businesses are far-reaching. Under the ECCTA, the burden of proof effectively shifts: companies must now demonstrate that they have reasonable fraud prevention procedures in place, or they risk being held criminally accountable for the actions of individuals associated with them.

This can have a number of implications across different stakeholders:

- **Criminal Liability:** If fraud occurs and the company is found to have inadequate controls, it may face prosecution, even if senior leadership was unaware of the wrongdoing.
- **Senior Accountability:** Directors and senior leaders could face individual scrutiny or action if they are deemed to have failed in their governance responsibilities.
- **Increased Regulatory Pressure:** With greater investigatory powers granted to Companies House and other regulatory bodies, firms can expect more scrutiny over filings, ownership transparency, and operational conduct.
- **Reputational Risk:** Beyond legal penalties, brand reputation can have long-term effects and cost more in the long-term than fraud prevention itself.
- **Operational Change:** Companies will need to implement or update internal controls, including stronger audit processes, [risk assessments](#), whistleblowing channels, and compliance training programmes.

Skillcast’s ECCTA Readiness Index

To better understand how different sectors are positioned for compliance with the ECCTA, Skillcast analysed over 37,000 data points from 2,000 private limited UK companies in ten sectors, using publicly available Companies House data. Each sector was assigned a weighted readiness score out of 1,200, which formed the overall “ECCTA Readiness Index” that measures how prepared each industry is for tougher regulatory scrutiny.

The goal: to evaluate corporate governance risks and highlight which industries may need to strengthen their practices internally to meet the new standards.

The analysis assessed a range of indicators linked to corporate stability and transparency, such as:

- **Director patterns** (number of directors since incorporation, average current directors, frequency of director changes)
- **Control and ownership transparency** (presence of Persons of Significant Control (PSCs) - named individuals vs. companies vs. no presence at all)
- **Filing and compliance behaviours** (overdue accounts, late confirmation statements, compulsory strike-off actions)
- **Company structure and activity** (number of registered charges, name changes, and PO box usage)

ECCTA Readiness Rankings by Sector

Industry	ECCTA Readiness score out of 1,200
Technology	889.4
Properties and real estate	828.4
Construction	783.2
Manufacturing	782.8
Retail	761.4
Utilities	670.1
HR and Recruitment	612.2
Law	605.7
Hospitality	592.9
Financial Services	453.4

Technology is the best overall performer

Of the 200 businesses analysed within the sector, the technology industry leads the ECCTA Readiness Index, thanks to strong governance structures, minimal use of PO boxes, and high transparency in ownership.

Across all sectors, the average business experienced just 2.5 director changes since incorporation, equating to only 0.1 changes per year. In contrast to sectors with higher administrative risk, just 2% of technology companies had overdue filings, significantly outperforming the hospitality sector, where 10% missed filing deadlines.

Technology also shows strong compliance maturity, with one of the lowest rates of compulsory strike-off actions, second only to property and real estate, suggesting a proactive approach to corporate maintenance and regulatory adherence.

However, the sector recorded 47 company name changes, which is a figure that may raise concerns, as frequent name changes can be indicative of rebranding to escape scrutiny or obscure past performance.

Industry	Number of directors since incorporation - average	Current directors - average	Director changes since incorporation - average	Director changes per year - average
Technology	4.5	2	2.5	0.16
Property and real estate	11.9	3.7	8.2	0.488
Construction	8.1	3.2	4.9	0.309
Manufacturing	3.9	1.9	2	0.102
Retail	2.7	1.6	1	0.001
Utilities	6.2	2.2	4	0.240
HR and Recruitment	2.3	1.5	0.8	0
Law	24.3	5.4	19	0.64
Hospitality	8	5	3	0.128
Financial Services	7.4	2.3	5.1	0.266

How industries differed with the number of active directors

Finance was the poorest performer

[Financial services companies](#) emerged as the lowest-scoring sector on the ECCTA Readiness Index, with a score of just 453.4 out of a possible 1,200 - signalling serious gaps in compliance and governance.

The sector recorded some of the highest levels of overdue filings, director changes, and compulsory strike-off actions. Notably, financial services businesses changed their company names more than any other industry, which could be a potential red flag that suggests attempts to obscure historical activities or avoid regulatory attention.

The sector also had the highest number of outstanding charges (122), nearly double that of the next highest sector, hospitality (78), raising concerns around financial risk and unresolved liabilities.

Confirmation statement compliance was also weak. 16% of financial services companies had overdue confirmation statements, which are a critical requirement under the ECCTA, as these filings ensure that Companies House holds up-to-date and accurate ownership and control data. A further 6% of businesses in the sector had overdue accounts, compounding the risk profile.

Transparency around Persons with Significant Control (PSC) was also inconsistent across the sector, with gaps in both named individual and corporate ownership disclosures. Given the sector's low index score and its role in managing sensitive financial systems, these weaknesses represent a [significant compliance risk](#). With regulatory scrutiny intensifying, financial services firms must urgently prioritise governance improvements to avoid

Construction - Shows solid governance

The [construction sector](#) scores 783.2 in the ECCTA Readiness Index, just ahead of manufacturing (782.8) and well above property and real estate (828.4). It shows solid governance: zero PO box usage, and a relatively low director change rate (0.309 per year).

However, construction's project-based model and reliance on subcontractors can lead to inconsistent filings and outdated records. This is supported by the fact that 23% of construction firms had no named PSC at all on their Companies House page, while 58 businesses had outstanding charges in the sector.

To stay compliant, firms must tighten governance processes or risk regulatory penalties and reputational damage.

Property & Real Estate - High turnover, but high compliance

The [property and real estate sector](#) demonstrates strong overall compliance. Businesses in this space reported low levels of overdue filings and led the way in minimising enforcement risk.

Companies recorded the fewest total charges, and of those analysed, had no outstanding charges at all, which is a strong indicator of low debt exposure and robust financial health. The sector also reported the lowest number of compulsory strike-off actions (27), with nearly all of these later discontinued, suggesting that most were resolved without serious governance concerns.

This contrasts sharply with the retail sector, which saw 103 strike-off actions - the highest of all industries concerned.

However, property did score poorly on transparency around ownership. Just 26% of companies analysed listed a named Person with Significant Control (PSC), with the majority failing to disclose any individual or corporate controller. This could be a potential concern under the ECCTA's stricter transparency requirements.

While the sector's overall compliance posture is solid, improvements in PSC reporting will be essential to meet the ECCTA's enhanced standards and avoid scrutiny.

Industry	Overdue confirmation statements in the last 12 months	Overdue accounts in the last 12 months
HR and Recruitment	18.5%	8.5%
Financial Services	16.5%	6%
Hospitality	10.5%	10.5%
Retail	8%	5.5%
Property and real estate	6.5%	1%
Construction	5%	4%
Manufacturing	4.5%	4.5%
Utilities	4.5%	4.5%
Technology	3.5%	2%

Overdue confirmation statements and account filings

Retail - Inconsistent in a time of brand scrutiny

[Retail businesses](#) stand out for their operational stability, with the lowest average number of directors (2.7) and the fewest director changes since incorporation. They also lead on ownership transparency, with 100% of companies naming individual Persons with Significant Control (PSC), which is a critical requirement under the ECCTA.

Their high ECCTA Readiness Index score of 761.4 reflects these strengths, particularly in governance and transparency. However, beneath the surface, there are signs of vulnerability. The retail sector recorded the highest number of compulsory strike-off actions, including those later discontinued, which could be a signal of operational fragility or inconsistent filing practices.

Additionally, 62% of charges remain outstanding, pointing to potential financial exposure. A further 5.5% of companies had overdue accounts, adding to compliance concerns.

While retail firms are ticking many of the right boxes, these red flags suggest a need for greater consistency and vigilance to maintain trust and regulatory alignment under the new regime.

Industry	Overdue confirmation statements in the last 12 months	Overdue accounts in the last 12 months
Financial Services	153	122
Hospitality	184	78
Manufacturing	184	71
Utilities	106	61
Construction	108	58
Technology	123	36
Law	65	35
HR and Recruitment	59	31
Retail	40	25
Property and real estate	1	0

Number of charges and number of overdue charges by industry

Law - High Risk, Low Transparency

The manufacturing sector performs solidly in the index, with a total score of 782.8, outperforming retail, utilities and HR and recruitment. The sector shows a commendable level of stability and transparency - zero PO box usage, a high percentage of named individual PSCs (84%), and a low director changes per year average, at just 0.1.

Manufacturing also maintains a strong record on compliance administration, with only three overdue confirmation statements and one overdue account in the last 12 months, contrasting sharply with finance, which recorded seven and 46, respectively.

Overall, manufacturing's consistency, low-risk governance, and high transparency set it apart as a relatively strong performer in ECCTA preparedness, though, like the other sectors, attention to dissolution triggers remains crucial.



Utilities should focus on timely filings

The utilities sector falls in the middle of the road in the index, lagging in administrative discipline. 5% of businesses have accounts overdue, and 73 notices of compulsory strike-off actions - the highest of all sectors.

Compared to finance, which shares similarly high overdue and strike-off figures, utilities still perform better overall but show a worrying trend of operational instability. For utilities to improve their ECCTA readiness, urgent focus is needed on timely filings, stronger oversight of dormant entities, and more proactive strike-off prevention.

HR and recruitment - High level of overdue statements

[HR and recruitment](#) trailed behind more stable sectors like manufacturing and utilities, but did perform well in transparency metrics, boasting the least changes to its active directors each year. However, it had the highest number of overdue confirmation statements - 18.5%.

The sector is characterised by a high volume of start-ups, sole traders, and fast-scaling firms, many of which operate with minimal back-office infrastructure. This may explain the high number of compulsory strike-off actions (91), which can be signs of limited administrative resilience and a lack of long-term compliance planning.

Hospitality should improve its administrative resilience

The [hospitality sector](#) scored 592.9 out of 1,200 in the index, in penultimate place. The sector has shown resilience in recent years, but many businesses still operate on tight margins and under complex ownership structures, which can be a red flag. Hospitality's challenges are compounded by ongoing closures and restructures, with many businesses still recovering from lockdown-era debt and staff shortages.

While hospitality showed some strengths in the research, such as a high percentage of named PSCs (70.2%), and modest director turnover (0.12 changes per year), it suffers in several key compliance areas. For example, it has 184 instances of businesses facing compulsory strike-off, second only to retail, in a sign of how the market is changing for consumers.



What this mean for ECCTA compliance.

The sectors ranking lowest on our ECCTA Readiness Index (law, hospitality and financial services) are likely to come under more regulatory scrutiny if their filings aren't up to scratch or can be perceived as being dubious, even if no fraudulent action is happening. Key warning signs, such as opaque ownership structures and overdue accounts or confirmation statements, don't just raise red flags, they can also increase the likelihood of investigations and legal exposure.

As enforcement of the ECCTA tightens, businesses in these sectors must prioritise stronger data governance and transparency. Proactive reform and robust compliance frameworks will be essential to reduce risk and demonstrate accountability.

Recommendations for businesses

The consequences of failing to prevent fraud extend far beyond financial penalties. It can erode stakeholder trust, damage a company's reputation, and create a poor internal culture where people don't feel settled. In an environment where transparency and accountability are increasingly under the spotlight, businesses must take proactive steps to protect themselves.

To strengthen your organisation's readiness and reduce the risk of fraud, Skillcast recommends the following actions:

- **Audit and update your Persons of Significant Control (PSC) records**
Ensure all PSC information is accurate, up-to-date, and clearly names individuals, not just corporate entities, to meet transparency requirements.
- **Ensure timely filings with Companies House**
Late submissions of accounts or confirmation statements can lead to fines and damage your compliance standing.
- **Review governance frameworks and internal reporting structures**
Evaluate whether current fraud prevention procedures are robust, clearly documented, and regularly communicated across the organisation.
- **Implement regular compliance training**
Equip staff with the knowledge to recognise and report suspicious activity, embedding a culture of integrity and vigilance.
- **Use analytics to identify weak spots**
Leverage tools that highlight gaps in governance or training performance to prioritise improvements and demonstrate due diligence.

Now is the time for companies to review their internal policies, upskill teams, and prioritise fraud prevention training that meets ECCTA standards. Preventing fraud isn't just a legal obligation - it's a strategic imperative.

In short, the ECCTA, and the failure to prevent fraud offences, demands a more proactive, embedded approach to compliance and corporate ethics. Organisations must act now to ensure they're not only meeting legal standards, but building a resilient and trustworthy business for the future.

Methodology

Skillcast looked at 10 industries, using Companies House sector codes to review 200 businesses, which were active and private limited companies, in each industry.

Of all 2,000 businesses, Skillcast reviewed:

- If the business location is set to a PO box (Y/N).
- Number of active directors since incorporation
- Number of active directors now (2025).
- The average change per year in active directors.
- The average change overall since the incorporation of active directors.
- Persons of Significant Control - if they're based in a commonly known tax evasion location (Y/N).
- Persons of Significant Control - if they're a named person, a company, both, or no entity is named.
- If its confirmation statement is overdue at the time of analysis (Y/N).
- The number of charges issued to the business overall.
- The number of outstanding charges it still has.
- If its accounts are overdue at the time of analysis (Y/N).
- The number of compulsory strike-off actions.

About Skillcast

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 1,400 companies use our digital products to deliver millions of learning interventions each year.

To start your free trial

Call us on +44 20 7929 5000

Visit www.skillcast.com/free-trial

Or scan the QR code below

