WHITEPAPER · CLIENT MONEY

CASS 15. A new client money regime, for insurance intermediaries.

Stricter segregation, daily reconciliation, named oversight, and a living resolution pack — what the FCA's new sourcebook asks of UK insurance intermediaries, and how to be ready before it comes into force.

In force 1 May 2026
A practitioner-led summary for brokers, MGAs & ARs
mycxc.services

WHAT IS CASS 15

A purpose-built client money regime for insurance distribution.

CASS 15 is the FCA's new dedicated sourcebook for insurance intermediaries handling client money — brokers, MGAs, appointed representatives, and any firm holding premium, return premium, or claims money on behalf of clients or insurers. It lifts the insurance-specific provisions out of CASS 5 and replaces them with rules written for how modern intermediaries actually operate.

The direction of travel is familiar from CASS 7: clearer segregation, stronger governance, sharper reconciliation cadence, and a formal resolution pack so client money can be returned promptly if a firm fails. In practice it means more rigour in how intermediaries record, reconcile, and evidence every movement of client money.

Scope and application

Applies to firms holding insurance client money — brokers, MGAs, wholesale and retail intermediaries, and appointed representatives.

Statutory trust

Client money is held on statutory trust for clients and insurers, with clear segregation from firm money and from other client pools.

Governance and oversight

Named CASS 15 oversight, board-level MI, and clear accountability for breaches, reconciliations, and bank diversification.

KEY OBLIGATIONS

Six obligations. What CASS 15 asks of intermediaries.

Segregation, reconciliation, breach reporting, and a defensible resolution pack — the operational disciplines firms need in place by 1 May 2026, each with the practical readiness steps to take now.

OBLIGATION 01 Segregation & approved banks

Client money held in designated statutory trust accounts at FCA-approved banks, with concentration risk actively monitored and diversified — insulating client money from firm failure and from over-exposure to any single counterparty.

Designated trust accounts

Held on statutory trust — segregated from firm money and from other client pools.

Approved bank list

FCA-approved banks only — credit standing and concentration monitored continuously.

Concentration monitoring

Bank diversification tracked — alerts when exposure to a single bank exceeds threshold.

Account naming

Account titles and bank acknowledgements that meet the new evidential standards.

OBLIGATION 02 Internal reconciliation

Frequent — in practice daily — reconciliation of internal records to ledgers, with documented investigation and escalation of differences. Move from spreadsheet-based, end-of-period reconciliation to system-driven daily internal reconciliation with exception workflows.

Daily cadence

Reconciliation runs daily — not weekly, not monthly. Differences caught as they arise.

Exception workflow

Each break investigated, ownership assigned, ageing tracked — no orphaned items.

Documented investigation

Every difference investigated, evidenced, and resolved — with a clear audit trail.

Escalation path

Material differences escalated to CASS oversight on a defined timeline.

OBLIGATION 03

External reconciliation

Regular reconciliation of internal client money records to bank statements, evidenced and signed off as part of the CASS control framework. Sign-off is by the named CASS oversight role, not the team that produced the reconciliation.

Bank statement matching

Internal balances reconciled against bank statements on the agreed cadence.

Evidence captured

Every reconciliation evidenced with source data, approver identity, and timestamp.

Independent sign-off

Sign-off by CASS oversight, separate from the team performing the reconciliation.

CASS audit ready

Outputs structured for the annual CASS audit — no end-of-year scramble.

OBLIGATION 04

Breach identification & reporting

Shortfalls, excesses, and concentration breaches detected in real time, recorded with full context, and reported to the FCA where required. Remediation is tracked through resolution — no breach closed without evidence of fix.

Real-time detection

Shortfalls and excesses detected at the point they arise — not at the next reconciliation.

Structured recording

Every breach captured with context — amount, account, root cause, and plan.

FCA notification

Material breaches flagged for notification with the structured context the regulator expects.

Remediation tracking

Each breach tracked to resolution — no closure without evidence of fix.

OBLIGATION 05

Resolution pack

A continuously assembled resolution pack — client balances, account lists, reconciliation evidence, and records — ready for an insolvency practitioner at any time. Move it out of a folder and into a system, assembled from current data, not rebuilt manually every quarter.

Living document

Continuously assembled from current data — never out of date, never rebuilt by hand.

Client balances

Per-client balances current to the latest reconciliation — an IP can act immediately.

Account list

All trust accounts, signatories, and bank acknowledgements indexed and accessible.

Reconciliation evidence

The most recent reconciliations, breach records, and sign-offs included.

OBLIGATION 06

Records, evidence & audit

Tamper-evident, WORM-grade records of every entry, movement, and reconciliation event — supporting the annual CASS audit and any regulatory enquiry. The answer to "what did you do, when, and on whose authority?" lives in the system, not in an email folder.

Immutable records

Write-once, read-many storage — no record can be altered after the fact.

Movement-level detail

Every premium, return premium, and claims movement traceable to source and destination.

Authority attribution

Every action stamped with the user, time, and authority under which it was taken.

Examination ready

On-demand structured export for CASS audit, FCA review, and control assurance.

HOW CXC HELPS

Client money compliance, built into the distribution platform.

TRUST ACCOUNTING

Statutory trust accounting by design

Client money, insurer money, and firm money segregated at the ledger level, with every movement stamped, rule-validated, and fully auditable.

RECONCILIATION

Automated daily reconciliation

Internal and external reconciliations run on schedule, with break investigation, ageing, and evidence captured in a single workflow.

BREACH

Breach detection and notification

Shortfalls, excesses, and concentration breaches flagged in real time, routed to CASS oversight, and recorded for FCA notification where required.

RESOLUTION PACK

Living resolution pack

A continuously assembled resolution pack — client balances, account lists, reconciliation evidence, and records — ready for an insolvency practitioner at any time.

AUDIT TRAIL

WORM-grade audit trail

Every entry, movement, and reconciliation event stored in immutable, tamper-evident form — supporting CASS audit and regulatory enquiries.

OVERSIGHT

CASS oversight dashboard

Board-level MI on reconciliation breaks, breach trends, bank diversification, and resolution-pack currency — ready for every oversight meeting.

TIMELINE TO 1 MAY 2026

Policy

FCA PS23/2 published

Final CASS 15 rules and transitional arrangements confirmed — a clear runway to implement before go-live.

Now

Gap analysis & design

Map current CASS 5 processes to CASS 15; find gaps in segregation, reconciliation, governance, and resolution pack.

Q1 2026

Build, test & parallel-run

Implement updated reconciliation logic, breach workflows, and resolution-pack automation. Run alongside existing controls.

1 May 2026

CASS 15 in force

New regime live from day one — daily reconciliations, a current resolution pack, oversight evidenced in MI.

GET STARTED

Be ready before May 2026.

See how cXc automates daily reconciliations, breach detection, and resolution-pack assembly — in a live 30-minute walkthrough.

Speak to our team →

mycxc.services/contact-us