



ACON — THE WHITE PAPER

# Running the bank's side of a Section 166.

*A practitioner's guide to the programme the regulator  
never sees — and the system that delivers it.*

An ACON white paper by Caitlin Taylor • August 2026 • v8 public edition



# A practitioner's guide to the programme the regulator never sees — and the system that delivers it

*This paper is in three parts. Part I explains why Section 166 response programmes fail so predictably. Part II sets out what good looks like — practical guidance any firm can use, whether or not it ever works with me. Part III describes the ACON delivery system built on those principles. Part II is deliberately generous: expertise is demonstrated, not asserted. What the paper does not contain is the engineering of the ACON toolkit itself — see the note at the back.*

## Executive summary

When the FCA issues a Section 166 Requirement Notice, two programmes begin. The visible one belongs to the skilled person — scoped by the regulator, reported publicly in commissioning statistics, fee averaging close to £1 million. The invisible one belongs to the firm: RFI management, document production, interviews, evidence packs, remediation planning, governance, reporting and handover into business as usual. Nobody publishes what that second programme costs. For a multi-business-unit bank it routinely exceeds the skilled person's fee — and unlike the fee, it is a cost the firm can actually control.

Almost every firm builds that second programme from scratch, under the clock, on two beliefs: that structure takes too long to build, and that too much governance makes a programme rigid. Both beliefs feel prudent; both are backwards. This paper works through why (Part I), what a well-run firm-side programme actually does — including the decisions that matter most in the first 30 days (Part II), and how ACON packages those disciplines into a pre-built delivery system that mobilises in two to three weeks and runs to signed acceptance (Part III).

## PART I — WHY RESPONSE PROGRAMMES FAIL

### I. A Section 166 is not a normal programme

Under s166 FSMA, the FCA (or PRA) requires a firm to commission a report by a skilled person on a matter of supervisory concern. The firm pays; the skilled person reports to the regulator; SUP 5 obliges the firm to give "all reasonable assistance," and the skilled person's contract must permit direct reporting of plans, progress and findings to the FCA. Three properties make the firm's response unlike ordinary change — and each one defeats a conventionally run programme:

**The evidence bar is regulatory.** Everything submitted may later be tested — in supervision, in a follow-up review, or in enforcement. Provenance, versioning and completeness matter as much as content. A programme that reconstructs its evidence after the fact has already failed this test; it just doesn't know yet.

**The timetable is, in effect, contractual.** Milestones are commitments to the regulator, and under Principle 11 slippage is itself a reportable event. Date discipline and early self-reporting are control requirements, not courtesies. This is why the industry's normal 30–45% overrun is not merely expensive on an S166 — it is a regulatory event in its own right.

**Three masters read one dataset.** The bank runs delivery; the skilled person consumes evidence; the FCA consumes progress and outcomes. All three must see consistent numbers. The moment the board pack, the

skilled person's tracker and the FCA update disagree, credibility — the programme's only real currency — starts to drain.

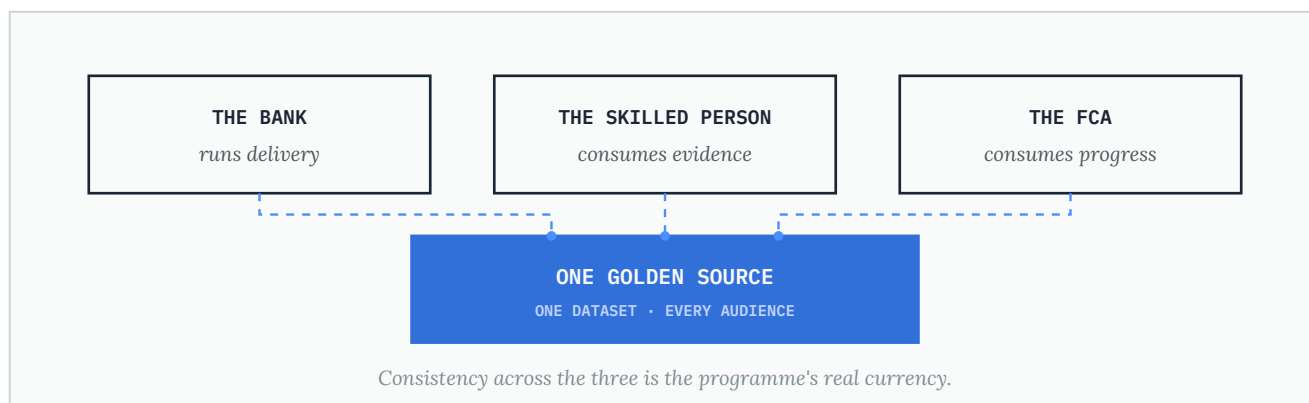


FIG 1 — THREE MASTERS, ONE DATASET

Most firms staff an S166 response as if it were a large but ordinary change programme. These three properties are why that never quite works.

## 2. The numbers

**The market.** The FCA commissioned 47–48 skilled person reviews in 2024/25, with roughly three-quarters concentrated in financial crime, controls & risk management and conduct — precisely the review types that generate the heaviest firm-side evidence and remediation workloads. PRA-commissioned reviews are additional.

**The visible cost.** The average skilled person fee rose from around £534,000 in 2019/20 to approximately £992,000 by 2021/22; complex or multi-jurisdictional reviews exceed £3 million. The firm pays all of it and controls little of it — the regulator scopes the review and approves the reviewer.



FIG 2 — THE COST ICEBERG

**The invisible cost.** No regulator publishes what firms spend on their own response. Practitioner experience puts a complex banking review at 1.5–3 times the skilled person fee once programme leadership, PMO, RFI coordination, workstream and SME time, document production and external support are counted across 12–24 months. This is the number this paper is about — because unlike the fee, it responds to how the

programme is run.

**The slippage tax.** Projects overrun budgets and schedules by 30–45% on average (McKinsey); large IT projects deliver 56% less value than promised (McKinsey–Oxford); roughly 70% of large transformations miss their objectives. Weak governance is consistently cited among the leading root causes — Deloitte attributes 35% of digital project failures to it alone. On a response programme running at £500,000 a month, a "normal" 30% overrun is roughly seven additional months: £3.5m of extended run-rate, extended skilled person engagement, and a Principle 11 conversation nobody wanted.

**The sponsorship factor.** Prosci has ranked active, visible sponsorship the number one contributor to change success in every benchmarking study since 1998; programmes with highly effective sponsors are roughly three times more likely to meet objectives (79% vs 27%) — yet about half of project teams report their sponsors don't adequately understand the role. On an S166, where the sponsor is typically an SMF holder with personal regulatory accountability, sponsorship is not a soft factor. It is a control.

### 3. The two beliefs — and the six ways they fail you

When the Notice lands, the clock is already running, and almost every firm makes the same call on the same logic. **Belief one: "structure takes too long"** — so trackers, reporting and processes get assembled mid-flight, iterated under fire, while delivery is already underway. **Belief two: "too much governance kills agility"** — so controls are stripped in the name of speed. The industry calls the resulting scramble agility. It is the opposite, and it fails in six recognisable ways:

1. **Disconnected tooling.** Multiple spreadsheets holding similar information that don't speak to one another. A due date moves in one tracker with no visible impact anywhere else; daily reporting becomes unreliable; confidence erodes; the working environment sours.
2. **Governance retrofitted, not designed.** Change control, reporting cadences and SOPs bolted on after problems appear — experienced by the team as constant, grinding rework.
3. **The silent slippage engine.** Without a live critical path, a moved date is invisible until it detonates downstream. By the time slippage is visible in the monthly pack, it is weeks old — and now reportable.
4. **Reconciliation as a way of life.** Three audiences, three versions of the numbers, and a growing tax of weekend reconciliation before every board pack and every skilled person meeting.
5. **The handover cliff.** The transition from response to business-unit remediation is unstructured: work moves in silos, BAU owners are never named, and "acceptance" happens by silent risk transfer instead of signed accountability. This is where follow-up reviews are born.
6. **The false agility spiral.** Under pressure, more governance is stripped to go faster; uncontrolled change destabilises delivery; every fix creates two new breaks; the programme becomes less agile with every "acceleration."

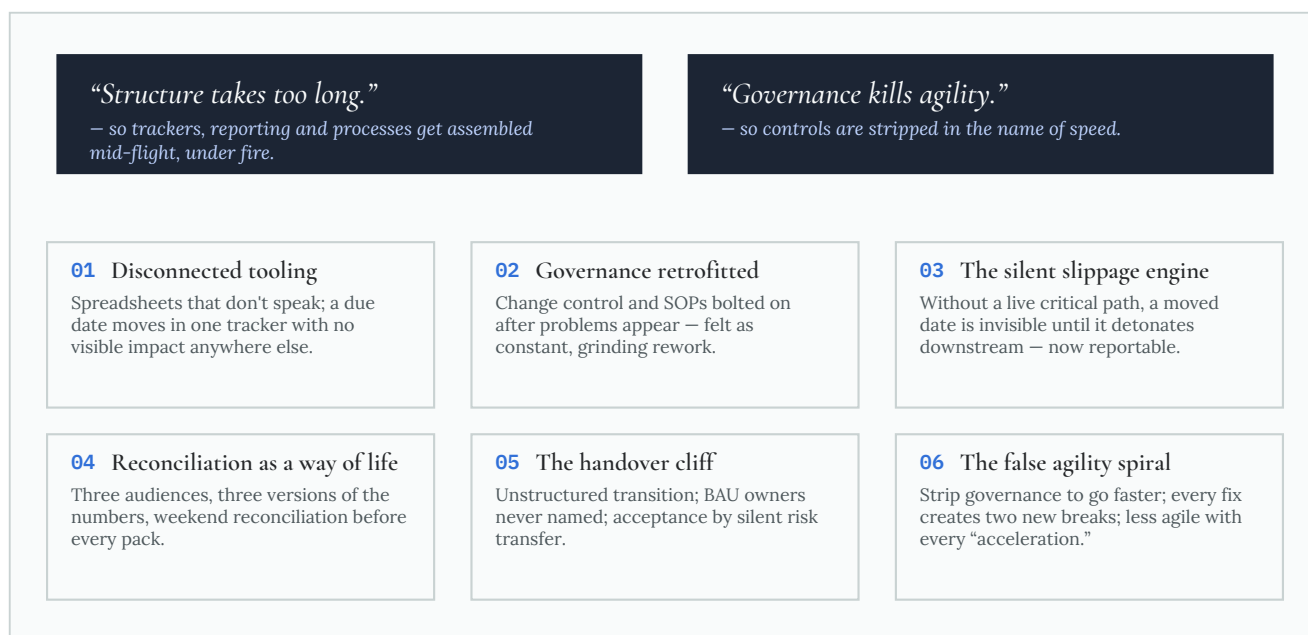


FIG 3 – TWO BELIEFS, SIX FAILURES

The cause, in every case, is structure — not effort. The teams on these programmes are usually working punishingly hard. That is rather the point.

## PART II – WHAT GOOD LOOKS LIKE

*This part is usable whether or not you ever engage ACON. It reflects the requirements of every stakeholder an S166 must satisfy, verified against primary sources (FCA Handbook SUP 5, EG 3.3, SUP 15; the IIA Three Lines Model; ICAEW skilled person guidance) and hardened on a live multi-year banking S166.*

### 4. The six audiences your programme must satisfy

A response programme is judged by six different audiences, each with different — and occasionally conflicting — needs. Most firm-side failures trace to designing for one audience (usually the board) and improvising the rest.

| AUDIENCE           | WHAT THEY JUDGE YOU ON                                                                                           | WHAT THEY ACTUALLY NEED FROM YOU                                                                                                           |
|--------------------|------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| The skilled person | Evidence sufficiency, completeness, version integrity, factual-accuracy discipline                               | Indexed productions with manifests; RFI responses against agreed SLAs; population certifications; a change log while the review runs       |
| FCA supervision    | Cooperation, SMF accountability, a credible remediation plan, delivery against commitments, early self-reporting | A finding→action→milestone→evidence chain; progress MI; notifications within the expected window; attestations that survive scrutiny       |
| Workstream teams   | Whether the programme is liveable                                                                                | Simple daily operation: personal queues, minimal-click updates, SLA countdowns, evidence checklists — briefed before requests land on them |
| The board / ExCo   | Genuine challenge, not reassurance                                                                               | A one-page exception-and-trend view, top risks, decisions required, and attestation confidence — from the same dataset everyone else sees  |

| AUDIENCE           | WHAT THEY JUDGE YOU ON                                                                        | WHAT THEY ACTUALLY NEED FROM YOU                                                                                                          |
|--------------------|-----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| Internal audit     | Completeness, evidence at closure, segregation of duties, MI accuracy, governed re-baselining | Continuous read-only access, a traceability matrix, closure packs, point-in-time snapshots — because they audit you while the review runs |
| Legal & compliance | Privilege control, a single regulatory channel, Principle 11 discipline, data protection      | A privilege log, production register, correspondence log, notification tracker — live, not reconstructed                                  |

Two implications follow. First, these six audiences must read from one source — any architecture that lets their numbers diverge will eventually be caught doing so, usually by internal audit or the skilled person, at the worst possible moment. Second, the programme must present differently to each audience without maintaining six versions of the truth: the case handler needs three fields; the board needs one page; audit needs everything, read-only.

## 5. The first 30 days: the decisions that decide the programme

By day 30, most of the programme's fate is already set. These are the calls that matter, roughly in order:

**Days 1-5 – Own the scope conversation.** Engage with the draft Requirement Notice before it is final. Scope that is vague ("governance arrangements") rather than bounded ("governance of X in business units A and B over period Y") is the single largest cost driver of the whole exercise — reviews expand into whatever ambiguity they are given. Take legal advice on scope and on the engagement letter; the skilled person's contract terms (reporting lines, factual-accuracy windows, data handling) are negotiable at the start and immovable afterwards.

**Days 1-10 – Establish the single channel and the privilege protocol.** One named route for all regulator and skilled person correspondence, logged. A privilege protocol agreed with counsel before the first document is produced — retrofitting privilege review onto three months of productions is misery, and waiver mistakes are permanent. Decide the data room architecture now: every production indexed, versioned and manifest-listed from item one.

**Days 5-15 – Name the accountable humans.** The SMF owner (personally accountable, and known to be); a sponsor who understands the Prosci finding above — active and visible, with a standing cadence; a programme director empowered to hold gates; named workstream owners in each business unit. Job titles are not names. "The first line will own remediation" is how silent risk transfer starts.

**Days 5-20 – Baseline the plan before the regulator baselines it for you.** A milestone plan you would be willing to show the FCA, with float you understand, dependencies you have actually mapped, and dates the workstreams have agreed to rather than been told. Every commitment made in early meetings becomes the baseline you will be measured against; make those commitments from a plan, not a posture.

**Days 10-25 – Brief before requests land.** The single cheapest control in the entire programme: stakeholders and BAU teams briefed on what is coming before RFIs and interview requests arrive on their desks. Push-back, delay and resentment mostly come from surprise, not workload. Prepare the comms plan, distribution lists and escalation routes now, while there is still slack to do it.

**Days 15-30 – Stand up the controls before volume arrives.** RFI intake with SLAs and aging visibility; evidence lockdown (golden-source versions, no local copies); change control with an authority trail; a reporting calendar aligned to the skilled person's and the board's cadence; and the audit-readiness assumption — build every register as if internal audit reads it tomorrow, because they will.

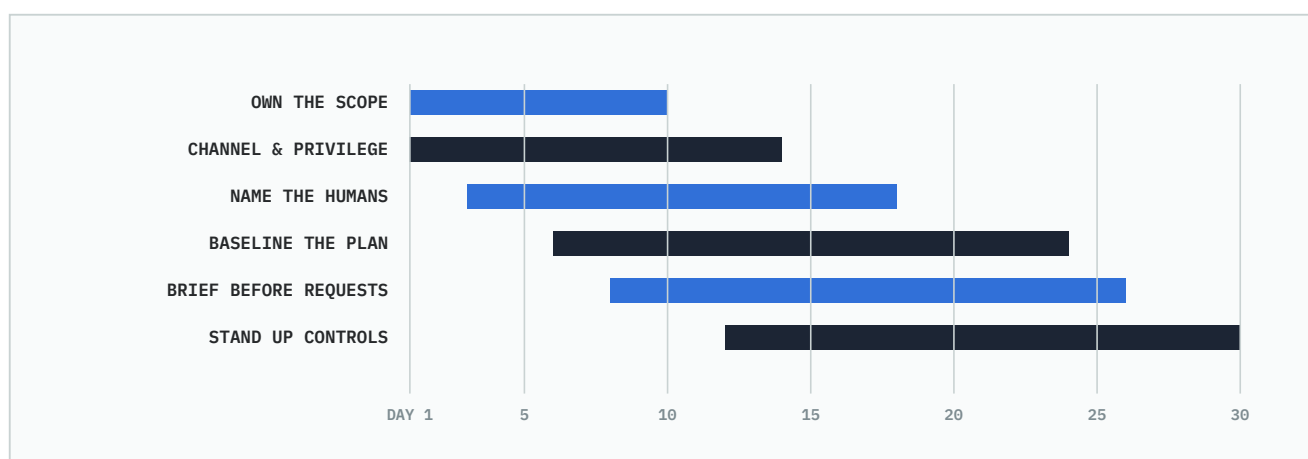


FIG 4 – THE FIRST 30 DAYS • SIX OVERLAPPING DECISIONS

A firm that does these things — with or without external help — will run a materially better response than the industry norm. The honest difficulty is that each item takes design effort exactly when the programme has none to spare: volume arrives from week two, and the machinery is never finished before it does. That gap between *knowing* and *having built* is the problem ACON exists to close.

## 6. Ten questions your board should ask in week one

A board that asks these questions early changes the programme's trajectory; the answers are less important than the discipline of having them asked.

1. Have we challenged the draft scope, and is every term in it bounded?
2. Who is the single accountable SMF owner, and do they know it?
3. What did we commit to the regulator this week, and where is that logged?
4. If a milestone moved yesterday, when would we know — and when would the FCA?
5. Are the skilled person, the board and the FCA reading the same numbers from the same source?
6. What is our privilege protocol, and has anything been produced outside it?
7. Could we evidence, today, everything we have submitted to date?
8. Who owns each finding's remediation in the business — by name?
9. What does acceptance at handover look like, and who signs it?
10. What is this programme costing per month, and what does a month of slippage cost?

If the programme cannot answer questions 4, 5 and 7 quickly and confidently, it has a structure problem — whatever the RAG report says.

## PART III – THE ACON ANSWER

## 7. Agility comes from firm controls

*"A ballerina doesn't pivot on the leg that moves. She pivots on the leg that holds — strong, controlled, planted."*

Everything in Part II shares one property: it is foundation work, and it pays for itself many times over — but it takes design time a firm under review never has. That is ACON's founding observation. The steps of an S166 are substantially the same every time; only the scope, business units and findings change. So the foundation can be built once, properly, in advance — and moulded to each bank in weeks.

ACON stands for Agile Controls, and the name is the method: prepared comms, briefed stakeholders, locked change windows and one golden source are not what stop a programme pivoting — they are the planted leg that makes the pivot possible. When the skilled person's focus shifts or new findings land, a change made once flows through plan, reporting and comms; the programme absorbs it in days instead of firefighting for weeks.

**Born on a live Section 166.** Early in a major UK bank's S166, as design lead, I put forward an operating model along these lines — governance, sprint cycles, a controlled delivery workflow, maintained SOPs. With the clock already running it felt, understandably, like too much structure too soon, and the programme pressed on. Two years of building-while-delivering followed — trackers, reports and SOPs reworked over and over, strategy reset after reset — until the programme itself asked for a proper workflow. Once the structured model was adopted: validation rates up more than 50%, every phase submission passed skilled person review first time, 100% on-time FCA submissions. ACON was built so the next programme can start where that one finished.

## 8. The system

**Mobilise once — then deliver and govern in parallel.** The inverse of building-while-delivering:

- **Mobilisation (weeks 1–3)** lays every foundation Part II describes: governance model and delegated authorities, organisation structure and named owners, comms architecture, privilege-aware production discipline, and the full planning baseline. Requirements are documented and locked inside two weeks under a strict approval process; the programme workbook is generated (AI-assisted, on the bank's own approved tooling, under that approval chain), tested and live by week three; integrated with existing reporting and risk systems where needed.
- **Delivery (week 4 to close)** runs from one golden-source plan: live critical path with same-day breach visibility, eight-week look-ahead, executive dashboard, pre-loaded risk register, budget and burn-down, authority-trailed audit log.
- **PMO (two-week sprints, alongside)** keeps the governance and comms of Part II ahead of the programme — briefed before change lands, refreshed every cycle, never allowed to rot.

**Two stages, six gates.** Stage One (Response): Scoping & Mobilisation → Information Gathering & Fieldwork → Reporting & Remediation Planning. Stage Two (Remediation): Handover & Mobilisation → Remediation Delivery → BAU Integration & Close. Every phase ends at a hard gate — no sign-off, no progress — and the programme closes on signed BU acceptance, because Part II's rule holds: no acceptance means no handover, only silent risk transfer.

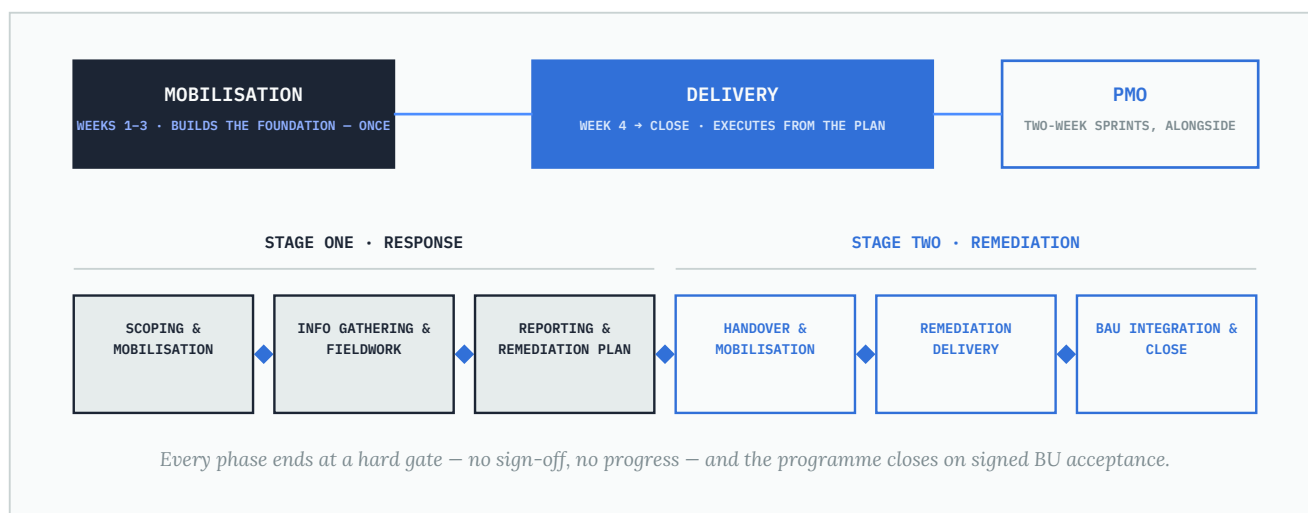


FIG 5 – THE ACON SYSTEM • TWO STAGES, SIX GATES

**One source, six views.** The suite – now in its third build generation, refined against the reference programme – serves all six audiences of Section 4 from one dataset: a master programme workbook feeding SLA-timed workflow trackers for the volume work of a review (RFIs, interviews, case builds, sample testing, findings checks, report responses), with one refresh updating every report. The case handler sees a simple queue; the programme director sees six phases; internal audit sees everything, read-only. Microsoft-native and macro-free throughout – Excel, SharePoint, PowerPoint, the estate the bank already licenses, trusts and audits – plugging into Power BI, Tableau, the bank's GRC platform and MS Project where needed. No new platform, no procurement cycle, no data leaving the estate.

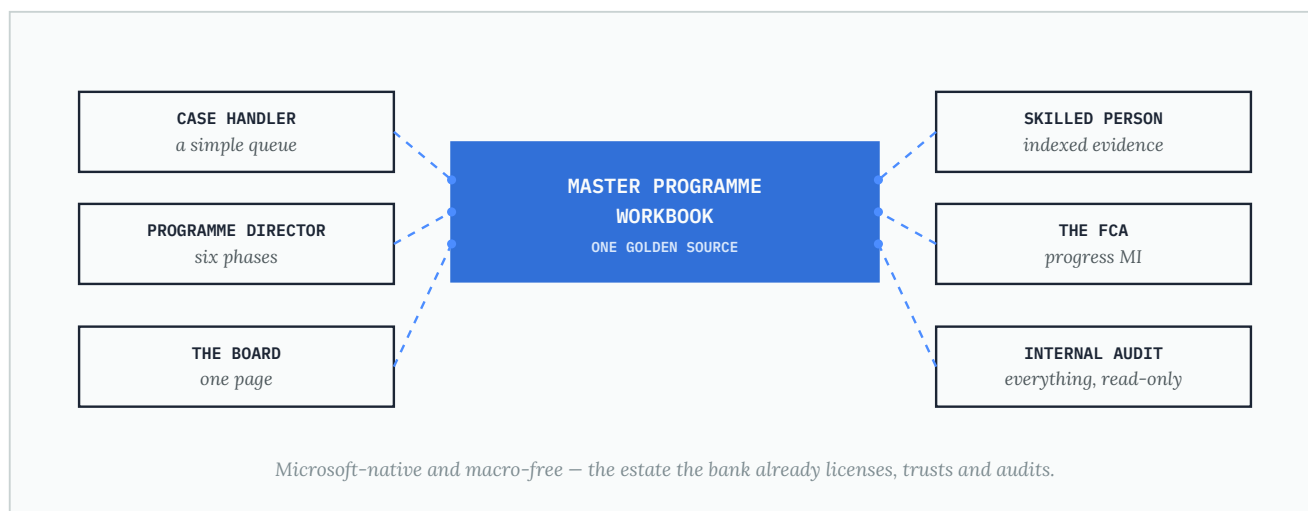


FIG 6 – ONE SOURCE, SIX VIEWS

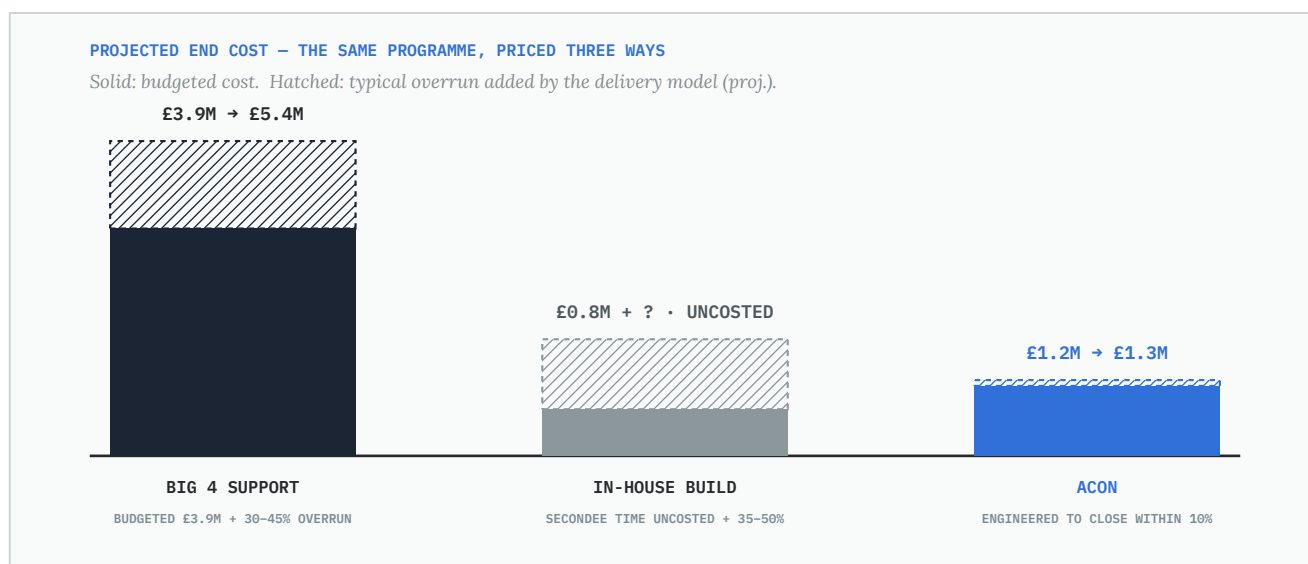
## 9. The economics

**Illustrative 20-month multi-BU programme (~430 working days):**

|      | BIG 4 SUPPORT LAYER | IN-HOUSE BUILD                               | ACON                                     |
|------|---------------------|----------------------------------------------|------------------------------------------|
| Team | 5-person pyramid    | ~60% visible + uncoded secondee time (proj.) | Small senior cell – 40% of the headcount |

|                  | BIG 4 SUPPORT LAYER    | IN-HOUSE BUILD                 | ACON                                                  |
|------------------|------------------------|--------------------------------|-------------------------------------------------------|
| Mobilisation     | 4–8 weeks              | 6–12 weeks                     | 2–3 weeks (proj.), tested & integrated                |
| Typical slippage | 30–45% (industry norm) | 30–45%+                        | Target <10% (proj.); reference programme 100% on-time |
| Direct team cost | ~£3.9m                 | ~£0.8m visible (+ hidden cost) | ~£1.2m (saving ~70%)                                  |
| Rework share     | ~15–25% (proj.)        | ~25–35% (proj.)                | <5% target (proj.)                                    |

The saving headline (~£2.8m vs the Big 4 layer) matters less than the overrun line. Recall Section 2: a normal overrun on a £500k/month programme is £3.5m and a Principle 11 conversation. ACON attacks slippage at the root – every date on one golden source, float recalculated live, breaches flagged the day they are created, change freezes protecting drop-dead dates. Where the savings come from: no build phase; manual reporting and document maintenance cut by up to 80% (reference programme measurement); senior practitioners with AI-assisted production instead of a pyramid; the handover cliff removed; and delivery rather than advisory – you are not paying for recommendations your own staff must then implement.



*Illustrative projections from published market rates and stated assumptions, not quotations. (proj.) = projection from the research base and the founder's reference programme.*

## 10. Standing, people, engagement

**Bank-side, and proudly so.** ACON is my bank-side delivery practice – not a skilled person, and not seeking to become one. The skilled person is the FCA's independent reviewer; I work for the firm under review, in the delivery of the response – the bank and its advisers own the substance. The FCA does not endorse consultancies, and the Skilled Person Panel is not my market, by design: my permanent bank-side position means no independence conflict can ever compromise my work for you.

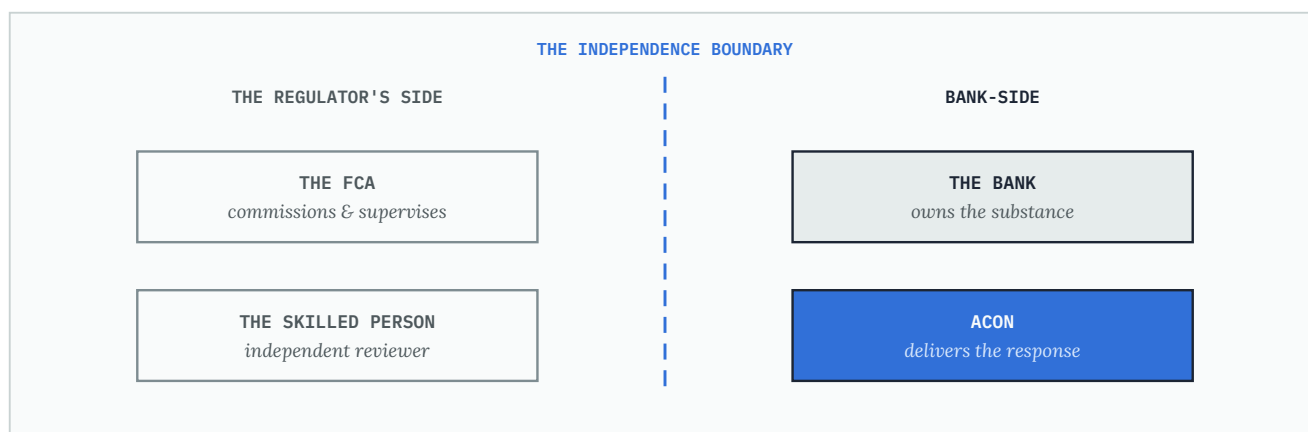


FIG 8 – THE INDEPENDENCE BOUNDARY

**The people.** The system was created by remediation-experienced practitioners — a programme designer, a project manager and a programme technology engineer. **Caitlin Taylor** (Founder & Design Director): sixteen years of FCA-driven remediation across J.P. Morgan, Santander UK, NAB and Excelian; design and delivery lead on the c.£120m reference S166; creator of the ACON toolkit; CAMS, AgilePM, PRINCE2 — currently delivering ACON engagements personally, on contract — remediation and target operating model programmes in regulated environments, the full Section 166 included. Preferred contracting partners: **Shanay Burrows** (Senior Project Manager & Reporting Specialist) and **Brian Barral** (Senior Technology Engineer & MI Expert).

**Working with me.** Engage on Requirement Notice — received or anticipated; mobilisation locks requirements in two weeks and goes live in three; Stage 1 runs the response; Stage 2 runs gated remediation to signed acceptance; at close you keep the populated toolkit, the SOPs and a trained team. Engagement today is a fixed-term contract with the founder — for the full S166, or from Stage 2 alone. Talk to me before the clock starts.

## A note on what this paper does not say

Part II of this paper describes what a well-run response does. It does not describe how the ACON suite achieves it — the workflow models, data architecture, control logic, SLA calibrations and generation tooling are proprietary, protected as trade secrets and by copyright. I demonstrate the full system live, under NDA, to firms and their advisers considering an engagement — where you can see, in the tooling itself, everything Part III only claims.

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## Appendix — research base (published sources)

FCA skilled person commissioning data and annual report 2024/25; FCA Handbook SUP 5, EG 3.3, SUP 15; skilled person cost data (FCA FOI disclosures; RPC; Devonshires); McKinsey senior project executive survey; McKinsey-Oxford large IT project study; transformation failure research (~70%); Deloitte digital project failure attribution; Prosci change management benchmarking (sponsorship findings); IIA Three Lines Model; ICAEW skilled person guidance; published Big 4 and boutique day-rate benchmarks. Full citations available

on request.