NAVEX

Northstar Series

State of Risk & Compliance in the UK

2026

Foreword

The U.K.'s regulatory environment is among the most demanding globally. From the Senior Managers and Certification Regime to the new failure to prevent fraud offense, organizations operate under sustained scrutiny from active and well-resourced regulators. In response, U.K. companies have built some of the most mature risk and compliance programs in the world.

U.K. organizations are generally keeping regulators satisfied and are on part with their global peers when facing enforcement action, according to data from our 2026 State of Risk & Compliance survey. Yet the broader picture is more complex. U.K. firms continue to experience higher-than-average rates of cyber and privacy breaches and third-party failures. Strong programs are not consistently producing strong outcomes.

The data suggests a clear reason. When compliance is treated as a requirement rather than a driver of organizational behavior, its impact is limited. In fact, 49% of U.K. managers with knowledge of or involvement in compliance believe their C-suite sees it as a "necessary evil."

It's clear that U.K. companies are taking action. This report examines where gaps between attitude, effort and impact, what is driving them, and how leaders and practitioners can benchmark where they stand. We hope the research and insights within this report prove valuable.

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The Northstar Series is NAVEX's curated collection of proprietary data and unparalleled analytical insights. Within this series we explore groundbreaking analysis intersected with bespoke data, shaping strategic decision-making across the risk and compliance landscape.

01
The state of risk and compliance in the UK

01 The state of risk and compliance in the UK: A gap between activity and impact

U.K. companies lead in compliance investment and program maturity – the opportunity now is turning that investment into measurable impact.

U.K. organizations have some of the strongest ethics and compliance programs of any region surveyed. A combined 70% of U.K. survey respondents describe their programs as one of the two highest levels of maturity on the five-level Ethics & Compliance Initiative (ECI) maturity scale, compared with a global average of 58%. This 12-percentage point difference reflects the demands of a complex and fast-moving regulatory environment that requires sustained investment.

That level of investment appears to be occurring. Forty-three percent of U.K. organizations expect compliance budgets to increase by at least 10%, compared with 32% globally, an 11-percentage point difference. However, the U.K.'s best-in-class compliance programs are not a luxury; they truly are a necessity and an appropriate response to the U.K. business environment. Organizations must keep pace with regulatory changes, adapting programs to meet new requirements as they emerge. They're effectively keeping regulators happy: U.K. organizations are on par with their global peers when reporting regulatory breaches or enforcement action.

RESPONDENTS RATING THEIR ETHICS AND COMPLIANCE PROGRAM AS "MANAGING" OR "OPTIMIZING"

Which of the following statements best describes your organization's Ethics and Compliance program?

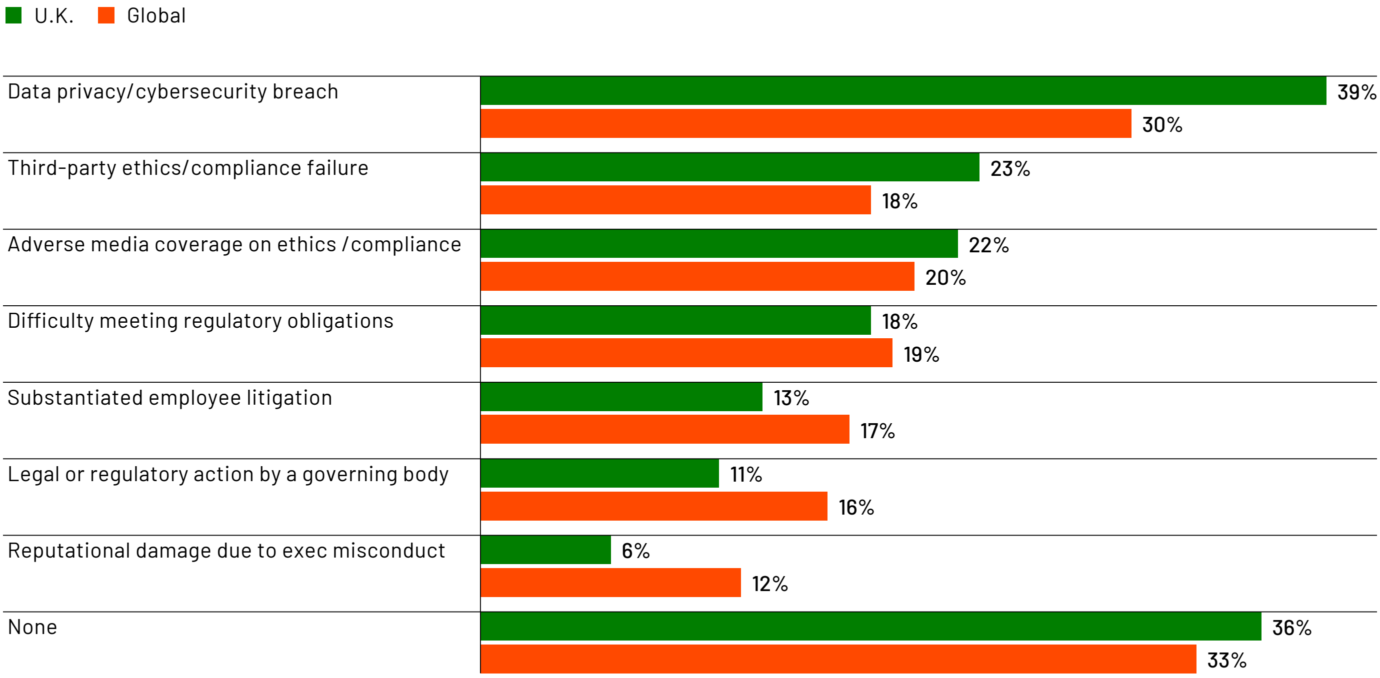
However, this active and expensive approach does not translate into stronger overall compliance outcomes. Thirty-six percent of U.K. organizations report no compliance issues over the past two years, compared with 33% globally, a three-percentage point difference, and 42% in the U.S., a six-percentage point gap.

U.K. companies are also more likely to experience cyber and privacy breaches and third-party compliance failures than global peers. These issues highlight a gap between program strength and real-world impact.

The challenge is not in program design. U.K. organizations have invested in controls, policies and regulatory alignment. The issue lies in execution. Implementation varies across functions and business units, creating inconsistency in how risks are identified, managed and escalated.

The result is a system that performs well under scrutiny but does not consistently reduce risk. U.K. organizations are running fast to meet regulatory demands, yet outcomes remain average.

COMPLIANCE ISSUES EXPERIENCED IN THE PAST TWO YEARS



Has your organization experienced any of the following compliance issues in the past two years?

02

The price of weak alignment

02 The price of weak alignment

U.K. leaders talk a strong compliance game, but when business pressures mount, the commitment doesn't always hold.

Leadership alignment is central to effective compliance: when leaders champion ethical behavior, it is then more likely to cascade down the organization. In the U.K., that alignment appears strong at first glance compared to the global average.

A closer look reveals a gap between perception and practice.

PERCEPTIONS OF ORGANIZATIONS' SENIOR LEADERS

	U.K.	Global
They have encouraged compliance and ethics within my organization	83%	70%
They have persisted in a commitment to ethics in the face of competing interests and/or business objectives	68%	50%
They have modeled proper behavior	65%	55%
They have tolerated greater compliance risks in pursuit of new business objectives and/or greater revenues	33%	29%
They have impeded compliance personnel from effectively implementing their duties	14%	15%
They have encouraged employees to act unethically to achieve a business objective	6%	10%
None of the above	0%	4%

Which of the following statements are true about your organization's senior leaders?

As stated earlier, 49% of U.K. managers believe their C-suite sees compliance as a "necessary evil" that inhibits business, which is exactly on par with the global figure. This perception is significant. It suggests leaders may not consistently value compliance in strategic decision-making.

This creates what can be described as performative alignment. Compliance is present in messaging, governance structures and formal processes, yet it is less consistently valued in day-to-day decisions. When organizations face pressure to deliver results quickly, compliance does not always carry equal weight alongside commercial priorities.

49%

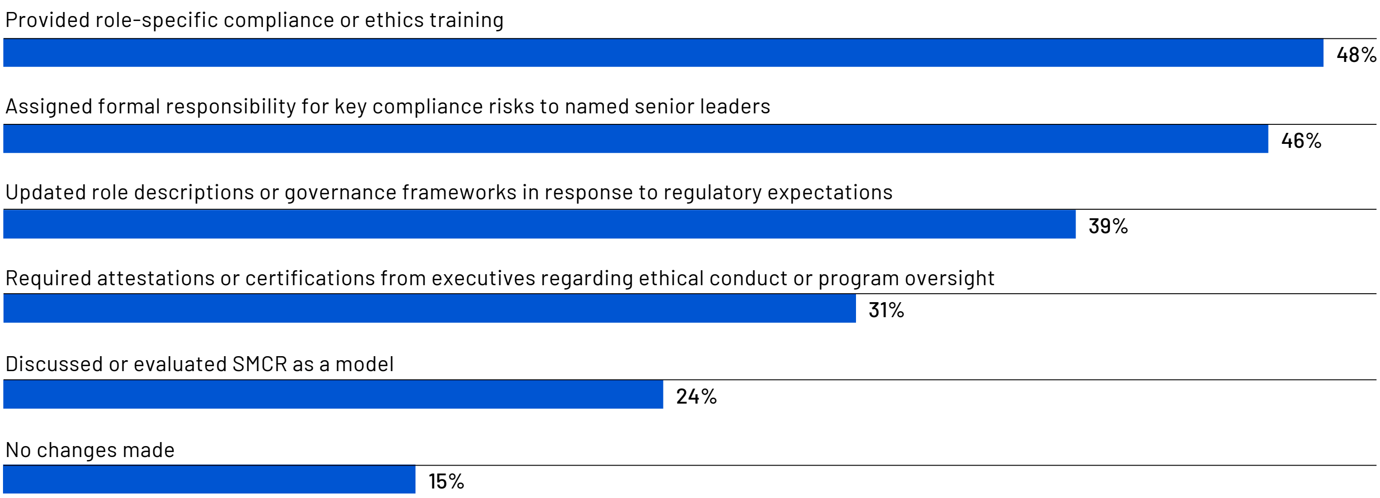
of U.K. managers think their C-suite regard compliance programs as a "necessary evil"

This gap has direct consequences: organizations that experience compliance issues are significantly more likely to have increased spending on compliance. Twenty-nine percent of U.K. companies reporting no compliance issues are increasing budgets by 10% or more. For organizations reporting two or more issues, that figure rises to 54%, a 25-percentage point difference.

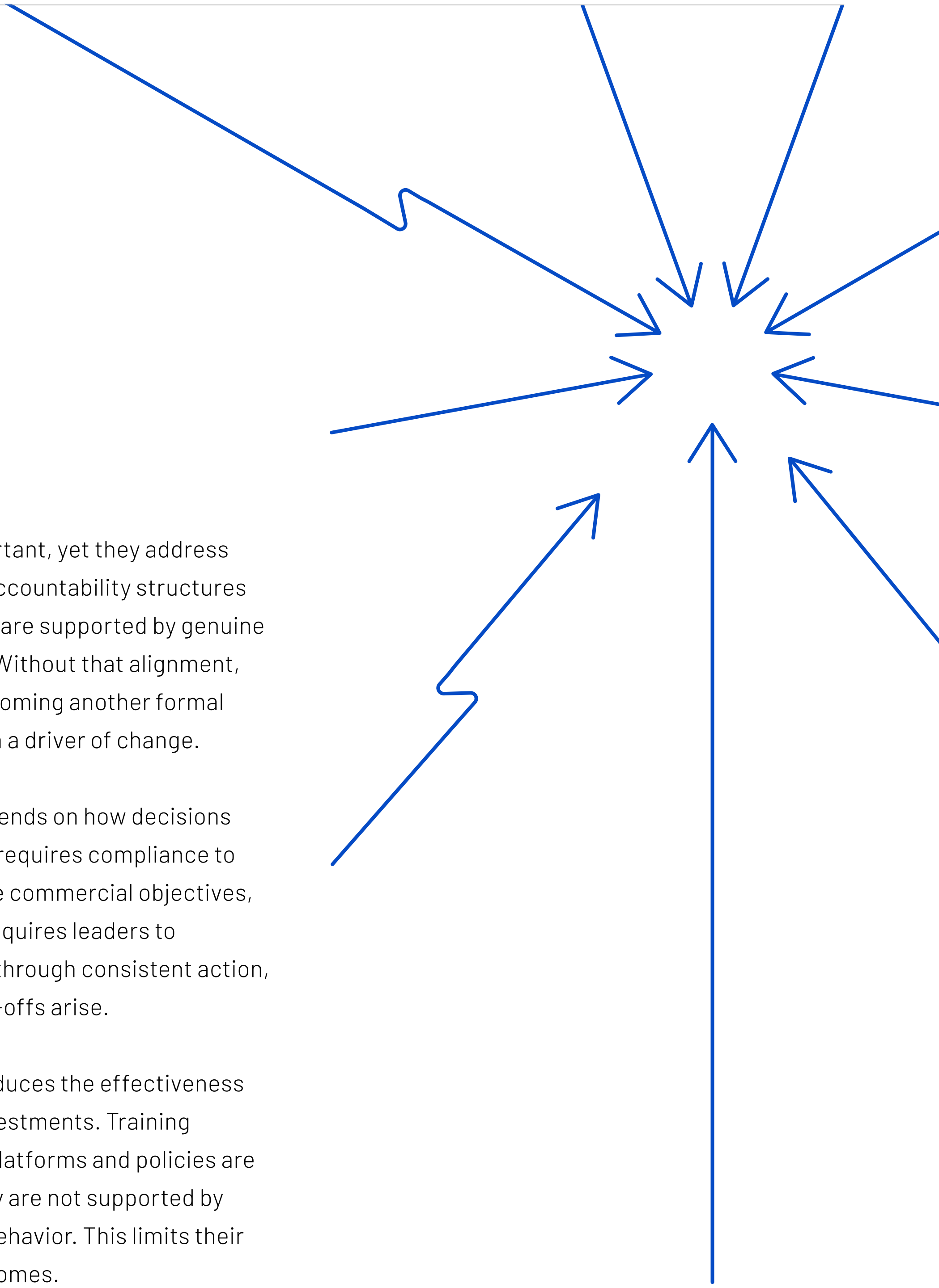
While increased compliance budget is usually a good thing, this pattern may also reflect a reactive approach. Investment follows failure rather than preventing it. Organizations absorb the cost of issues, then respond with increased spending, rather than embedding consistent practices that reduce risk over time.

There are signs that U.K. companies recognize this challenge. Eighty-five percent report taking steps to strengthen executive-level accountability for compliance. These steps include clearer ownership, stronger oversight and more formal integration into governance processes.

STEPS TAKEN TO STRENGTHEN EXECUTIVE ACCOUNTABILITY FOR RISK AND COMPLIANCE



Over the past 12 months, has your organization taken any of the following steps to strengthen executive-level accountability for Risk and Compliance in your operations?



These actions are important, yet they address only part of the issue. Accountability structures are effective when they are supported by genuine alignment in priorities. Without that alignment, accountability risks becoming another formal requirement rather than a driver of change.

Stronger alignment depends on how decisions are made in practice. It requires compliance to be considered alongside commercial objectives, not after them. It also requires leaders to reinforce expectations through consistent action, particularly when trade-offs arise.

Weak alignment also reduces the effectiveness of other compliance investments. Training programs, technology platforms and policies are less effective when they are not supported by consistent leadership behavior. This limits their ability to influence outcomes.

The cost of this gap is both financial and operational. Organizations in the U.K. and elsewhere invest in compliance yet still face avoidable issues. Over time, this reduces confidence in the compliance program and limits its impact.

Closing the gap between leadership intent and operational reality is critical. Organizations that achieve this are more likely to move from reactive responses to sustained improvement in compliance outcomes.

03

How UK organizations are improving their compliance programs

03 How UK organizations are improving their compliance programs

The push to strengthen compliance programs is widespread, but for U.K. companies, the harder work lies in embedding change where it matters most.

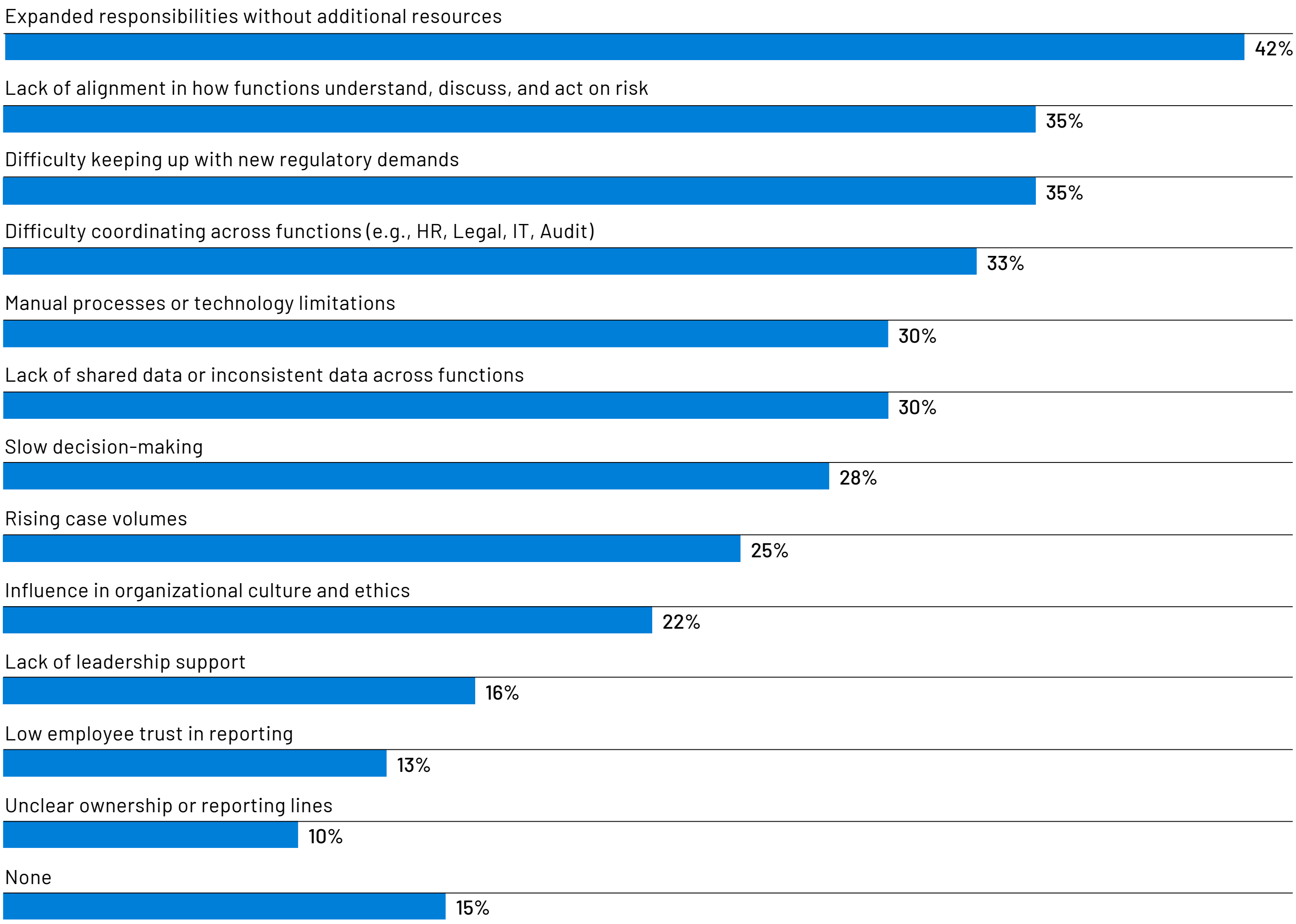
U.K. organizations are actively working to improve their compliance programs. Ninety-one percent report plans to improve their capabilities over the next 12 months. This reflects both regulatory pressure and a growing recognition that current approaches are not delivering consistent outcomes. At the same time, 85% of compliance teams report increased internal challenges.

91%

of U.K. companies are upgrading their ethics and compliance programs over the next 12 months

The most common issue is being asked to achieve more without additional resources, cited by 42% of respondents. With only 20% of organizations saying they're adding staff in the next 12 months, this creates a gap between expectations and capacity that can limit effectiveness.

U.K. COMPLIANCE CHALLENGES OVER THE PAST 12 MONTHS



Which of the following internal challenges have increased in compliance over the past 12 months?

Improvement efforts for the next 12 months are focused primarily on technology and training. Seventy percent of U.K. organizations are investing in compliance technology, while 66% are enhancing training programs. These initiatives are widely adopted because they are scalable and visible across the organization.

Their impact, however, depends on how effectively they are embedded. Technology and training can support compliance, yet they do not automatically lead to behavioral change. Without clear ownership, accountability, and integration into day-to-day processes, their effect may be limited.

Organizations that have experienced compliance issues show a more targeted approach. They are significantly more likely to prioritize activities such as risk assessments, monitoring, and third-party due diligence. For example, 60% of U.K. companies with two or more issues prioritize risk assessments compared with 32% of those with no issues, a 28-percentage point difference. That's no surprise.

HOW U.K. ORGANIZATIONS ARE WORKING TO IMPROVE RISK AND COMPLIANCE OUTCOMES

	Overall	No compliance issues	2+ compliance issues
Technology upgrades	70%	71%	75%
Training and awareness	66%	66%	69%
Modernizing technology/analytics	60%	54%	67%
Enhancing cross-functional collaboration	54%	49%	60%
Risk assessments	46%	32%	60%
Monitoring and audits	46%	32%	60%
Improving training or certification	46%	46%	50%
Stronger backing from senior management	41%	34%	50%
Policy management	39%	32%	48%
Increasing program budget	39%	27%	52%
Internal investigations	38%	24%	48%
Adding specialist expertise	33%	27%	46%
Culture and speak-up initiatives	25%	7%	40%
Third-party due diligence	21%	7%	31%
Adding staff	20%	10%	29%
Using external advisors/consultants	20%	15%	31%
No change	9%	15%	4%
No significant improvements anticipated	9%	17%	2%
Unsure	4%	5%	2%

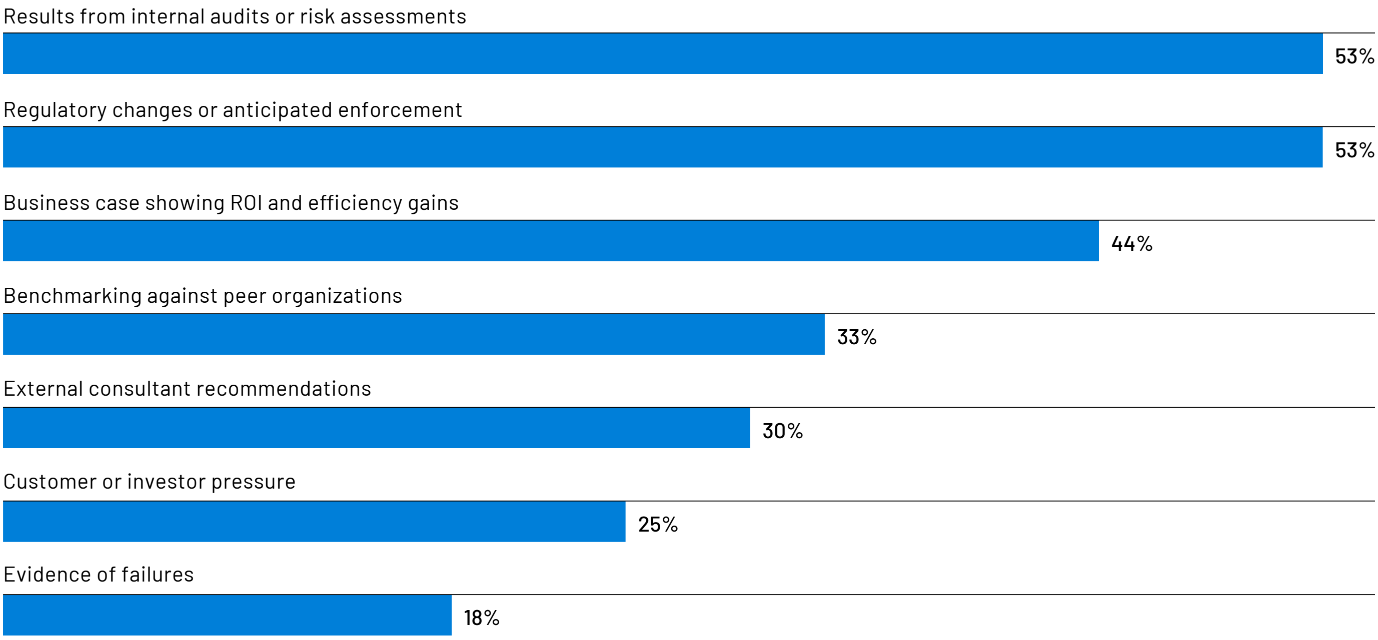
Which of the following will you need to significantly improve your organization's Ethics and Compliance program over the next 12 months? / Which of these program activities will see increased investment or activity (e.g., budget, staff time, scope, priority) in 2026?

And the data backs this up. Risk assessment is proven to have an impact in U.K. companies: 53% of managers ranked it as the number one measure that effectively increases investment in compliance programs, joint with regulatory changes.

There are signs of progress. Organizations are increasingly focused on improving how functions understand and act on risk, addressing long-standing challenges in alignment.

Yet leadership backing remains critical, with only 41% prioritizing this. This suggests that leadership alignment is still not fully recognized as a key driver of outcomes, and even the most well-designed programs will struggle to deliver consistent outcomes until this is prioritized.

EFFECTIVE MEASURES FOR INCREASING COMPLIANCE PROGRAM INVESTMENT



Which of the following have been most effective in making the case to increase investment in your compliance program?

04

Speak-up culture: Progress and gaps

04 Speak-up culture: Progress and gaps

The frameworks for speak-up culture are in place, but fear of retaliation means employees aren't always willing to use them.

U.K. organizations recognize the importance of speak-up culture in identifying and addressing compliance risks. This is particularly evident among companies that have experienced compliance issues, where focus on culture and reporting is significantly higher.

Based on NAVEX's 2026 Whistleblowing & Incident Management Report, global reporting volumes are at record levels, reflecting increased visibility of potential issues. U.K. companies are actively supporting this trend.

Companies with recent compliance issues are nearly

6x more likely

to prioritize speak-up initiatives

The most common approaches to promote speak-up culture include leadership messaging, non-retaliation policies, and access to anonymous reporting channels. These measures demonstrate a clear commitment to encouraging employees to raise concerns.

96%

of companies have measures in place to promote speak-up culture

MEASURES U.K. ORGANIZATIONS HAVE IN PLACE TO PROMOTE A STRONG SPEAK-UP CULTURE

Regular leadership messaging reinforcing the importance of speaking up	68%
Clear, widely communicated non-retaliation policies	60%
Reporting channels with anonymous reporting feature (e.g., hotline, online portal)	54%
Regular promotion of speak-up expectations in onboarding or training	47%
Facilitating a way for third parties to report misconduct in our system	43%
Mandatory manager training on how to receive and escalate concerns	39%
Tracking and reporting of retaliation or case outcomes to leadership	38%
Inclusion of speak-up culture metrics in manager evaluations or KPIs	35%
Monitoring at-risk individuals, including investigation witnesses, for retaliation	34%
We do not have formal measures in place	4%

Which of the following measures (if any) does your organization have in place to promote a strong speak-up culture?

Despite this, challenges remain. Seventy-six percent of organizations say they face challenges in creating a speak-up culture. Among those organizations that report difficulties, 79% of survey respondents identify fear of retaliation as the most significant barrier to reporting.

This highlights a gap between the problem and the response. Many organizations focus on communication, reinforcing the message that it is safe to speak up. The underlying issue is trust. Employees may understand policies and processes yet still question whether they will be protected in practice. This perception limits the effectiveness of current approaches and reduces reporting confidence.

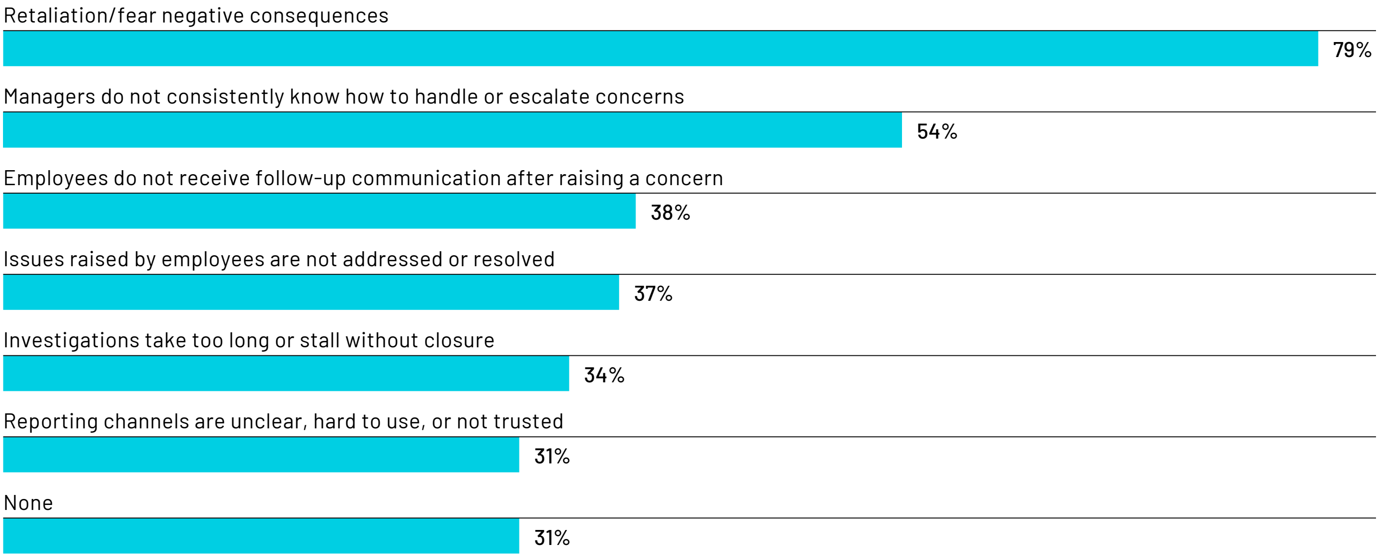
More structural measures, such as anonymous reporting channels, help address this concern by reducing personal risk.

Other actions, including tracking non-retaliation outcomes and monitoring individuals who may be at risk, are less widely adopted despite their potential impact.

The gap is also reflected in how organizations prioritize improvement. Forty percent of organizations with two or more compliance issues are focusing on culture and speak-up initiatives, compared with 7% of those with no issues, a 33-percentage point difference. This suggests that organizations often respond to issues after they arise rather than addressing underlying concerns earlier.

Overall, U.K. organizations have made progress in establishing speak-up frameworks. Closing the remaining gap will require a shift from communication to consistent action that builds trust and demonstrates concerns are taken seriously.

TOP BARRIERS TO REPORTING IN ORGANIZATIONS FACING SPEAK-UP CULTURE DIFFICULTIES



Which of the following challenges (if any) affect speak-up culture in your organization?

05

AI adoption in UK risk and compliance programs

05 AI adoption in UK risk and compliance programs

Optimism about AI in compliance is high across the U.K. and realizing its potential will depend on how it's implemented.

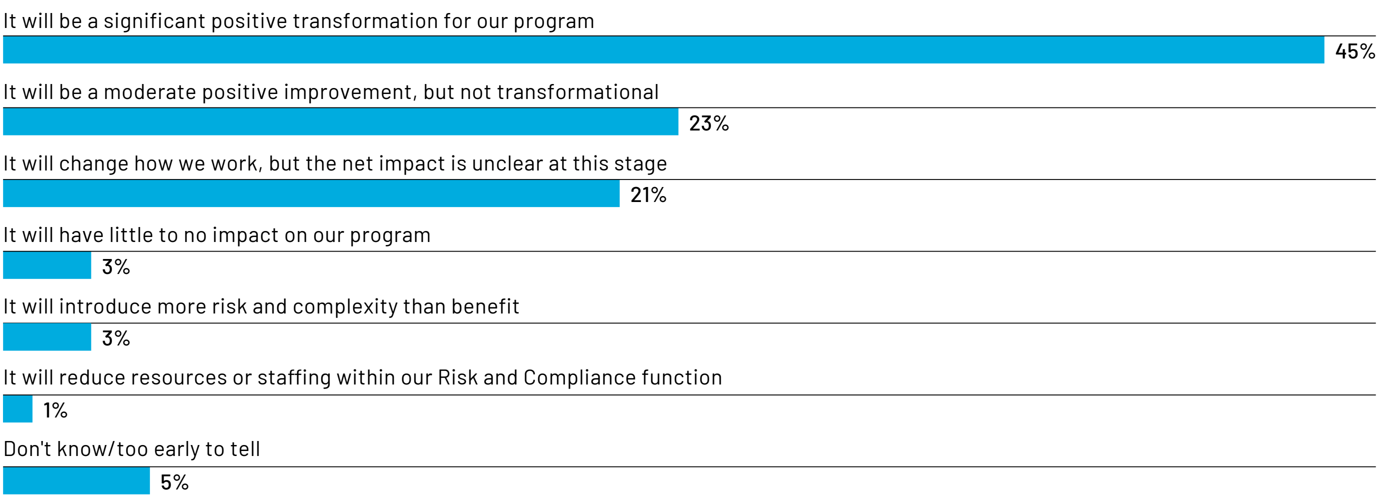
U.K. organizations are optimistic about the role of AI in compliance. Forty-five percent expect AI to have a significant positive impact over the next 2 to 3 years, while 23% expect a moderate impact.

This optimism is reflected in how they are actively helping their organizations effectively approach AI adoption. Ninety-one percent report that compliance teams are meaningfully involved in decision-making on AI use, compared with 78% globally, a 13-percentage point difference.

91%

say their compliance team is consulted on AI use within the organization

EXPECTED IMPACT OF AI ON RISK AND COMPLIANCE OPERATIONS



How do you expect AI to change the way your Risk and Compliance function operates over the next 2-3 years?

Current use of AI is focused on training, monitoring and reporting, with over half of U.K. organizations currently applying it. These applications reflect a practical first wave of adoption and help organizations manage increasing complexity and improve efficiency.

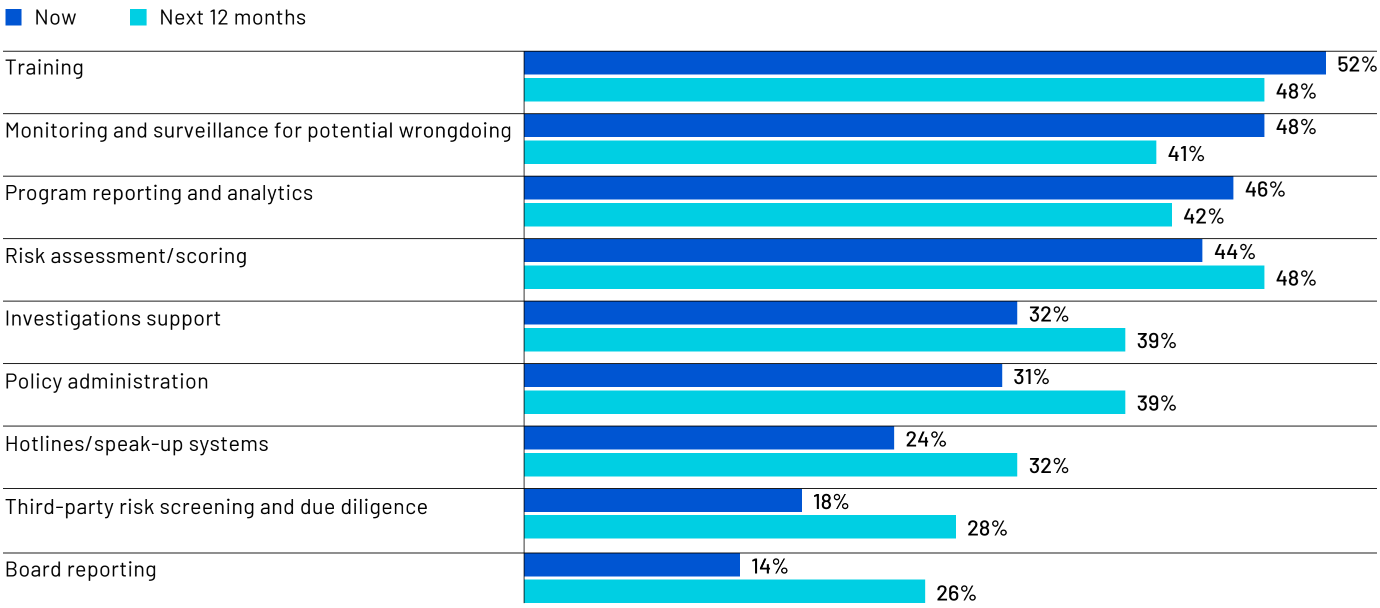
A shift is now underway. Over the next 12 months, organizations expect to expand AI into more complex areas. Policy management, speak-up systems, third-party risk screening and board-level analytics are all seeing planned growth, signalling a move from AI as an efficiency tool to AI as a core part of how compliance programs are run and governed.

U.K. organizations are moving faster than global peers in some of these areas. Thirty-two percent expect to use AI in speak-up systems compared with 22% globally, a 10-percentage point difference suggesting U.K. compliance teams are willing to apply AI in areas that directly affect employee trust and reporting culture.

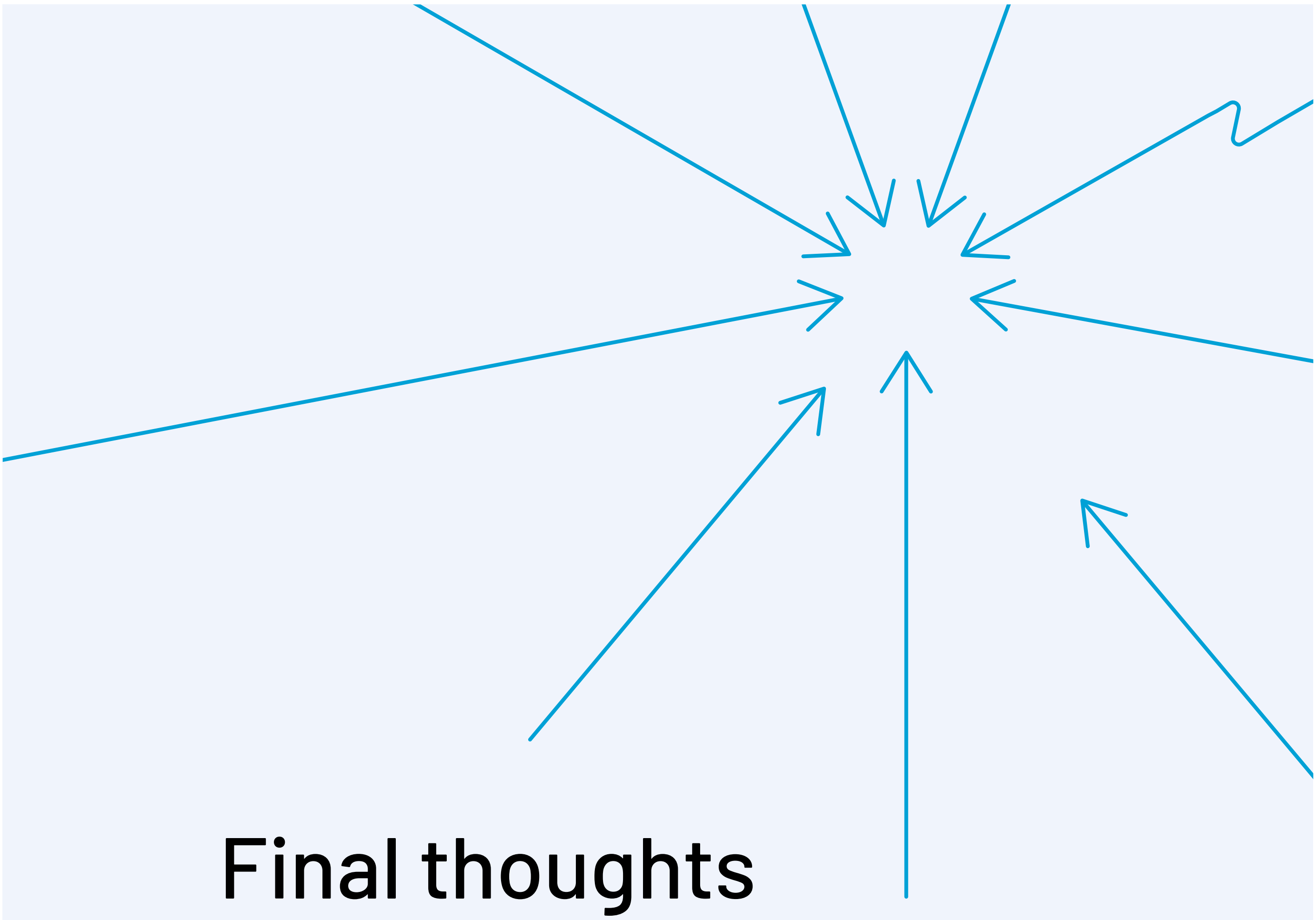
These developments have the potential to address some of the persistent gaps identified in this report, particularly in oversight and risk identification which could improve early identification of issues.

At the same time, deploying AI in these applications may introduce new challenges. Areas such as speak-up and investigations require trust, transparency and accountability, therefore deployment in these areas must be carefully managed to maintain employee confidence. The next phase of adoption will focus on responsible implementation and ensuring AI strengthens, rather than complicates, compliance outcomes.

AI USE IN COMPLIANCE PROGRAMS



Which of the following areas of your compliance program currently use AI? / Which of the following areas of your compliance program will use AI in the next 12 months?



Final thoughts

U.K. organizations are investing heavily in compliance and have built mature programs, but strong programs are not consistently translating action into reduced risk or stronger culture. The data shows a clear gap between effort and impact.

The challenge lies in alignment between leadership perception and reality, program activity and effectiveness, and policy and practice as they influence outcomes.

Organizations are taking steps to improve leadership accountability, speak-up culture, cross-functional coordination and technology. The opportunity is to ensure these efforts work together.

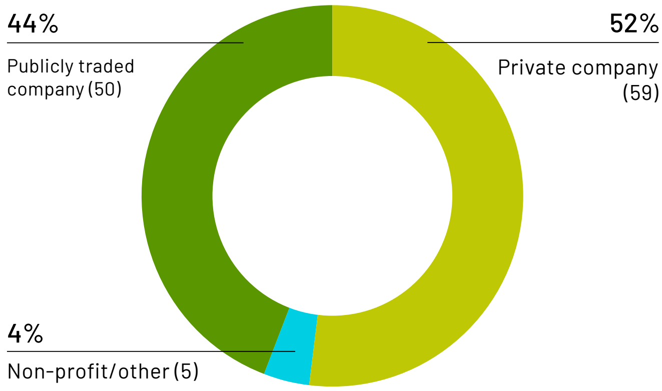
Those that succeed will improve compliance culture, focusing on driving top-down engagement as well as embedding compliance into decision-making and daily operations. This shift will be critical from shifting from building programs that satisfy requirements to embedding practices and change behavior and improve outcomes.

Survey methodology

NAVEX and alan. Agency, a leading B2B marketing and branding agency, surveyed 1,179 executives at businesses across a range of industries globally, including healthcare and social assistance, manufacturing, professional, scientific and technical services, retail trade, utilities and more. U.K.-specific findings are derived from the 114 respondents based in the U.K., representing a subset of the total survey participants. The fieldwork by iResearch Consulting Group took place between 5 January and 5 February 2026.

JOB ROLES

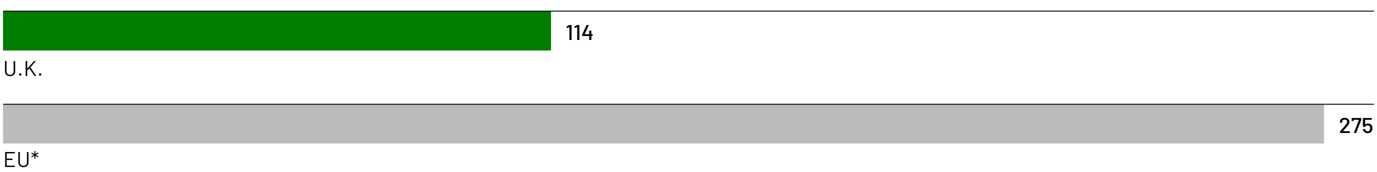
OWNERSHIP



COMPANY SIZES*

*Note: company sizes were partly determined to ensure data stability when comparing across the three groups

LOCATION



*Note: This sample includes respondents from Austria (8), Belgium (1), Denmark (5), Finland (2), France (108), Germany (103), Greece (2), Italy (5), Netherlands (3), Poland (2), Portugal (4), Romania (1), Spain (24), Sweden (7).

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