HM Treasury

Financial Services Skills Commission

# Financial Services Skills Compact

***A pledge to close skills gaps across financial services***

## Introduction and background

Financial services is one of the Government's Industrial Strategy priority sectors. As part of this, the Financial Services Growth and Competitiveness Strategy committed to working in partnership with industry to create a Skills Compact for Financial Services ("the Compact").

The Compact reflects a shared agreement between government and signatory firms to work together to close skills gaps in UK financial services. Firms that sign up demonstrate leadership by investing in their people and talent pipelines. It also reflects the sector's important role as a powerhouse of growth and productivity, providing good jobs and prosperity across the country. A skilled workforce is at the heart of this success and continued investment in skills will ensure the sector remains successful, innovative and world leading.

The Compact:

- Aims to deliver a more competitive, innovative and resilient UK financial services sector with the skills and talent base to keep pace with technological and/or other anticipated changes e.g. Artificial Intelligence (AI), fintech, Environment Social Governance (ESG).
- Commits signatories to take action to close skills gaps through initiatives to build the skills that are critical to the success of the sector and ensuring sufficient pipelines of skilled talent.
- Recognises that signatories have different starting points and will need to set the appropriate individual strategy to meet the commitments in the Compact.
- Requires firms to publicly report on progress to deliver against targets to support transparency and the accountability needed to drive change.

## The four commitments

**My organisation commits to close skills gaps. We will:**

A. Ensure all of our workforce is future-ready by upskilling them in AI and other critical skills over a rolling three-year period.

B. Maintain and/or grow structured routes into our organisation for new talent.

C. Assign one member of our senior executive team as responsible for closing skills gaps.

D. Publish annual updates on progress against these commitments.

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# Detail and definitions

## Commitment A

### Ensure all of our workforce is future-ready by upskilling them in AI and other critical skills over a rolling three-year period

Reporting

**By 30th November 2026, signatories *must*:**

1. Name the specific critical skills for which they are intending to report under this commitment in the next year. Firms should select a maximum of five skills (including AI) that they consider to be critical.

2. Report the number and the percentage of their current UK workforce which have been upskilled in the identified critical skills over the preceding 12 months (see box on reporting periods at the end of this document) to establish a baseline and facilitate reporting of comparable data in subsequent years. Firms ***should*** also provide data for the preceding 24 and 36 months where this data is available,

3. Report their UK workforce number/size on 30 September 2026 for calculation purposes. (See definition of workforce below),

   And signatories ***are encouraged to***:

4. Set annual targets to show progress towards the overall 3-year rolling target of 100%.

**By 30th November in each subsequent year, signatories *must*:**

1. Provide the number of their current UK workforce that have been upskilled in their chosen critical skills over the preceding 12, 24 and 36 months *(this will depend on when firms sign the Compact),*

2. Inform the Financial Services Skills Commission (FSSC) of any changes to the critical skills for which they intend to report over the subsequent year(s),

3. Report their UK workforce size at 30 September for reference,

   And signatories ***are encouraged to***:

4. Explain how they have ensured that the learning is meaningful and intentional, the resulting enhanced capability, and the business impact,

5. Provide total numbers of individuals upskilled in which critical skills, where this data is available. (e.g. number in AI skills, number in data analysis, etc),

6. Restate their annual targets for the coming years, which contributes to their progress towards the three-year rolling target of 100%.

**Definitions:**

- **Upskilling:** Means completion of at least one piece of training or learning in AI and/or the other critical skills that a firm has identified in advance (see below) e.g. through a professional qualification, course, certificate, module, badge or high-quality digital learning. The training should be intentionally curated or recommended with clear evidence of engagement and completion by the learner. The intention is that training is meaningful in terms of effort and impact. The expectation is that upskilling takes place within an employee's normal working hours. This definition excludes the completion of mandatory training: i.e. training required by regulation or statute or by the business e.g., such as health and safety, induction training, etc.
- **Measurement:** Upskilling is measured as the number of unique learners among the UK workforce engaged in upskilling, not the number of learning hours or completed courses.
- **AI and other critical skills:** These are skills identified in the FSSC's Future Skills Framework or other skills deemed to be critical by individual signatory firms. They may be technical skills or behaviours. Firms are encouraged to use the Skills England Standard Skills Classification to describe skills which are not found in the FSSC framework.
- **Workforce:** refers to directly employed staff based in the UK as of 30 September of that reporting year only. This excludes contractors, outsourced services, secondees.
- **Timescale:** The aim is for the entire workforce to be upskilled over a rolling three-year period. This is an ongoing commitment with no end date currently set. Firms will sign the Compact at different points and learning management systems may need to be enhanced to enable reporting on these measures. The expectation is that within three years after signing the Compact, firms are able to provide data for the preceding 36 months.

## Commitment B

### Maintain and/or grow structured routes into our organisation for new talent

**Reporting**

**By 30th November 2026, signatories *must*:**

1. Inform the FSSC of the route(s) into their organisation upon which they will report.

2. Report the number of the workforce recruited for each of their chosen routes into their organisation over the previous year, as a baseline measure.

3. Commit to maintain or set a target to grow these routes over the coming year and by what number or percentage of their UK directly employed headcount.

**By 30th November in each subsequent year, signatories *must*:**

1. Report the number of entrants in the previous twelve months for each of their chosen routes,

2. Inform the FSSC of any changes to the routes for which they intend to report under this commitment in the forthcoming year and any new target.

**Definitions**

- **Structured routes:** these are programmes that provide structured learning and development over a set period of time with additional support provided for employees on these pathways, e.g. time off for exam study/off the job training, internal rotation programme, mentoring etc. Normal colleague onboarding programmes and inductions do not qualify for this commitment. Examples include:
    - Graduate programmes
    - Apprenticeships
    - Career returners
    - Ex-military
    - Other schemes to attract specific talent, e.g. ex-offenders.

- **New talent:** To qualify for this measure, employees will be new to the business and join one of the structured routes in. (Individuals who have previously been employed by the organisation but are returning on a new employment contract are eligible, however internal moves are not eligible).

- **Workforce:** see above

- **Opportunity:** We encourage firms to provide programmes across all of the UK's regions and nations.

- **Collaboration:** We encourage signatories to, where appropriate, collaborate and share best practice in programme design and delivery in the fulfilment of these commitments.

- **Reporting:** this commitment will be reported as a percentage of overall workforce size and will be reported to one decimal place. *Example: Firm A set a target to maintain their graduate recruitment as 1.0% of their overall workforce. Firm B targeted to grow their total recruitment of graduates and apprentices to 1.5% of their total workforce, while firm C set a target of 3.0% of total workforce for recruitment of graduates, apprentices and returners.*

## Commitment C

### Assign one member of our senior executive team as responsible for closing skills gaps

**Signatories *must*:**

1. Appoint one member of their senior executive team to be responsible and accountable for closing skills gaps in the firm. There is no obligation to publish the name of this senior executive, but details must be provided in confidence to HM Treasury & FSSC.
2. Notify FSSC of the contact details of a named individual in their firm who is responsible for the annual reporting submission. This should be done when signing the Compact.

**Signatories *may:***

1. Publish details of the senior executive, if they choose.
2. Appoint a Non-Executive Director to have oversight of this commitment in addition to (but not instead of) a senior responsible executive.

## Commitment D

### Publish annual updates on progress against these Commitments

**Signatories *must*:**

1. Report progress towards their targets annually. This progress should be published alongside their targets on the firm's webpage. FSSC will publish progress made by all signatories in a public report on an annual basis. Names of signatory firms will **not** be anonymised.
2. Firms must provide information to FSSC on the methodology used to provide the data submitted.

**Signatories *may*:**

1. Provide a narrative which explains the rationale for their targets and plans to achieve them, submit this to FSSC and publish this on their website alongside their targets and annual reporting.

| Deadline for signing Compact | Deadline for reporting progress data and targets | Period for reporting to cover |
|---|---|---|
| 10 July 2026 (initial signatories, rolling thereafter) | 30 November 2026 | Targets and baseline data for preceding 12 months (+ preceding 24 and/ or 36 months, for Commitment A *only*) |
| | 30 November 2027 | Data for the 12 months up to 30 September 2027 (+ preceding 24 and 36 months, for Commitment A *only*) |
| | 30 November 2028 | Data for the 12 months up to 30 September 2028 (+ preceding 24 and 36 months, for Commitment A *only*) |
| | 30 November 2029 | Data for the 12 months up to 30 September 2029 (+ preceding 24 and 36 months, for Commitment A *only*) |
| | 30 November 2030 | Data for the 12 months up to 30 September 2030 (+ preceding 24 and 36 months, for Commitment A *only*) |

## Questions

Questions related to the Compact should be directed to compact@financialservicesskills.org.