

## **FSCS External Board effectiveness review 2025/26**

### **Background and process**

The FSCS Board carries out formal and rigorous evaluations of its own performance, and that of its committees, usually once a year. In 2025/26, the Board asked Andrew Lowenthal and Rebecca McNeil of Manchester Square Partners (“MSP”) to facilitate this year’s evaluation. Their review focused on Board culture, behaviours and dynamics, although other related areas were also considered.

The process involved one-to-one interviews with individual Directors, observations of Board discussions and debates (including interactions with the Executive Team and senior managers) and a review of key corporate documents. It concluded with a facilitated workshop to consider MSP’s findings. MSP also took feedback on the performance of each of the individual Board members, to be discussed with each Board member by the Chair and, in the case of the Chair, by the Senior Independent Director (“SID”).

### **Summary of findings**

MSP made positive observations about the culture and dynamics of the Board, which had gone through significant change over the previous eighteen months with a new Chair appointed, a previously interim CEO appointed permanently to the role and new Non-Executive Directors (“NEDs”) appointed. The Board has high quality Board members who provide diversity of thinking and constructive challenge. The NEDs were considered to be supportive of the executive, but not without challenge and acting in a professional way. There was a good process of strategy setting, led by the CEO, leading to an alignment of purpose.

The Board demonstrates strong risk management processes and receives high quality financial information.

The Board had adopted some adjustments to the way committees were run, with the merging of the Audit Committee and Risk Committee to form the Audit and Risk Committee and the establishment of a new committee – the Finance Committee. The Board is giving due consideration to how committees operate with the Board to ensure that agendas are not too lengthy and that there is no overlap between committee and Board agendas. The Board is also considering its mix of formal and informal meeting times and giving due consideration to future Board composition in its succession planning. With the recently appointed Company Secretary, there is a renewed focus on the quality of information flows to the Board.

The Board agreed to take forward the report’s findings and recommendations.

**July 2026**