



Financial Services

Regulatory Violations Intelligence Index

July 2025

Industry objectives and executive introduction

The Regulatory Violations Intelligence Index provides expert analysis and comprehensive insight into regulatory enforcement actions relevant to commercial banks, broker-dealers, and other financial services firms. It tracks breaches and resulting penalties across banking, securities, and insurance sectors, offering clarity on both the total volume of violations and aggregate penalty values.

Released semi-annually, this fourth edition of the Index assesses regulatory enforcement dynamics in the first half of 2025. The Index highlights patterns in institutional behavior most likely to result in regulatory action or sizable penalties. Through examining the count and financial impact of enforcement actions, it surfaces key regulatory priorities and thematic shifts. In the unprecedented and dynamic regulatory environment of 2025, these insights continue to require careful contextualization.

Regulatory climate: Key developments in 2025

Federal oversight of financial services remains heavily shaped by the deregulatory course set since early 2025. The Trump administration has continued to:

- Limit the scope of regulatory supervision over financial institutions by further rolling back aspects of the Dodd-Frank Wall Street Reform and Consumer Protection Act.
- Expand exemptions for smaller banks, raising asset thresholds for enhanced regulatory scrutiny and further easing compliance burdens on community and regional banks.
- Streamline enforcement activity at principal agencies, notably the Securities and Exchange Commission (SEC) and the Consumer Financial Protection Bureau (CFPB), concentrating resources on select high-profile fraud and misconduct cases rather than broad-based regulatory sweeps.
- Maintain a curtailment of CFPB rulemaking activities, doubling down on policies aimed at fostering industry self-regulation and industry-led compliance standards.

Index methodology

The input data for the index is ingested from third-party sources including GoodJobsFirst.org. Third-party data is augmented by proprietary semantic data analysis that captures enforcement action data from key supervisory bodies including the Commodity Futures Trading Commission (CFTC), Consumer Financial Protection Bureau (CFPB), Federal Deposit Insurance Corporation, Federal Reserve, Office of Foreign Assets Control (OFAC), Office of the Comptroller of the Currency (OCC), and the Securities and Exchange Commission (SEC). While extensive, the index does not claim comprehensive enforcement activity coverage.

Regulatory enforcement categories

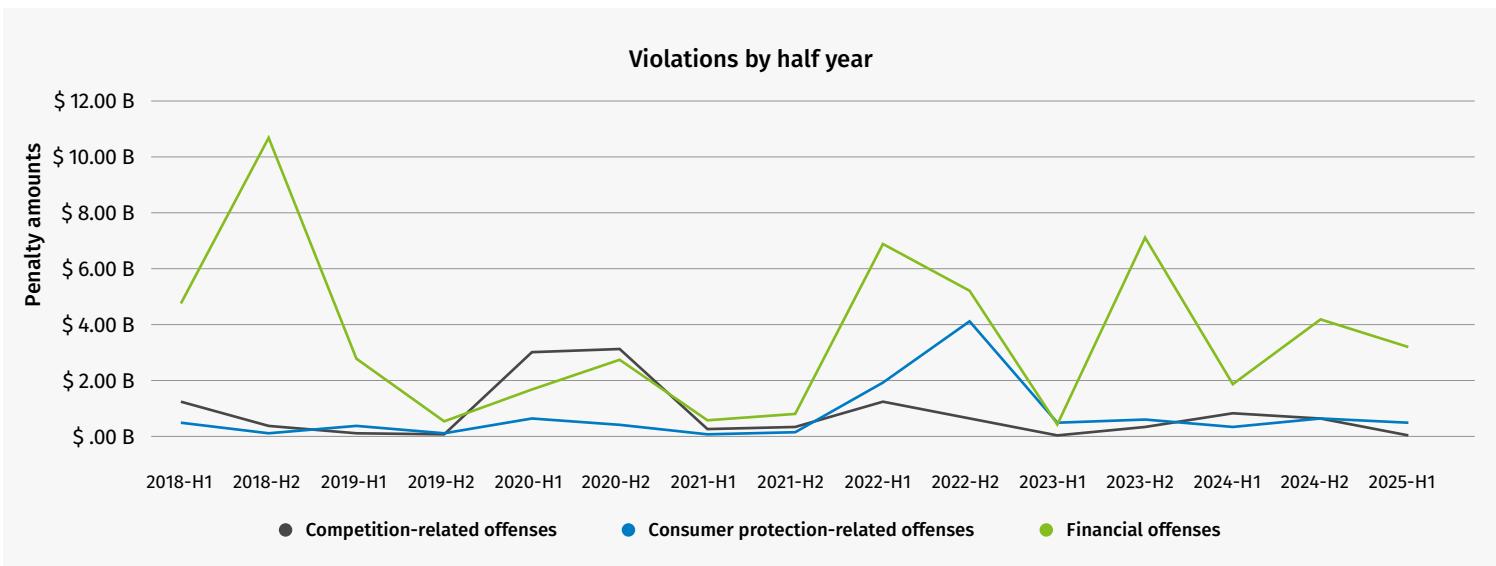
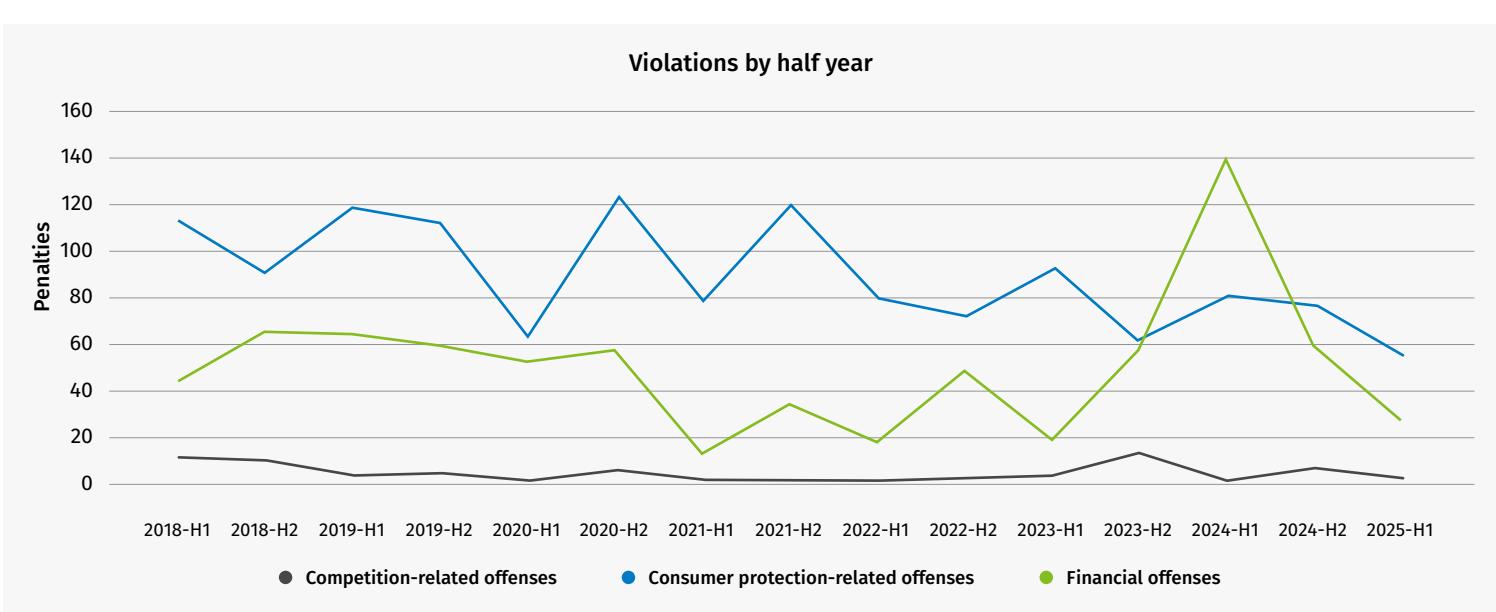
The Regulatory Violations Intelligence Index probes infringements and penalties across three categories of rules and guidance of interest to financial institutions: competition-related regulations, consumer protection-related regulations, and financial regulations.

The majority of enforcement actions included in the data were taken by US federal regulatory bodies such as the Securities and Exchange Commission (SEC), Commodity Futures Trading Commission (CFTC), Office of the Comptroller of the Currency (OCC), and Office of Foreign Assets Control (OFAC). But state governments are increasingly interested in regulatory oversight, and a small but growing number of enforcement actions are taken by states such as California and Texas.

First half of 2025 violations landscape analysis

In the first six months of 2025, total violations decreased in all three tracked categories — consumer protection, financial, and competition-related offenses. Across the board, enforcement activity dropped by 37 percent; the highest individual decline was observed by financial offenses with a 53 percent drop, followed by competition-related offenses experiencing a decline of 50 percent and consumer protection seeing a 22 percent drop.

Penalties also dropped precipitously and largely followed total violation issuance with competition related offenses showing the highest declines followed by financial offenses and consumer protection related offenses. A 32 percent average decline across all categories masked a wide spread between the 97 percent decline in competition-related offenses and the 24 percent decline observed in financial offenses and the 21 percent seen for consumer-protection related offenses.

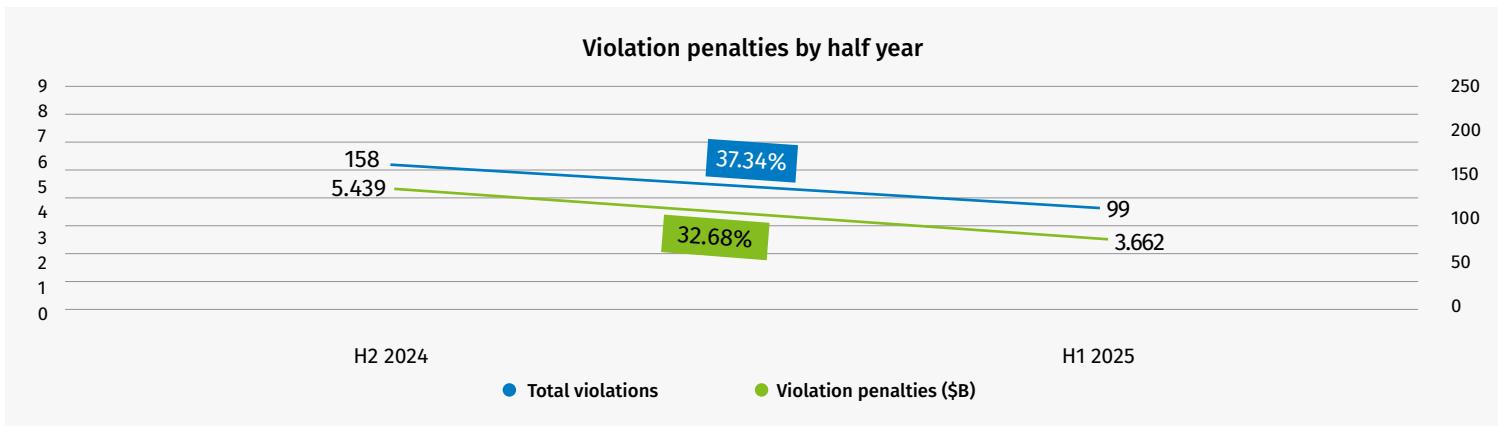


The stark drop across all three tracked categories confirm the perceived narrative around weaker financial supervision under the Trump administration. These dramatic findings point to a potentially fundamental reshaping both in the enforcement landscape and compliance priorities for financial services firms.

The aggregate number of enforcement actions and total penalties in H1 2025 reflects both targeted regulatory interventions and the outsized role now played by a handful of major actions, rather than a broad, consistent oversight approach. The evolving environment makes historical data on violations and penalties a less reliable predictor of future priorities, but the Index offers a valuable benchmark for tracking the direction and pace of change heading into the second half of 2025, as the current administration's supervisory agencies presumably move into full operational 'run' mode.

It is also important to note that the drivers behind enforcement order timing and penalty values vary widely. Enforcement action intelligence is a lagging indicator of regulatory supervision activities and strategic priorities. Timing drivers can range from an institution's investigation duration to examination cadences while penalty values can be linked to external factors like whistleblower complaints or unexpected enterprise failures.

Across the three index categories, 99 violations were issued in the first half of 2025, compared to 158 in the previous six-month period, representing a 37 percent decrease in volume overall. In terms of penalty amounts, a total of \$3.66 billion in penalties were issued in the first months of 2024, a 32 percent decrease from the \$5.44 billion issued in preceding six months of 2024.



Competition-related violations experienced a decline in violation volume between H2 2024 and the first half of 2025, decreasing from 8 actions to 4 with penalty issuance decreasing from approximately \$632 million to \$22 million, a 97 percent decline. The H1 2025 value continues a trend toward mean reversion from H2 2023, where 14 actions observed were a major outlier to the 6-year trendline for competition-related enforcement actions.

The largest category violation in the analysis period was a private litigation action where three banks and a German industrial company agreed to pay a total of \$20 million to settle litigation alleging they fixed the price of precious metals.

Consumer protection-related violations demonstrated a moderate decline in enforcement actions, 60 in H1 2025 versus 77 in H2 2024, coupled with a corollary 21 percent decrease in total penalty value over the previous period.

The largest category violation in the analysis period was a Department of Justice (DOJ) action against a major consumer finance provider who agreed to pay approximately \$138 million to settle claims alleging misleading and inaccurate sales practices.

Financial violations declined to 28 actions in H1 2025, a 53 percent decrease from 60 category violations issued in H2 2024. The total penalty value also declined 24 percent versus the previous period. The violation volume in H1 2025 also appeared to represent a near record low enforcement action volume observed since H2 2022.

The largest category violation in H1 2025 was a Federal Deposit Insurance Corporation (FDIC) action against a major consumer finance company for \$1.37 billion for unsafe banking practices including failing to establish and maintain a compliance management system.



Ready to explore how your organization can reduce the risk of regulatory violations?

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