



Financial Services

Regulatory Violations Intelligence Index

March 2026

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 second half of 2025.

Trends and focus areas

The index highlights patterns in institutional behavior that have resulted in regulatory enforcement action and their associated 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 late 2025, these insights continue to require careful contextualization.

Federal financial oversight in the second half of 2025 continued to reflect the federal administration's sustained deregulatory posture, with agencies emphasizing reduced supervisory burdens and a narrower interpretation of their enforcement mandates. Across the regulatory landscape, the White House and key financial regulators advanced several themes that further entrenched the policy direction set in early 2025:

- **Further contraction of post-crisis regulatory frameworks**, including additional efforts to reinterpret or limit provisions of the Dodd-Frank Act. Agencies continued to narrow the application of systemic-risk designations and scale back certain stress-testing and liquidity requirements for non-globally systemic institutions.
- **Expanded relief for small and midsize banks**, with regulators finalizing rule changes that raised thresholds for heightened prudential standards and simplified reporting requirements. These adjustments were framed as measures to enhance credit availability and reduce compliance costs for community and regional lenders.
- **More selective enforcement strategies at the Securities and Exchange Commission (SEC) and Consumer Financial Protection Bureau (CFPB)**, with both agencies signaling a preference for targeted, high-visibility cases rather than broad enforcement sweeps. Resource allocation increasingly favored actions involving clear-cut fraud, market manipulation, or consumer deception, while lower-level compliance violations saw reduced scrutiny.
- **Continued restraint in CFPB rulemaking**, as the Bureau maintained its emphasis on industry self-governance and market-driven compliance. Several pending regulatory initiatives were paused or deprioritized, and the Bureau increased its reliance on guidance documents rather than formal rulemaking to shape industry behavior.
- **Greater interagency alignment on deregulation**, with the Treasury Department, Office of the Comptroller of the Currency (OCC), and Federal Deposit Insurance Corporation (FDIC) coordinating more closely on supervisory expectations and examination procedures. This alignment contributed to a more predictable regulatory environment for institutions seeking to adjust internal controls and compliance programs to the evolving landscape.

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), CFPB, FDIC, Federal Reserve, Office of Foreign Assets Control (OFAC), OCC, and the SEC. While extensive, the index does not claim comprehensive enforcement activity coverage.

Regulatory enforcement categories

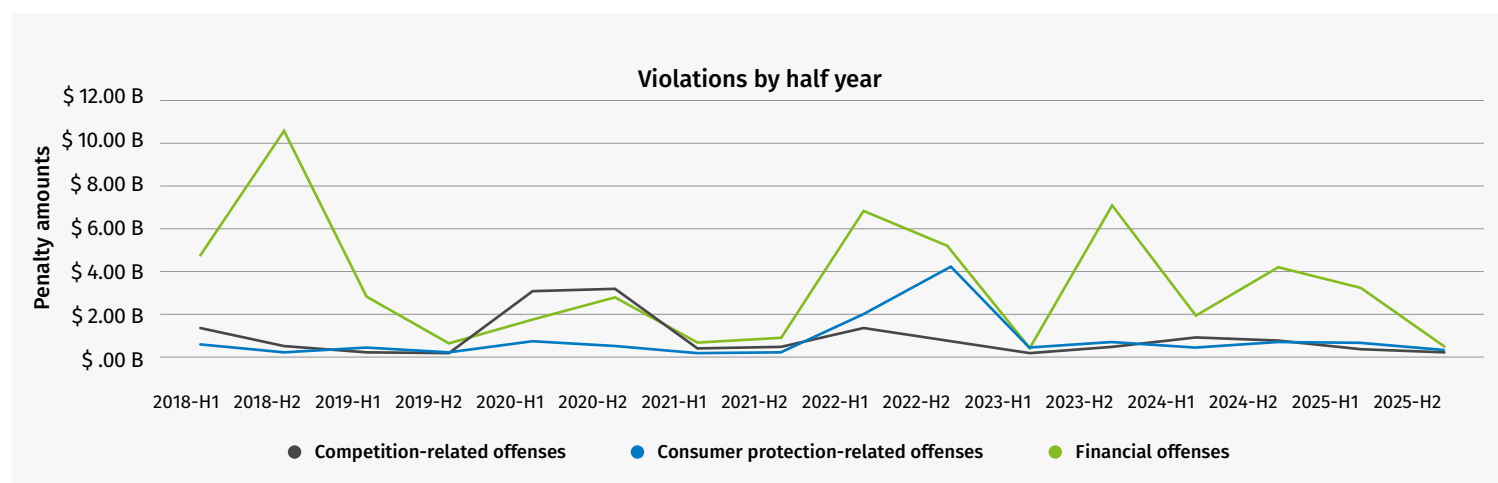
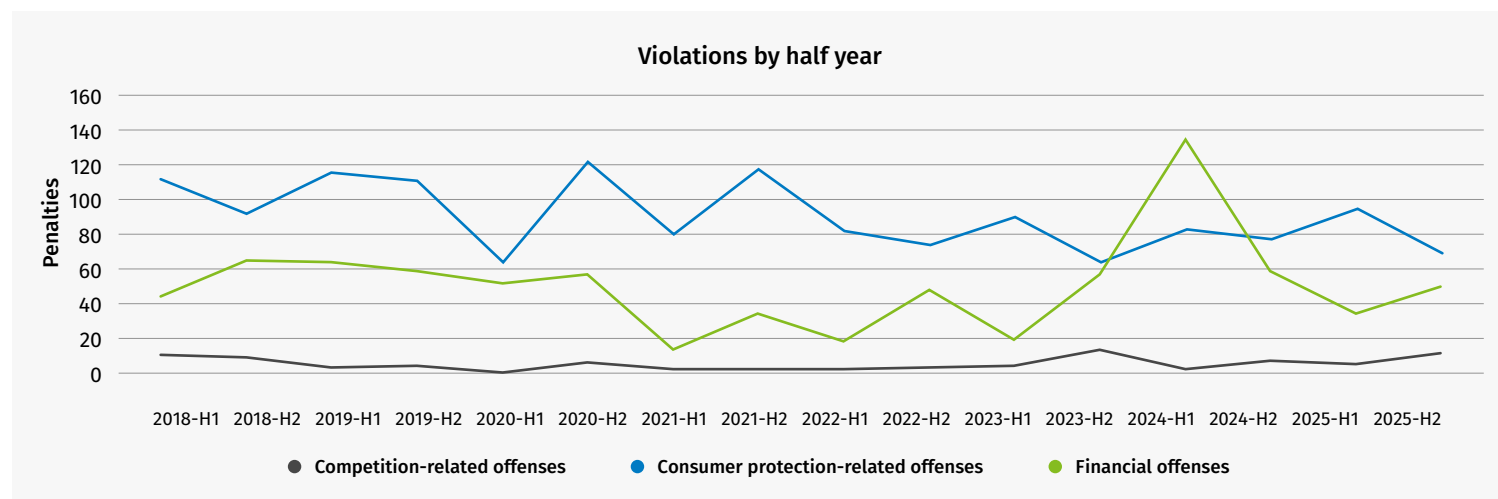
The Regulatory Violations Intelligence Index probes infringements and penalties across three categories of rules and guidance of interest to financial institutions: competition-related regulations, consumer protection-related regulations, and financial regulations.

The majority of enforcement actions included in the data were taken by US federal regulatory bodies such as the SEC, CFTC, OCC, and OFAC. But state governments are increasingly focused on regulatory oversight, and a growing number of enforcement actions are taken by states such as New York, California, and Texas.

Violations landscape analysis, second half of 2025

In the second half of 2025, total violations increased in two of the three tracked categories: financial and competition-related offenses. In aggregate total, enforcement action activity dropped by a negligible 3 percent; the category driving the decline was the consumer protection category with a 27 percent drop. Competition-related offenses experienced a 100 percent increase from a low-volume base, while financial violations experienced a 46 percent increase from the previous period.

Penalty amounts, however, continued to drop precipitously across all tracked categories. Financial offenses showed the highest declines followed by competition-related offenses and consumer protection-related offenses. An 83 percent total decline across all categories masked a spread between the 89 percent decline in financial offenses and the 66 percent and 61 percent decline observed in competition-related penalties and consumer protection-related offenses, respectively.

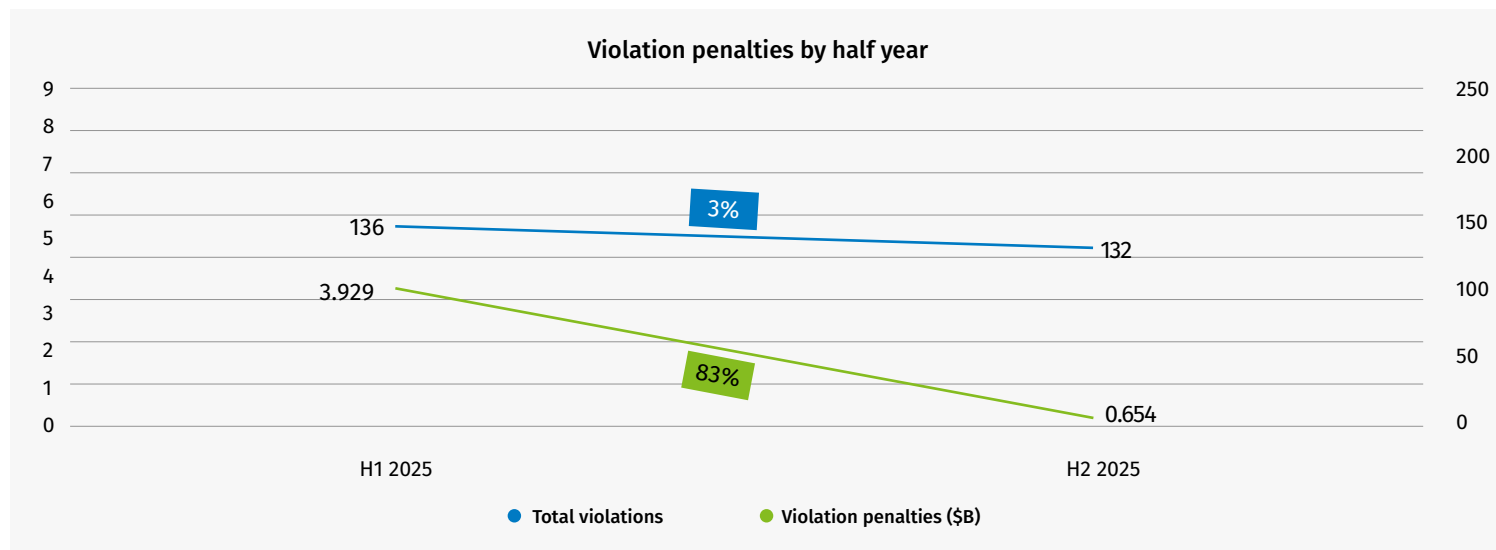


While the findings for H1 2025 pointed to a potentially fundamental reshaping both in the enforcement landscape and compliance priorities for financial services firms, the results from the second half of the year may reveal the outlines of a new regulatory consensus: highly selective and thematic regulatory supervision at the federal level, coupled with substantial private litigation and increased state-level oversight across all three categories.

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, largely civil 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 2026, as the current administration's supervisory agencies begin to fully act on the federal administration's stated priorities.

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 the duration of an institution's investigation to examination cadences, while penalty values can be linked to external factors like whistleblower complaints or unexpected enterprise failures.

Across the three index categories, 132 violations were issued in the second half of 2025, compared to 136 in the previous six-month period, representing a 3 percent decrease in volume overall. In terms of penalty amounts, a total of \$654 million in penalties were issued in the second half of 2025, an 83 percent decrease from the \$3.93 billion issued in the preceding six months of 2025.



Competition-related violations experienced an increase in violation volume between the first and second half of 2025, increasing from six actions to 12 with penalty issuance decreasing from approximately \$219 million to \$76 million, a 66 percent decline. The H2 2025 data shows no federal actions in this category across the analysis period, with all category activity being private, civil litigation.

The largest category violation in the analysis period was a private litigation action where a European investment bank agreed to pay \$25 million to settle litigation alleging it colluded with other banks to limit competition over interest rate swaps.

Consumer protection-related violations demonstrated a significant decline in enforcement actions, 69 in H2 2025 versus 95 in H1 2025, coupled with a corollary 61 percent decrease in total penalty value over the previous period. Notably, only one action in this category was led by a federal agency, all others were state-led or private, civil litigation.

The largest category violation in the analysis period was a private litigation action against a major insurance services provider who agreed to pay \$80 million to settle litigation alleging it failed to provide proper notice before cancelling policies for nonpayment of premiums.

Financial violations increased to 51 actions in H2 2025, a 46 percent increase from 35 category violations issued in H2 2024. The total penalty value, however, declined by 89 percent versus the previous period. The overwhelming majority of primary offenses within this category were investor protection violations. Federal activity in this category dropped dramatically over the same period in 2024, falling from 45 actions in H2 2024 to five in H2 2025.

The largest category violation in H2 2025 was a Justice Department action where a European investment bank agreed to pay \$300 million to resolve legacy violations within its Residential Mortgage-Backed Securities (RMBS) business.

In H2 2025, enforcement was no longer being shaped primarily at the federal level. Instead, **state authorities and private litigants were the primary engines of regulatory accountability**, marking a structural shift in how compliance risk manifested across the financial sector.



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

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