BankLicenseWiki
The free, sourced encyclopedia of banking licenses
banklicensewiki.com

Banking license in the United Kingdom

From BankLicenseWiki, the free encyclopedia of banking licenses · Last updated 28 November 2026

Independent information service. BankLicenseWiki is not a regulator, a bank or a licensing agent. It is not affiliated with the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA). The only authoritative record of who holds a license is the regulator's own public register: FCA Financial Services Register .

Banking license in the United Kingdom



Flag

Supervisor	Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA) [1]
License	Part 4A permission to accept deposits, granted by the PRA with the consent of the FCA (dual authorisation) [1] [6]
Legal basis	Financial Services and Markets Act 2000; PRA Rulebook and the UK Capital Requirements Regulation; FCA Handbook for conduct [3] [6]
Minimum capital	€5m (from £1m/€1m for small specialist banks) [2] [6] [8]
Application fee	Reported at £55,740 in total for the PRA and FCA application fees; we could not confirm the current figure from an official source [8]
Decision time	By law within 6 months of a complete application, or 12 months if incomplete [3] [1]
Minimum capital ratios	4.5% / 6% / 8% + buffers [6] [7]
Foreign bank branches	Yes (retail deposits usually via a subsidiary)

Deposit protection	£120,000 (FSCS) [4] [5]
Cross-border passport	No
Public register	FCA Financial Services Register

In short: Banks in the United Kingdom are licensed by the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA). [1] Minimum capital: €5m (from £1m/€1m for small specialist banks). [2] [6] [8] Deposit protection if a bank fails: £120,000 (FSCS). [4] [5] EU passport or equivalent: no. Figures as of November 2026.

A firm that accepts deposits in the United Kingdom needs permission under Part 4A of FSMA. Banks are **dual-regulated**: the **Prudential Regulation Authority (PRA)**, part of the Bank of England, authorises and supervises them for safety and soundness, and the **Financial Conduct Authority (FCA)** for conduct. New applicants work with the joint PRA–FCA New Bank Start-up Unit and can choose the **mobilisation** route, being authorised with restrictions while they finish building the bank.

License types

The license needed to take deposits in the United Kingdom: Part 4A permission to accept deposits, granted by the PRA with the consent of the FCA (dual authorisation). [1] [6] Legal basis: Financial Services and Markets Act 2000; PRA Rulebook and the UK Capital Requirements Regulation; FCA Handbook for conduct. [3] [6]

- **Full authorisation** – permission to accept deposits without restrictions
- **Authorisation with restrictions (mobilisation)** – a time-limited stage in which the new bank is authorised but its deposit-taking is restricted while it raises capital and completes its systems
- **Small specialist bank** – a lower absolute capital floor of the higher of €1 million or £1 million, plus a capital planning buffer

Capital and financial requirements

Minimum capital in the United Kingdom (2026): Most new banks must hold initial capital of at least €5 million (sterling equivalent). Since the 2013 reforms, a bank that qualifies as a small specialist bank can start with an absolute minimum of €1 million or £1 million, whichever is

higher, plus a capital planning buffer. New banks must also hold enough capital to cover Pillar 1, Pillar 2A and buffers for at least 12 months. [2] [6] [8]

Application fee: Reported at £55,740 in total for the PRA and FCA application fees; we could not confirm the current figure from an official source. [8]

> The legal minimum is only the floor. Supervisors expect a new bank to hold enough capital for its business plan, its risks and its first years of losses, which is usually many times the minimum. See Bank capital requirements.

Application process

Decision time: By law within 6 months of a complete application, or 12 months if incomplete. Banks that use mobilisation then spend a period authorised with restrictions before full authorisation. [3] [1] The usual steps are:

1. Pre-application meetings with the New Bank Start-up Unit.
2. Prepare the regulatory business plan, capital and liquidity assessments (ICAAP, ILAAP), recovery and solvent exit plans and senior manager applications.
3. Submit the application and pay the PRA and FCA fees.
4. Assessment by the PRA and FCA, including interviews with the board and senior managers.
5. Authorisation, either in full or with restrictions (mobilisation), followed by exit from mobilisation once the bank is ready.

Substance and governance

A UK-incorporated firm with its head office and mind and management in the UK, a full executive team and board approved under the Senior Managers Regime, and a credible business plan, recovery plan and solvent exit plan. [6]

Depositor protection

The prudential rules and deposit guarantee that apply to a bank licensed in the United Kingdom, as of November 2026. See Depositor protection for the same rules in every jurisdiction.

Rule	The United Kingdom
Minimum capital ratios	UK implementation of Basel III: CET1 4.5%, Tier 1 6% and total capital 8% of risk-weighted assets, plus buffers and a firm-specific Pillar 2A requirement set by the PRA. [6] [7]
Liquidity	Liquidity coverage and net stable funding requirements under the PRA Rulebook; the PRA has reduced liquidity requirements for new entrant banks. [2]
Deposit guarantee if the bank fails	FSCS: up to £120,000 per eligible depositor, per authorised bank, for banks that fail from 1 December 2025 (previously £85,000). Temporary high balances, such as house sale proceeds, are protected up to £1.4 million for six months. [4] [5]
Foreign bank branches	Yes. Banks from outside the UK can apply for a branch authorisation; the PRA expects banks with significant UK retail deposits to operate through a UK subsidiary instead.
Serving clients abroad	No EU passport since Brexit. A UK banking license covers UK business; serving EU clients needs an EU license, usually through a separate EU subsidiary.

Recent changes

The FSCS deposit protection limit rose from £85,000 to £120,000 on 1 December 2025, following a PRA consultation. The PRA updated its supervisory statement on new and growing banks (SS3/21) in 2026. [4] [6]

How to verify a bank's license

1. Find the exact legal name of the bank, as shown in its terms and conditions or the website footer. Brand names and app names often differ from the licensed entity.
2. Search for it on the supervisor's public register: FCA Financial Services Register .
3. Check that the register entry lists deposit-taking, and whether the firm is a bank, a branch of a foreign bank, or only an e-money or payment institution (see Bank vs e-money institution).
4. Check which deposit guarantee scheme covers your deposits: for a branch of a foreign bank it may be the home country's scheme.

Frequently asked questions

How much capital do you need for a UK banking license?

The floor is €5 million for most banks; a small specialist bank can start from the higher of €1 million or £1 million plus a capital planning buffer. In practice the PRA expects enough capital to cover requirements and buffers for at least 12 months.

What is mobilisation?

An optional stage in which the PRA and FCA authorise a new bank with restrictions, so that it can raise further capital, hire staff and finish its systems as an authorised bank before full authorisation.

Figures as of November 2026. Requirements, fees and capital change; confirm with the PRA / FCA or a qualified adviser before applying. Where we could not confirm a figure from an official source, this article says so.

See also

- Banking licenses compared
- Banking license in Lithuania
- Banking license in Germany
- Banking license in Ireland
- Banking license in Luxembourg
- Deposit guarantee schemes compared
- All jurisdictions

References

Entries marked **Official** are the supervisor, the law or another public body. Other entries are named secondary sources, used where we could not find the figure published officially.

1. Official New Bank Start-up Unit: mobilisation . Bank of England (PRA). Accessed November 2026.
2. Official Barriers to entry: one year on . FCA and PRA. Accessed November 2026.

3. Official Financial Services and Markets Act 2000, section 55V: determination of applications . legislation.gov.uk. Accessed November 2026.
4. Official PRA confirms FSCS deposit limit to be increased to £120,000 from 1 December (November 2025) . Bank of England. Accessed November 2026.
5. Official What is the FSCS and what is the new deposit protection limit? . Bank of England. Accessed November 2026.
6. Official SS3/21 Non-systemic UK banks: the PRA's approach to new and growing banks . PRA Rulebook. Accessed November 2026.
7. Official The Basel Framework . Bank for International Settlements. Accessed November 2026.
8. UK Banking License 2026: PRA, FCA, mobilisation . Crassula. Accessed November 2026.

Source: https://banklicensewiki.com/bank-license/united-kingdom/
Version: last updated 28 November 2026. Check the online version for later changes.

© 2026 BankLicenseWiki. BankLicenseWiki is a free, independent encyclopedia of banking licenses: what each supervisor requires to authorise a bank and how depositors are protected, across 10 jurisdictions. General information, not legal or investment advice. Confirm with the regulator or a qualified adviser before acting.