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US (OCC / FDIC) vs UK (PRA / FCA): banking licenses compared

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In short: The United States (OCC / FDIC): minimum capital Set case by case (8% Tier 1 leverage, first 3 years), deposit protection $250,000 (FDIC). The United Kingdom (PRA / FCA): minimum capital €5m (from £1m/€1m for small specialist banks), deposit protection £120,000 (FSCS). Figures as of November 2026.

This page sets the two regimes side by side, using the same headings for each. It does not say which is 'better': that depends on who the clients are and what protection they need. The full rules, sources and FAQs are in the Banking license in the United States and Banking license in the United Kingdom guides.

Side by side

	United States	United Kingdom
Regulator	Office of the Comptroller of the Currency (OCC) or a state banking department, and the Federal Deposit Insurance Corporation (FDIC)	Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA)
License	A national bank charter from the OCC, or a state bank charter from a state banking department, together with federal deposit insurance from the FDIC	Part 4A permission to accept deposits, granted by the PRA with the consent of the FCA (dual authorisation)
Legal basis	National Bank Act; Federal Deposit Insurance Act; state banking laws; 12 CFR Parts 3 and 5 (OCC)	Financial Services and Markets Act 2000; PRA Rulebook and the UK Capital Requirements Regulation; FCA Handbook for conduct

	United States	United Kingdom
Minimum capital	No single statutory dollar minimum. Capital is set case by case in the charter and deposit insurance applications, based on the business plan and the bank's risks; the FDIC expects a de novo bank to keep a Tier 1 leverage ratio of at least 8% during its first three years.	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.
Application fee	Not confirmed. We could not find current filing fees published by an official source.	Reported at £55,740 in total for the PRA and FCA application fees; we could not confirm the current figure from an official source.
Decision time	Since August 2026 the FDIC aims to give qualifying de novo applicants a contingent authorisation within 120 days of receiving the deposit insurance application, followed by final approval before opening.	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.
Local substance	A board and management with banking experience, a viable three-year business plan, capital raised from organisers and investors, and, where relevant, Federal Reserve approval for a holding company.	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.
Minimum capital ratios	Minimum CET1 of 4.5%, Tier 1 of 6% and total capital of 8% of risk-weighted assets, and a Tier 1 leverage ratio of 4%; higher levels apply to be treated as well capitalised.	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.
Foreign bank branches	Yes. Foreign banks can open federal branches licensed by the OCC or state-licensed branches; most cannot take small retail deposits.	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.

	United States	United Kingdom
Liquidity	Liquidity coverage and net stable funding rules apply to large banking organisations; smaller banks are supervised under liquidity risk management guidance.	Liquidity coverage and net stable funding requirements under the PRA Rulebook; the PRA has reduced liquidity requirements for new entrant banks.
Deposit protection	FDIC insurance: $250,000 per depositor, per insured bank, for each account ownership category.	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.
Cross-border passport	No foreign passport. A national bank charter covers the whole United States; state banks branch across states under federal and state law.	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.
Public register	FDIC BankFind Suite [2]	FCA Financial Services Register [4]

Each figure is sourced in the license guide, where every line carries its own reference.

Frequently asked questions

Which license costs more to hold, the United States or the United Kingdom?

The United States: No single statutory dollar minimum. Capital is set case by case in the charter and deposit insurance applications, based on the business plan and the bank's risks; the FDIC expects a de novo bank to keep a Tier 1 leverage ratio of at least 8% during its first three years. The United Kingdom: 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. Capital is only the floor: running costs (staff, audit, compliance, technology) usually exceed it.

Are the capital ratios the same under both licenses?

The United States: Minimum CET1 of 4.5%, Tier 1 of 6% and total capital of 8% of risk-weighted assets, and a Tier 1 leverage ratio of 4%; higher levels apply to be treated as well capitalised. The United Kingdom: 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.

How much of a depositor's money is protected if the bank fails?

The United States: FDIC insurance: $250,000 per depositor, per insured bank, for each account ownership category. The United Kingdom: 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.

Can a firm with one of these licenses serve clients in other countries?

The United States: No foreign passport. A national bank charter covers the whole United States; state banks branch across states under federal and state law. The United Kingdom: 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.

See also

- Banking license in the United States
- Banking license in the United Kingdom
- UK (PRA / FCA) vs Lithuania (Bank of Lithuania / ECB): banking licenses compared
- Switzerland (FINMA) vs UK (PRA / FCA): banking licenses compared
- Ireland (CBI / ECB) vs UK (PRA / FCA): banking licenses compared
- All 10 licenses in one table

References

1. Official Office of the Comptroller of the Currency (OCC) or a state banking department, and the Federal Deposit Insurance Corporation (FDIC) . United States. Accessed November 2026.
2. Official FDIC BankFind Suite . OCC / FDIC. Accessed November 2026.

3. Official Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA) . United Kingdom. Accessed November 2026.
4. Official FCA Financial Services Register . PRA / FCA. Accessed November 2026.

General information, not legal or investment advice. Figures as of November 2026; confirm with the regulator before applying or opening an account.

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