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Bank of England's PRA says frontier AI guidance with the FCA is due this month and will be "quite concrete"

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Katharine Braddick, head of the Bank of England's Prudential Regulation Authority (PRA), told Bloomberg that the PRA and the Financial Conduct Authority (FCA) will publish guidance later in November 2026 on risks from frontier AI and quantum computing. The interview was published on 10 November 2026. She said the guidance would be "quite concrete", including governance expectations.

Global reference

- Country: United Kingdom
- Authority: Prudential Regulation Authority (Bank of England), with the Financial Conduct Authority
- Source: Bloomberg interview with Katharine Braddick, published 10 November 2026
- Expected: PRA and FCA guidance on frontier AI and quantum computing, later in November 2026
- Status: Not yet published. Details are as reported by Bloomberg

What Braddick said

- "We're all alarmed at the moment, aren't we?"
- Banks are "all asking themselves that question" of whether to reduce AI exposure, reviewing risk appetite client by client.
- AI risks are a "constant conversation" for her.
- The guidance will include governance expectations and could start an iterative exercise with industry.

Context

- Bloomberg reports the Bank's review has not shown banks would amplify an AI shock.
- No current plan to use capital rules to lower AI exposures.
- Bloomberg linked regulators' concern to Anthropic's Mythos model and fears of cyberattacks by agentic AI.
- Bloomberg says the Financial Policy Committee's capital-reform outcome is due on 26 November 2026.

What to do now

- Watch for the PRA and FCA guidance and plan a gap review within a month of publication.
- List where frontier AI touches your systems, including vendor tools, and name an owner for each.
- If you lend to or invest in AI-heavy companies, check concentration, as banks are doing client by client.
- Expect banks to ask corporate clients about AI-related cyber controls, and prepare your answers.

Our take

The tone is calm but alert: no capital penalty for AI exposure, but concrete governance expectations soon. Firms that already keep an AI inventory with named owners will absorb the guidance easily. Others should start now.

Sources

- Insurance Journal (Bloomberg): Top UK Regulator Says Banks Are Trimming AI Risk as Alarm Grows (10 November 2026)
- Bloomberg: Top UK Regulator Says Banks Are Trimming AI Risk as Alarm Grows (10 November 2026)

Important. This summary is for general information and is not legal, regulatory or financial advice. It is based on Bloomberg reporting of an interview with the PRA's chief executive and may be incomplete or out of date. Check the original sources, and take professional advice, before acting.

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