Empirical Search

Practical Recruitment Solutions

Market Update

Treasury, Risk Oversight and Regulatory Finance

H2 2025

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Introduction

We hope everyone had an enjoyable festive period and the opportunity to relax with family and friends, whether through the limited public holidays on offer or via planned time away.

The market throughout H2 2025 has continued to feel slow. This has perhaps been the period where reduced recruitment demand has been most evident, and the phrase “death by a thousand cuts” feels an apt way to describe the last 18 months. Hiring activity has gradually slowed over time and, while conditions have clearly been challenging, the impact has often felt less obvious day to day due to the pace of that decline. Despite the slower market, we continue to support a broad range of clients, reinforcing that our business caters to organisations of all shapes and sizes.

The slowdown, coupled with numerous redundancies, has also brought a notable number of highly experienced candidates to market. Many of these individuals have spent much of their careers with a single employer or have moved infrequently. In some cases, our relationship with them has historically been limited to recruiting into their teams rather than supporting their own career moves. The reversal of that dynamic — now helping them navigate the market personally — has been one of the more fulfilling aspects of the past year.

Notable Activity and Observations

Risk Mitigation Accounting (RMA)

The IASB’s Dynamic Risk Management project, now renamed Risk Mitigation Accounting (RMA), progressed with the publication of an exposure draft in December. The proposed standard is expected to materially influence how banks account for IRRBB hedging under IFRS, with indicative implementation timelines now set out, albeit subject to potential delay given the complexity of the framework. Banks are currently assessing the potential P&L and capital implications relative to existing IAS 39 treatment. A key theme for 2026 will be industry field testing and engagement with the PRA, as firms provide feedback on interpretational, operational and governance challenges associated with adoption.

M&A Activity and Integration Work

We are watching with interest the aftermath of several high-profile mergers, including Santander / TSB, Nationwide / Virgin Money, Barclays / Tesco Bank, Coventry Building Society / Co-operative Bank, and Hampshire Trust / Wesleyan Bank. To date, we have seen a moderate outflow of staff seeking guidance, alongside early signs of integration-related project work driving demand for contract resource.

Strategic Risk within Prudential Risk

Some institutions are beginning to place greater emphasis on Strategic Risk as a formal component within Prudential Risk frameworks. Alongside established disciplines such as Credit, Financial and Model Risk, Strategic Risk is intended to assess whether a firm’s strategy is appropriate and sustainable. Other risk types — including regulatory, reputational and ESG risk — are expected to feed into this. It remains unclear whether this will develop into a broader industry trend, but it is a space worth monitoring.

Consultancy Market Dynamics

Competition within the consultancy market remains intense. We are hearing that inbound work via formal RFP processes has reduced, with firms increasingly relying on their own networks to generate opportunities. Business development appears to be shifting towards a more organic, relationship-led “hunter-gatherer” model.

Treasury Quant Capability
Demand for Treasury Quant skillsets continues at a modest but notable level. While not forming a large proportion of overall hiring, this requirement is interesting given the limited overlap between traditional Treasury talent and the quantitative skills being sought. Many teams appear open to candidates with strong Treasury understanding but are increasingly looking to import proven quant capability from other areas, particularly Traded Risk.

Basel 3.1 and Fundamental Review of the Trading Book (FRTB)
UK banks are continuing to assess the implications of Basel 3.1 and FRTB amid potential global regulatory divergence. While UK and European regulators remain committed to more conservative capital and market-risk frameworks, the US is signalling a softer approach to its Basel Endgame implementation, creating uncertainty around relative capital requirements and trading book treatment. For Treasury and Risk functions, this raises questions around capital planning, RWA volatility, model investment, and balance sheet competitiveness, particularly if UK and European banks are required to hold more capital against market risk than US peers. A sustained divergence could pressure returns, influence business mix decisions, and complicate cross-border capital and liquidity management.

Bank of England – Mutually Agreed Resignations
The Bank of England has introduced a Mutually Agreed Resignation (MaR) scheme, offering staff a lump-sum payment to resign voluntarily as part of a headcount reduction initiative. Should this fail to meet targets, redundancies may follow. Historically, the Bank has been a strong source of high-calibre talent, and while roles there are often less operationally hands-on, the quality of experience remains high. An increase in outbound interest from Bank of England staff is something we have not seen at this level in Empirical Search's history.

Muted Post-January Candidate Activity
Interestingly, the usual post-festive spike in candidates reflecting on career moves has not materialised this year. This may reflect reduced internal uncertainty at individual firms compared to the wider global backdrop, or simply that much of the merger and acquisition disruption of recent years has now worked its way through organisations.

CV Construction and the Use of AI
The increased use of AI in CV writing is becoming more apparent. We are even seeing CVs that explicitly state they are *not* AI-generated. This reinforces a long-standing challenge in recruitment: CV quality does not always equate to candidate quality. A CV may appear to be a near-perfect match, yet the reality in interview can differ significantly. At Empirical Search, our value remains in knowing the market, understanding individuals beyond their CVs, and accessing candidates who are not actively applying but are committed to move for the right opportunity. Most recruitment processes remain free to meet our candidates — something worth bearing in mind when next recruiting.

Empirical Search

It has been exciting to enter our 11th year of business. We have navigated a wide range of market conditions shaped by events such as Brexit, COVID, global conflict and heightened political uncertainty. Through both bullish and challenging periods, we have continued to move forward and largely outperform our own expectations and remain here to work with you, whatever the market environment. Our client engagement has evolved over time where Face-to-face meetings once being the norm, became almost non-existent post-COVID and are now returning. We are encouraged by this upward trend and would welcome the opportunity to meet in person when convenient.