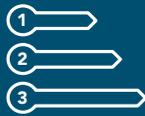# Insurance & Financial Services Pulse Survey 2025

dun & bradstreet

INSURANCE VIEWPOINT

Through primary research surveying 454 insurers and brokers across 5 key markets (including 95 in the UK), Dun & Bradstreet explored concerns, challenges, and priorities faced by the sector in the following areas:

Financial and
non-financial risk

Priorities in the
next 12 months

Data, AI and
Automation

The report reveals an industry concerned about its vulnerability to key threats, despite rising investments in areas such as cybersecurity, fraud and financial risk. In this special viewpoint, we highlight differences between UK insurers and their counterparts globally in the US, Germany, Switzerland and Sweden.

Key findings:

▶ 85% of UK insurers and brokers admit to being negatively impacted by third-party risks, with the financial cost of each incident estimated at over £500,000.

▶ Cybersecurity, fraud and geo-political risk are the top concerns for the group, and UK insurers are feeling more concerned across the board about a wide range of risk types.

▶ Most (over 70%) of UK insurers and brokers have increased investment in solutions to address cyber risk, legal and compliance risk, ESG risk and operational risk. They're spending more than their international counterparts; however other regions have been more focused on investing in solutions to support fraud risk mitigation.

▶ UK insurers' books are made up of an average of 44% SMEs. This group can be hard to find information on, to be able to quantify that risk.

▶ 63% distrust their own data, and the majority of UK insurers and brokers are dealing with duplicates and siloes.

▶ UK firms are behind their international peers when it comes to realising efficiencies with automated processes, particularly when it comes to customer risk assessments and onboarding.

▶ 49% plan to improve data accuracy in 2026.

"Our research shows that while insurers are rightly increasing their investment in risk management, many are still trying to tackle tomorrow's threats with yesterday's tools. Reliance on poor-quality data and manual processes not only leaves firms exposed but actively undermines the value of their investments. Prioritising strong data foundations and processes is essential to support smarter decision-making and can keep pace with the complexity of today's risk landscape."

ZULF RAJA
UK HEAD OF INSURANCE
AT DUN & BRADSTREET

GROWING THIRD-PARTY RISK CHALLENGES

Our research highlights the urgent need for improved third-party risk management in the UK insurance sector. Almost nine in ten UK insurers and brokers (85%) admitted to being negatively impacted by third-party risks. Despite increasing investment in risk mitigation, firms are struggling to keep pace with the scale and complexity of external threats.

Third-party risk is now one of the most pressing challenges facing insurers. Specifically, cybersecurity, fraud and geo-political risk were cited as top concerns, with 84% concerned (either fairly or very) about cyber risk, and 83% about the other two. Other key areas of concern include:

▶ Financial risk (81%)

▶ ESG risk (81%)

▶ Competitive risk (80%)

▶ Legal and compliance (80%).

Risk type	% of Global Insurers & Brokers Concerned	% of UK Insurers and Brokers Concerned	Difference
Cybersecurity	80%	84%	+4%
Geo-political risk	75%	83%	+8%
Fraud risk	78%	83%	+5%
ESG risk	72%	81%	+9%
Financial risk	76%	81%	+5%
Competitive risk	77%	80%	+3%
Legal & compliance risk	72%	80%	+8%

When comparing the UK response to that from insurers and brokers in other regions (including Sweden, Germany, Switzerland and the US), the UK is more concerned about all risk types. Of all, the largest differences are in concern around ESG risk, geo-political risk, and legal and compliance risk.

UK respondents reported an increase in worry over non-financial risks in the past 18 months, with 76% of companies reporting greater concern regarding cybersecurity risk, and 71% experiencing higher concern around fraud risk and competition.

This pattern mirrors the global response, but again the UK group reported their growing concern at 5-7 percentage points higher in each of these areas.

Going into 2026, these concerns remain, driven by feedback from clients, partners, stakeholders and external experts. Almost half (46%) of UK insurers and brokers told us that cybersecurity will be one of their biggest worries in the next 12 months. This was followed by increasing fraud (35%) and customer retention (34%).

COSTLY CONSEQUENCES

The consequences of these risks are both tangible and costly, with the average global financial hit for businesses estimated at $706,000 (£524,831) per incident, and in the UK $581,000 (£434,000).

For UK insurers and brokers, reputational damage is the most common consequence (33%) followed by financial loss (29%), security breaches (24%) and supply chain disruption (23%).

INCREASING INVESTMENT

In order to mitigate the risks above, the UK insurance sector has been making strategic investments in a number of key areas over the last 18 months and is ahead of its international peers in this area.

74% of UK insurers and brokers have upped budgets for solutions to address cyber risk, the same number for legal and compliance risk, and 71% have increased investment in addressing ESG risk as well as operational risk.

While cybersecurity and compliance solutions are also top priorities for increasing investment globally, ESG risk is the lowest, with only 58% of insurers and brokers across other regions in Europe and the US increasing spend in this area. Instead, 63% of insurance firms across Germany, Switzerland, Sweden and the US have prioritised spend on fraud.

Risk type	% of Global Insurers and Brokers increasing investment to address risk	% of UK Insurers and Brokers increasing investment to address risk	Difference
Cybersecurity	64%	74%	+10%
Legal & compliance risk	62%	74%	+8%
ESG risk	58%	71%	+13%
Geo-political risk	59%	69%	+10%
Fraud risk	63%	64%	+1%
Competitive risk	58%	65%	+7%

FEELING PREPARED

Despite increased investment, gaps remain in preparedness across key risk areas. While a majority of UK firms report feeling prepared, a significant proportion still express concern about their ability to manage specific risks effectively:

- 34% feel underprepared for ESG risk
- 28% for cybersecurity
- 25% for legal and compliance
- 22% for fraud

However, taking an average across all risk types (which included the above plus areas such as competition, financial risk, macro-economic risk, operational risk and strategic risk), only 21% of UK insurers and brokers don't feel their organisation is fully prepared to address these. Globally, this figure is 24%.

However, there is a disconnect between investment and levels of concern, which suggests that firms are struggling to translate budget into effective risk mitigation.

One of the top barriers cited is the difficulty measuring or quantifying the risk (32%). This can be the case for customers and third parties of any size; however, UK insurers' books are made up of an average of 44% SMEs. This group can be hard to find information on, to be able to quantify that risk.

Strengthening data quality and modernising risk processes is now critical for insurers. To safeguard their operations, reputation, and long-term resilience, insurers must act decisively to address the growing complexity of third-party threats and look for new sources of information to support this.

AI, AUTOMATION AND DATA DISTRUST

AI is becoming more prevalent across all industries, and over two thirds of UK insurers and brokers aim to make internal AI adoption a priority in 2026. 57% told us that their data sets have increased due to AI.

However, despite seeing opportunity, it is also creating concerns:

- 34% of respondents told us they are facing potential regulatory issues relating to changes driven by AI

- 37% of will be prioritising internal use of AI in 2026, but only 18% will be attempting customer-facing AI innovation, signaling some nervousness around doing so. On average, across the other regions surveyed, this number was 28% so there could be some competitive pressure in this area.

A strong data foundation is key for successful AI use; however, UK insurers and brokers currently have low confidence in their own data.

Nearly 70% say they cannot effectively forecast future trends with it, over 80% are unable to assess non-financial risks and just 29% feel equipped to make informed business decisions.

These limitations are compounded by the data challenges respondents say they face – more so than their peers surveyed in the other regions.

Despite these issues, almost two thirds (65%) of UK insurers are relying on their own internal data in automated systems to support key processes. Over half (55%) even said they frequently turn to search engines and AI tools like ChatGPT to investigate third-party risks.

Risk type	% of Global Insurers and Brokers reporting this as a challenge	% of UK Insurers and Brokers reporting this as a challenge	Difference
Duplicate data	59%	71%	+12%
Distrust in data	59%	63%	+4%
Siloed data	53%	57%	+4%

Only 40% are enriching and mastering their data with the support of third-party data providers, and just 17% have a unified data platform to allow integrations from multiple data sources. Their international peers are only a few percentage points ahead in both areas.

When it comes to efficiency in key-decision making processes, there is still some way to go. Most insurers are still working in an either completely or mostly manual way to get things done and are far behind their international peers when it comes to automating key processes.

Risk type	% of Global Insurers and Brokers following manual process	% of UK Insurers and Brokers following manual process	Difference
Customer onboarding	53%	71%	+18%
Customer risk assessments – financial crime	51%	67%	+16%
Customer risk assessments – credit scoring	48%	63%	+15%
Underwriting	48%	63%	+15%
Customer retention	52%	63%	+11%
Prospecting and marketing	52%	58%	+6%
Third-party risk assessments	50%	56%	+6%

2026 PRIORITIES

In 2026, the top three areas of focus for UK insurers and brokers will be as follows (in order of priority):

1. **Reducing risk posed by third parties**
2. **Internal use of AI**
3. **Driving growth in existing and new markets**

To achieve these, they recognise the need for external support to navigate their key concerns and issues explored in this report. 54% will be looking at making new technology investments, 49% will be working on increasing the accuracy of their data, and 36% plan to seek advice from consultants.

CASE STUDY: Global insurer accelerates risk assessment and compliance

CHALLENGE

A global insurance provider was struggling with slow, manual third-party risk assessments. Reliant on self-completed forms and siloed systems, the firm lacked timely insight into changes that could affect its operations. Meeting Digital Operational Resilience Act (DORA) requirements was becoming increasingly difficult.

SOLUTION

The insurer integrated an API into its governance, risk, and compliance (GRC) system. This automated the onboarding process by pulling in unique identifiers, registration numbers, LEI codes, sanctions lists, financial viability scores, and ESG metrics. The system can perform instant checks and monitor for changes, eliminating manual data entry and delays.

OUTCOMES

With their processes streamlined and automated, decisioning has been simplified and accelerated.

- ▶ 684 hours saved in sanctions checks and risk assessments
- ▶ Faster, more accurate decision-making
- ▶ Optimised regulatory reporting processes
- ▶ Improved partner experience and operational agility

This case demonstrates how automation and trusted data can dramatically improve speed, accuracy, and regulatory readiness.

FIND OUT MORE

You can download the full report at: **www.dnb.co.uk/industries/financial-services/FSI-2025-risk-resilience-report-open.html** to explore the findings across the financial services and insurance sectors globally.

For more information on how Dun & Bradstreet can help you to overcome third-party risk challenges, and provide trusted data to support your technology investments and key processes, contact us today: **hello@dnb.com**

ABOUT THE RESEARCH

Dun & Bradstreet surveyed 503 UK senior professionals working in compliance, sanctions, credit risk, lending, tech, data and growth roles across financial services and insurance firms in the UK between 6-12 August 2025. Of these, 95 respondents were from UK-based insurance firms.

ABOUT DUN & BRADSTREET

Dun & Bradstreet, a leading global provider of B2B data, insights and AI-driven platforms, helps organisations around the world grow and thrive. Dun & Bradstreet's Data Cloud fuels solutions and delivers insights that empower customers to grow revenue, increase margins, manage risk, and help stay compliant – even in changing times. Since 1841, companies of every size have relied on Dun & Bradstreet.

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