Beyond the Benchmark – Closing the Climate Data Gap for PRA-Regulated Firms

Map Impact Executive Briefing

4th November 2025

1. Introduction

The CFRF has worked with Global Association of Risk Professionals (GARP) to publish 'A Risk Professional's Guide to Physical Risk Assessments: A Benchmarking Study of 13 Vendors'.

These suppliers have catered for generic ESG or catastrophe-modelling markets. Map Impact's recently launched, UK–specific data products are designed to meet the data-governance and supervisory expectations of regulated institutions, and address the gaps identified in the benchmarking study.

2. Why This Briefing Matters

The FCA / GARP benchmarking study released in October 2025 provided the clearest evidence yet that physical-risk data in the financial sector is not yet ready for regulatory use. Across 13 vendors, the study found wide variability in outputs, inconsistent geocoding accuracy, and limited transparency over modelling assumptions.

For lenders and insurers, this variability matters. Regulators expect climate-related financial risk data to meet the same standards of accuracy, completeness, and governance as credit, liquidity or capital data. Under PRA CP10/25 and SS3/19, firms must demonstrate that physical-risk data can be traced, validated, and linked to balance-sheet impacts.

3. What the FCA Study Found

Topic	What the Benchmark Revealed	Regulatory Implication
Location accuracy	Assets mis-placed by up to 1.5 km; inconsistent geocoding.	Breach of CP10/25 Section 4.4.6 – data accuracy and completeness.
Hazard coverage	Flood dominant; weak heat / wildfire representation.	Physical-risk coverage incomplete; inaccurate portfolio exposure.
Scenario consistency	Unclear RCP / SSP use; short time horizons.	Failure to meet PRA Section 4.3 – plausible, multi-horizon scenarios.
Transparency & validation	Sparse disclosure of assumptions, little uncertainty quantification.	Non-compliance with Section 4.4.1 – model validation and documentation.
Financial linkage	Few convert hazard data to loss / ECL / capital metrics.	Inability to integrate with ICAAP / ORSA / capital processes.

The Conclusion: data dispersion = model-risk exposure. Regulated firms need sources designed for PRA-grade governance, not just scientific accuracy.

4. How Map Impact Responds

Gap Identified	Map Impact Solution
Inaccurate geocoding	50 m-resolution, UPRN-linked data validated on 2.5 million insured properties and 20 000 mortgage assets.
Limited hazard set	HeatView, DroughtView, WildfireView — built on satellite-derived observations and climate projections.
Lack of exposure context	BiodiversityView adds land-cover and habitat-condition layers to quantify locational susceptibility.
Weak financial linkage	Risk indices convert directly to portfolio-loss ratios and credit metrics (PD, LGD, ECL). Supports capital allocation and optimization planning.
Opaque governance	ISO-27001 processes, documented lineage, peer-reviewed EO inputs, and structured metadata aligned to CP10/25 Section 4.

Outcome: Map Impact provides the first end-to-end traceable physical-risk dataset that connects asset-level hazard analysis to capital and credit outcomes — fulfilling both the regulatory and commercial use-cases of financial institutions.

5. Validation in Practice

Map Impact's data have been independently tested by two regulated firms:

- **Insurer validation**: 2.5 million property records analysed for heat and wildfire exposure, confirming geolocation precision and peril discrimination.
- **Lender validation**: 20,000-asset mortgage portfolio assessed for ECL sensitivity to heat and wildfire risk.

These tests confirmed Map Impact's data integrity, scalability, and plug-and-play compatibility with both insurance loss models and bank credit systems.

6. Designed Around CP10/25

CP10/25 Section	Expectation	Map Impact Alignment
Section 4.3 Scenario Analysis	Use multi-horizon, plausible climate scenarios (2030/2050/2100).	UKCP18 and SSP pathways ready; NGFS matrix in progress.
Section 4.4 Data Governance	Maintain lineage, validation records and gap analysis.	Full metadata schema and annual QA cycle.
Section 4.2 Risk Appetite & Business Model	Link climate metrics to ECL and capital planning.	Portfolio-loss conversion and scenario-stress outputs.
Section 4.6 Disclosure & Auditability	Enable supervisory traceability and external assurance.	Transparent method cards and documented assumption sets.

In Practice: Map Impact data satisfies the accuracy, completeness, and governance test applied by supervisors — enabling firms to defend their models under scrutiny.

7. What This Means for You

For Banks:

- Improved ECL and ICAAP alignment to physical risk.
- Faster, auditable data integration via UPRN match.
- Enhanced climate stress testing consistency.

For insurers:

- Asset-level peril differentiation for underwriting and reinsurance.
- ORSA and cat model enhancement with verified climate scenarios.
- Biodiversity and land-cover context for portfolio resilience analysis.

For Regulators and Advisors:

- Demonstration of best-practice data governance and model risk controls.

8. Next Steps

1. *Download the Map Impact Benchmark Response Brief* – summarising FCA study gaps vs Map Impact alignment.
2. *Book a pilot* – test your portfolio using CP10/25 compliant datasets.
3. *Engage in validation partnerships* – contribute to industry standards for PRA-ready climate data.

About Map Impact

Map Impact delivers high-resolution, property-specific climate-risk datasets covering heat stress, drought, wildfire, and biodiversity condition. Our analytics combine Earth-observation science with regulatory data-governance standards to help lenders and insurers quantify climate exposure with confidence.

Contact: info@mapimpact.io | www.mapimpact.io

"From satellite to balance sheet - turning climate data into regulatory-grade risk intelligence."