



The Biggest Compliance Issues Facing Financial Institutions Today

With the Financial Conduct Authority (FCA) having already issued fines exceeding £160m this year, compliance leaders have never been under more pressure to deliver results and protect businesses. With many different factors boosting the fines being issued, it can seem like an uphill struggle, however, with smart implementation and working alongside other areas of the business such as HR and technology departments, it is possible for businesses to cover themselves properly. Let's take a closer look at the biggest issues that are facing financial institutions and how they can cover their backs.

Since the financial crisis, there has been a much closer look into the way financial institutions work, and the FCA has cracked down on individuals and companies throughout the country. The increased numbers of rules and regulations that have emerged since this occurred are staggering and while compliance professionals strive to stay on top of the regulations, implementing them can be difficult. With new issues appearing with the increased use of technology and the long-standing individual grievances that are well known throughout the sector, the time spent on collaboration with other parts of the company is soaring.

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Regulating Social

Social media is one of the fastest growing tools for industry, and the use of Facebook, Twitter, and other social media sites is a great way to keep in touch with your customers. Having said that, it is also a place that brings with it many compliance issues. An ill-advised tweet can wreak havoc throughout the company for weeks and months to come, and that is without even looking at the heightened risks to data security that social media can incur. As social media becomes more mainstream as a channel of business communication, the number of regulations that are yet to be released is unknown. As a result, getting good practice in now is the safest bet for any company.

Keeping data secure and safe is an absolute key part of using any form of technology, and the relatively new form of using social media is even more important. In collaborating with tech divisions in the company and ensuring the compliance officer is up to date with the rules and regulations that are flying out of the FCA offices, the risks associated with this are lessened. Strict training for anybody using the social media sites associated with the company is essential and keeping sites secure and safe from criminal activity will be a task that only increases through time as the technology of criminals also improves. Cyber-hacking and attacks are on the increase and knowing how to stay safe from these is a task that faces not only the everyday employee but also the technology developers the company uses.

Making individuals accountable

Having said this, the biggest area that compliance is needed is absolutely on an individual level. The FCA has openly stated that they are aiming to focus more clearly on the activities of individuals in companies in order to reduce the chances of money laundering. Indeed, new regulations such as the Senior Managers and Certification Regime (SMRC) and the Fourth Money Laundering Directive (4MLD) are aimed to fight misconduct that has been found throughout the higher levels of financial institutions for decades.

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The direct result of these new regulations is that compliance professionals are expected to use a higher level of technology to fight the compliance regulations that are being released.

Tracey Groves, Head of Ethics and Compliance at PwC's UK Forensic Practice indicates that the biggest issues facing compliance professionals are keeping up with the fast-paced world of compliance, however, the use of technology should make this much easier to keep up with.

Concentrating more on the why and how work is being undertaken rather than what business is being done is likely to be a difficult learning curve to begin with, however, once proper and effective technology and processes have been implemented, it is likely to make it much easier to spot where compliance isn't being taken seriously enough.

TalenTeam is a company that is working towards training employees to be able to spot the best practice of compliance issues, especially using newer technologies to ease the burdens. They will be hosting a roundtable discussion that will explore the approach that makes for the most successful compliance practices and how using technology can make this much easier.

With professionals from the Chartered Institute for Securities and Investment (CISI), some of their own greatest technology compliance experts and a select group of industry peers it is an ideal opportunity to explore the ever-changing world of compliance.

About the author:

Andrew Kay, is COO at TalenTeam and expert in implementing industry-specific workplace technologies that enhance the employee experience.

Talk to TalenTeam

About implementing learning technologies in highly regulated environments.

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