



PRACTICAL COMPLIANCE

Business Culture

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Compliance Matters
UK LIMITED

Practical Compliance

BUSINESS CULTURE

In this issue, I want to look at two issues:

1. culture within a firm and
2. the dangers of receiving cold calls in respect of investments, primarily pensions.

Doing the right thing when no-one is watching

Much has been written about culture and ethics in financial services since the banking crisis of 2008, some of it justified, much of it not.

What do we mean by the culture of an organisation and what is the 'tone from the top' that is so readily quoted.

C S Lewis is quoted as saying that "integrity is doing the right thing when no-one is watching". When it comes to developing the culture within a firm, the Financial Conduct Authority (FCA) states that "senior management must establish the right culture to convert good intentions into fair outcomes for consumers.

We do not consider it reasonable for firms to compromise on fair treatment of customers in the name of financial success." There is an argument that fair treatment of customers should lead to greater financial success as part of the reputational dividend for being seen to be doing the right thing.

THE FCA ADVICE

The FCA list 6 areas that should influence a firm's culture, and this could apply to all organisations:

1. Leadership
2. Strategy
3. Decision-making
4. Recruitment, training and competence
5. Reward
6. Controls

It is leadership that sets the tone from the top and Boards and Senior Management need to be seen to lead by example.

Be aware of calls that are too good to be true.

The media is currently awash with warnings about cold callers in respect of investment and pension schemes.

Here are five tips to consider if you are called unexpectedly with a scheme to make you wealthy overnight. Be aware, if it sounds too good, it probably is.

1. If you are cold called, ask for an FCA registration number;
2. If you have any doubts, check the Financial Services Register (<https://register.fca.org.uk>) before giving any personal information;
3. If you are going to call back find the phone number yourself and don't rely on the one you've been given, the firm may be a clone of a legitimate business;
4. Only take such advice from an FCA registered firm;
5. Generally, advisers don't need to cold call, they have enough to do managing their existing clients and the referrals they receive.

How can we help?

Compliance Matters UK Limited offers cost effective and practical guidance in respect of governance, risk and compliance to firms regulated by the FCA.

Contact us on:

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