

# Osborne Clarke's 2022 Future of Financial Services week



The future of work in financial services

26 January – 3 February 2022



# Speaking with you today



## **Olivia Sinfield**

Partner  
United Kingdom

T +44 20 7105 7480  
[olivia.sinfield@osborneclarke.com](mailto:olivia.sinfield@osborneclarke.com)



## **Isobel Turner**

Associate  
United Kingdom

T +44 207 105 7490  
[isobel.turner@osborneclarke.com](mailto:isobel.turner@osborneclarke.com)



# Government guidance on return to work

## 19 January announcement to move to lift Plan B restrictions

Guidance to **work from home ended** on 19<sup>th</sup> January with immediate effect

Requirement to **wear masks ended** on 27<sup>th</sup> January

However, **health & safety obligations remain**

- Government guidance on working safely
- Review and update risk assessments
- Consult with staff
- Clear communication

## Self-isolation requirements

### 18 January 2022

People with COVID-19 can stop self-isolating at the start of day 6 if they get 2 negative rapid lateral flow test results on days 5 and 6

### 15 December 2021

Anyone who has been identified as a contact of someone with COVID-19 should take rapid lateral flow tests every day for 7 days



## Hybrid remote-office based working

- 83% of employers now say the shift to remote work has been successful for their company, compared to 73% in their June 2020 survey.
- FS executives told us that 95% or more of their office workers switched to working from home during the crisis and, by and large, they maintained or improved productivity
- 69% of financial services institutions expect 60% or more of their staff to remain remote for at least once a week, post-COVID

Data from PwC

# FCA Guidance



Search

[About us](#)[Firms](#)[Markets](#)[Consumers](#)[News](#)[Publications](#)[Home](#) / [Firms](#) / [Remote or hybrid working: FCA expectations for firms](#)

## Remote or hybrid working: FCA expectations for firms

First published: 11/10/2021 | Last updated: 18/01/2022

Due to the coronavirus (Covid-19) pandemic, firms are already familiar with working in a remote environment and adapting their systems and controls. It is likely many firms will continue these new ways of working. We set out our expectations so firms can plan and continue to meet their regulatory responsibilities.

These expectations apply to:

- [existing firms](#)
- [firms applying to be regulated](#)
- [firms proposing to submit further applications](#), such as a waiver, variation of permission, change of control etc

These expectations will evolve as more is understood about how firms intend to operate.

International firms should continue to have an establishment or physical presence in the UK. See [our approach to international firms](#).

### What existing firms should be planning for now

[Print Page](#)[Share page](#)

#### More information

[Coronavirus \(Covid-19\) information for firms](#)[Authorisation: what's involved](#)

## FCA Guidance

- A firm must also prove it has satisfactory planning, as follows:
- The firm has a **plan in place**. The firm has reviewed it before making any temporary arrangements permanent. The firm reviews it periodically to identify new risks.
- The firm's senior managers have **appropriate governance and oversight** under the Senior Managers regime, and through committees such as the Board, and by non-executive directors where applicable. This governance is capable of being maintained.
- The firm can **cascade policies and procedures to reduce any potential for financial crime** arising from its working arrangements.
- The firm can put in place an **appropriate culture and maintain it in a remote working environment**.
- **Control functions such as risk, compliance and internal audit can carry out their functions unaffected**, such as when listening to client calls or reviewing files.
- The **nature, scale and complexity** of the firm's activities, or legislation, does not require the presence of an office location.

## FCA Guidance

- The firm has the **systems and controls**, including the necessary **IT functionality**, to support the above factors being in place, and these systems are robust.
- The firm has considered any **data, cyber and security risks**, particularly as staff may need to transport confidential material and laptops more frequently in a hybrid arrangement.
- The firm has appropriate **record-keeping** procedures in place.
- The firm can meet and continue to meet any **specific regulatory requirements, such as call recordings, order and trade surveillance, and consumers being able to access services**.
- The firm has considered the **effect on staff, including wellbeing, training and diversity and inclusion matters**.
- If any staff will be **working from abroad**, the firm has considered the operational and legal risks.
- The above is an indicative and non-exhaustive list. It's important that any form of remote or hybrid working you adopt should not risk or compromise the firm's ability to follow all rules, regulatory standards and obligations, or lead to a failure to meet them.



# FCA Guidance

- **Notify the FCA of any material changes to how your firm intends to operate**

Any material changes to how your firm intends to operate may require you to notify us first. Under [Principle 11 of the FCA's Principles for Businesses](#), firms must deal with the FCA in an open and cooperative way and to disclose to us anything relating to the firm which we would reasonably expect notice of.

[SUP 15.3](#) sets out additional rules and guidance about when the FCA would expect notice of matters relating to a firm. You should continue to monitor any changes and speak to your usual supervisory contact with any questions.

- **Supervisory and enforcement visits extend to residential addresses**

We should be able to access firms' sites, records and employees. It's important that firms are prepared and take responsibility to ensure employees understand that the FCA has powers to visit any location where work is performed, business is carried out and employees are based (including residential addresses) for any regulatory purposes. This includes supervisory and enforcement visits.

# Hybrid remote-office based working

## Data Mapping Exercise

- Successes/weaknesses
- Business requirements

## Strategy

- **Who** can work remotely (job role assessment)
- **When** (how often, which days?)
- **Where** home, overseas?
- **How** (tools/training/infrastructure-technological support)
- **Health & Safety** (mental health & wellbeing)



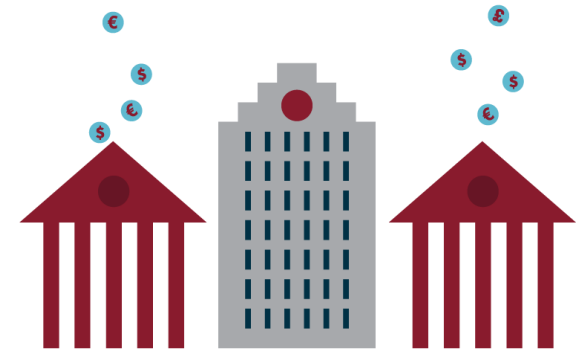
# Hybrid remote-office based working

## Employee Relations

- Consultation
- Communication
- Case by Case

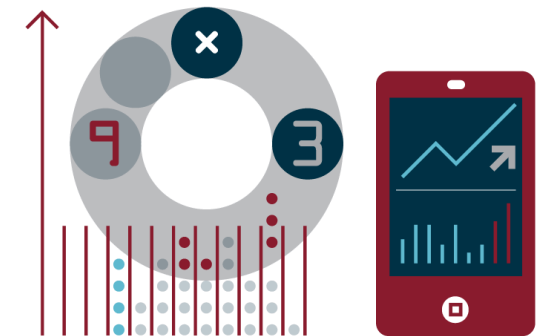
## Execution

- Policies
- Training
- Technology
- Effective controls
- Culture



# Disaggregation of jobs

- Employment will not be the primary means of getting work done – non employee talent and automation
- Transformation of work requires jobs to be deconstructed into tasks/projects
- Disaggregation at a glance:
  1. Routine cognitive work done on a regular basis
  2. Non routine tasks requiring insight and intelligence
  3. Tasks requiring the human touch
- Decisions, decisions:
  1. Speed to capability
  2. Cost
  3. Risk



# Technological innovation

- *'The transition from a time when people worked with computers to a time when computers work without humans'.*

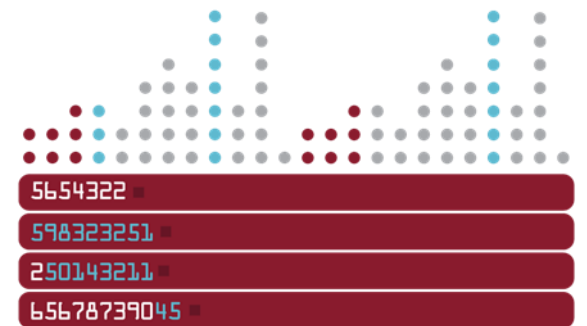
Klaus Schwab, founder of the World Economic Forum

- Over next 20 years more jobs in FS are considered to be at high risk of automation than in any other skilled industry
- Streamlining of workforces – increasingly skilled and higher value functions
- Result in firm wide cultural shifts, and ..
- Skills gap



# Upskilling and reskilling

- Critical skills gaps – digital/data/systems capabilities + empathy, resilience, creative problem solving
- Increased turnover + remote working = delay in investment in bespoke training initiatives
- Factor in demands of a dynamic workforce – millennials and older workers
- Upskilling/reskilling will involve:
  1. Collecting and analysing the data
  2. Building a scalable learning infrastructure
  3. Investment in a learning culture
  4. Collaboration
  5. Injecting fresh perspectives into the talent pool
  6. Leadership and talent developers



# Trends 1

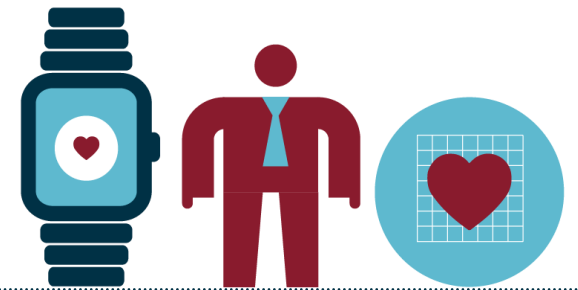
Decentralisation of workforces

Job growth in regional centres?

Increased competition for roles

Wellness and culture

- Focus on employee wellness programmes
- Safety monitoring tools
- Learning platforms
- Employee surveys and sentiment analysis tools/engagement software
- Micro surveys
- Data patterns
- Creative thinking to promote a sense of connection



## Trends 2: Diversity & Inclusion

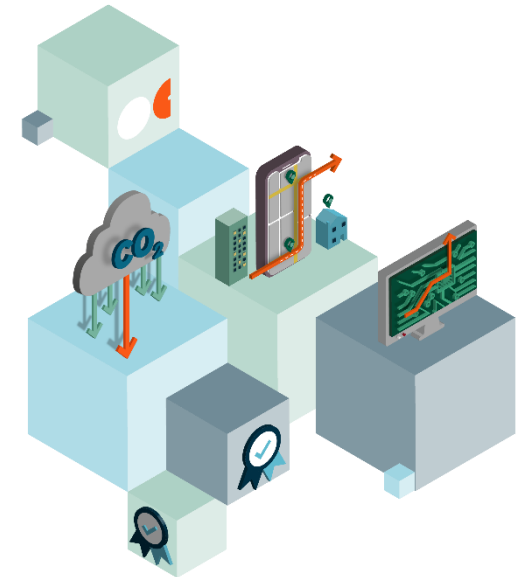
- FCA Consultation/Joint Discussion Paper
- Focus areas: diversity of thought/data collection/inclusive language/diverse representation senior management/remuneration/accountability/D&I policy
- Regulatory changes proposed:
  1. Fitness and propriety
  2. Senior management function approval
  3. Threshold Conditions
  4. Supervisory practices



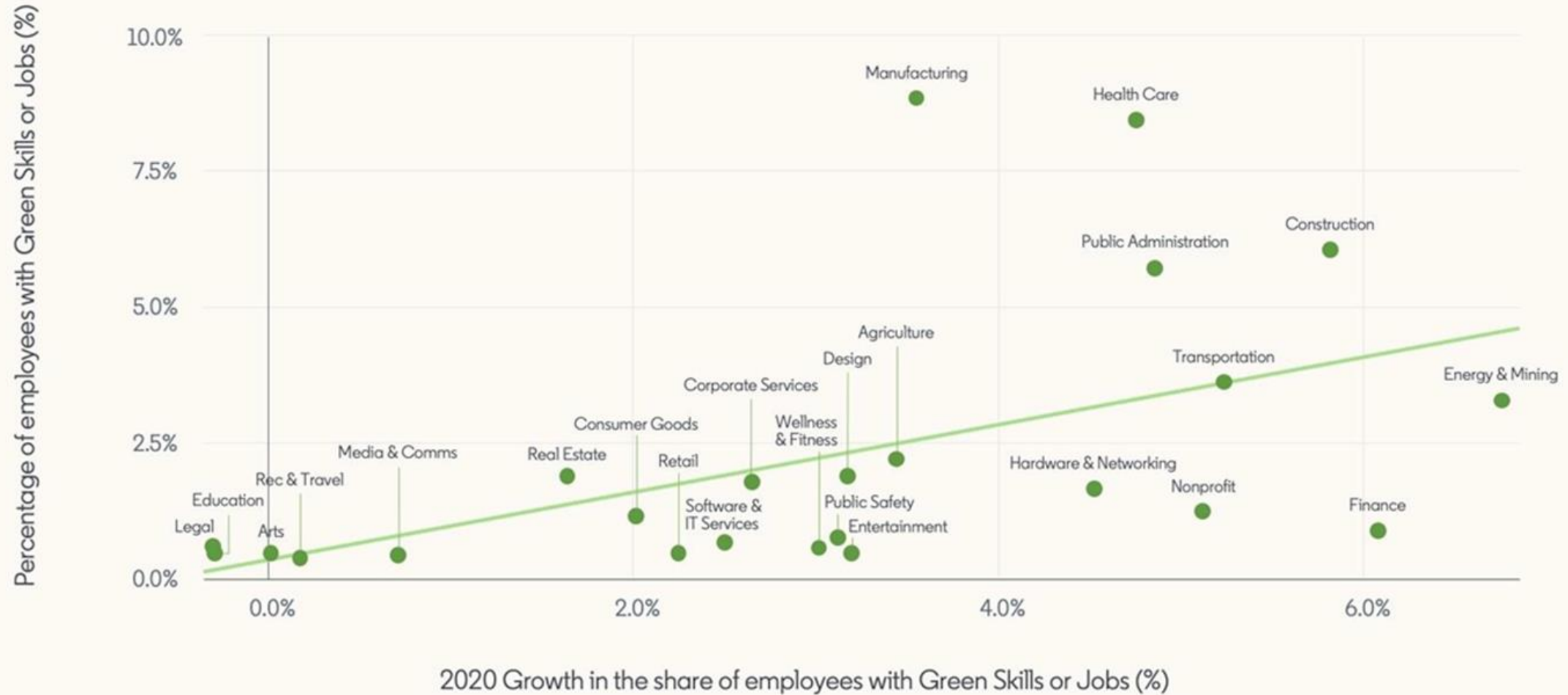


# Green jobs and Green HR

- Approaching net zero from a workforce perspective:
  - How the transition will impact employees
  - How they can ensure the workforce has the right skills for the green economy; and
  - How they can take their workforce with them on the net zero transition.



## Green skills growing across most industries



'Every job must be a 'green job''

Environmentally friendly workforce processes,

Good understanding of climate change, and

Business and workforce working together.

## What does this involve?

Creation of new roles as active agents of change

Impact on existing roles

## What does this involve (continued)?

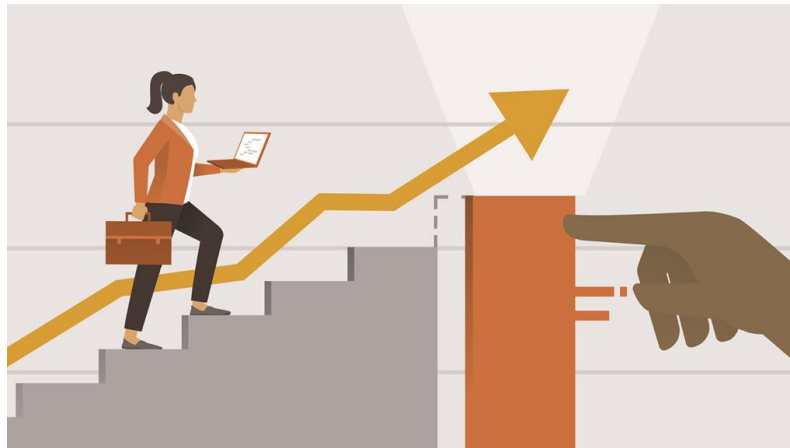
'Green skills'

System skills

Environmental awareness

Business diversification

# Green jobs and Green HR



# Emerging trends and practices

## Benefits

- Car allowance
- Eco-credits
- Other "green" employee benefits

## Working from home

## Working practices

- Laptops vs desktops
- Reducing paper waste
- Electricity
- Deleting emails, filtering spam
- Food

# Any questions?





# About Osborne Clarke

## Our global connections and 'best friends'

Through a network of 'best friends' we extend our reach across the globe, particularly in North America, EMEA & Asia Pacific. We have worked closely with like-minded firms in over 100 countries. We'll find the right local partner for you and wherever that may be, we will make sure that you receive the Osborne Clarke level of service.

### Europe

Belgium: Brussels

France: Paris

Germany: Berlin, Cologne, Hamburg, Munich

Italy: Busto Arsizio, Milan, Rome

The Netherlands: Amsterdam

Spain: Barcelona, Madrid, Zaragoza

Sweden: Stockholm

UK: Bristol, London, Reading

### USA

New York, San Francisco, Silicon Valley

### Asia

China: Shanghai

India\*: Bangalore, Mumbai, New Delhi

Singapore

Osborne Clarke is the business name for an international legal practice and its associated businesses.

Full details here: [osborneclarke.com/verein](https://osborneclarke.com/verein)

\*Services in India are provided by a relationship firm

925+

talented lawyers

working with

270+

expert partners

in

25

international locations\*

advising across

8

core sectors

with

1

client-centred approach