

## Financial Services Sector Community Panel Notes

**MEETING:** UK Financial Services Sector Community Panel Meeting

**LOCATION:** MS Teams

**DATE:** 3 Sept 2024 12:00 – 13:30

**ATTENDED:** Kyle Tyrrell (chair), Victoria Gillespie (vice chair), Becky Glover, Noah Davis, Nicola Todd, , Emily Song, Chris Wilson, Louise Morriss, John Rimmer, Laura Reay (ACCA), Gemma Gathercole (ACCA), Susan Love (ACCA), Ben Pound (ACCA), Melanie Venes (ACCA)

**APOLOGIES:** Shazzette Brown, Jess Bailey, Sarah Lucas, Chetan Champaneri, Brian Abrey, Hardeep Attwal, Burhan Awan, Jessica Coutts, Sunday Bode, Lucia Okafor, Jason A'Court, Anu Deshmukh

### Introduction

The panel welcomed new panel members (in their absence): Shazzette Brown for Channel Islands and Anu Deshmukh as a co-opted member for London. The panel were also informed that Enoch Adeyemi (Scotland), Pravin Koonjee (IOM) and Charlotte Mancuso (Wales) has officially stepped down from the panel.

Panel members were reminded to be aware of the panel principles circulated with the agenda and that they should come to meetings prepared to contribute and engage with ACCA on behalf of members and discuss matters of interest to members working in the sector.

Panel were asked to look at gaps on the panel and pass on any recommendations to chair, vice chair and Sectors & Communities Manager.

The panel have been requested to provide updates on any activity they are involved with, for this to be shared wider with the community as member news. I.e. awards, nominations, career updates, interviews, etc. There was nothing noted at this time.

### Overview of the sector

Panel members were provided with the relevant statistics regarding membership working in the Financial Services sector within the UK.

### MAC update

Vice chair Victoria Gillespie attended the last Member Advisory Committee meeting on behalf of the FS panel and provided key updates from this:

- Feedback from Volunteers Day in June was generally positive, just a few logistical points regarding the meeting room to be looked at for any future sessions.
- Sub-groups for topic areas covering talent, sustainability and AI are at different stages across the sectors, however, collaboration is being done between Corporate and FS sector groups in the sustainability field for future activity.
- ACCA reached 250,000 members globally
- Call to action for panels is to start suggesting any key members or speakers to create a bank of experts that we can call on for different activity across the UK (cross-sector)
- Future Finance Conference is being held in Cardiff in November and bookings sold out within 48 hours of go-live date.

## Sector trends and insights

Each panel member shared an update on the insights and trends within their roles

### Insurance Industry Update

- Challenges remain with integrating technology in broking and underwriting, with frustration expressed over its underutilisation. Examples of successful tech implementation were requested, along with recommendations for software companies with effective demos.

### Financial Regulations Update (Sustainability)

- UK - New regulations on greenwashing within the UK and pending Fund label regimes.
- Global - IFRS resources for early country adopters of ISSB standards available on website. Encourage Panel to watch the videos if interested.

### Wealth Transfer Trends

- An estimated £71 trillion is expected to transfer (baby boomer to millennial), leading to record-high contested wills. The impact on financial planning and tax implications was discussed.
- The next generation may focus more on sustainability initiatives.

### Business Recovery and Insolvency Update

- AI in Insolvency: A chatbot for insolvency queries was trialed, revealing risks with AI-generated advice in sensitive areas. AI is also being used to generate article outlines, though concerns were raised about diluting key information online.

### Technology in Insurance

- The lack of tech adoption in insurance was discussed, with plans for further exploration of tech solutions and potential collaborations with industry bodies.

### AI in Financial Services

- Experiences with AI chatbots and content creation were shared, highlighting risks like AI hallucinations and inappropriate evidence generation. Ongoing efforts to develop AI guidelines were noted.
- Concerns were raised about AI-to-AI communication, self-replication, and the need for clear AI-use principles in organisations.

### Diversity and Career Advancement Initiatives

- Efforts to promote women from VP to director and managing director levels face challenges in male-dominated environments and balancing family responsibilities. Feedback on best practices was requested.
- Two strategies for inclusive hiring were suggested: using gender decoders to analyse job postings and avoiding salary history questions to prevent perpetuating pay gaps.

### Regulatory and Compliance Updates

- Ongoing impact of consumer duty across financial services was discussed.
- Basel III and Ring Fencing: Anticipation of new Basel III capital requirements and potential reforms to ring fencing for UK retail banks were noted. These changes could impact bank structure and competition.
- Banking Profit Surcharge: The current 3% surcharge on banking profits was noted, along with the overall tax rate of 28%.

### Talent Development and Recruitment

- Lloyds Banking Group introduced summer interns and ACCA apprentices (including two ACCA apprentices, part of a set of triplets working in FS), developing career paths in both traditional advisory roles and tax technology.
- Senior roles are increasingly being filled in Edinburgh and Bristol, rather than London.

- Retaining talent remains challenging, especially in understanding next-gen work preferences like work-from-home policies. There is also an emerging trend of hiring talent from South Africa due to high candidate quality despite regulatory challenges.

## **Panel sub-group updates**

Topic leads provided updates on upcoming events for the AI, Sustainability, and Talent subgroups respectively, including an AI webinar in November, sustainability collaborations with the corporate sector, and a talent panel discussion in October.

The panel discussed potential changes to its structure to improve engagement, with suggestions including assigning each member responsibility for one event over 12-24 months and opening up idea generation to all members while maintaining a core execution group.

Action items include finalising event details and following up on collaborations with other panels.

## **Strategic Engagement Update**

Post-election activities explained, e.g. writing to key ministries across ACCA's remit including Treasury, Prime Minister, Business and Trade, Net Zero, and Education. Select Committee elections are upcoming, and engagements will follow once committees are formed. Current relationships with key figures, like Tulip Sidiq (Economic Secretary to the Treasury), will be maintained. A "light touch" approach is planned for conference engagements.

Pre-budget survey explained and asked to complete where necessary. The policy team welcomes additional input from members on any topics they wish to raise ahead of the budget.

## **Business Development Team Update**

Ben introduced himself to the panel and gave a brief overview of his role within ACCA's Business Development Team. He provided an overview on the key issues and common themes he's been hearing in recent conversations including AI threats and opportunities, talent attraction and retention, ESG regulations, and diversity, equity, and inclusion.

The panel were advised of several activities coming up, which are being led by the team:

- Virtual careers fair on September 26th
- Speed networking event in London on November 4th
- Finance showcase events: London (September 17th), Birmingham (November 19th), and Manchester (December 3rd).

The panel were advised to reach out directly to Ben for any further information on these.

## **AOB**

N/A

## **Actions noted**

- Kyle Tyrrell and Becky Glover to meet to discuss insurance industry tech solutions
- Victoria Gillespie to circulate additional resources on tracking financial regulations
- Panel members to provide feedback on women in leadership initiatives to Nicola Todd
- Laura Reay to follow-up with Chris Wilson regarding potential story on the triplets working in financial services
- Panel members interested in contributing to the talent development event should reach out to Kyle
- Victoria to follow up with corporate sector team on potential sustainability collaborations
- Laura and panel to finalise speakers and new date for Talking AI session (November)
- Laura to send formal invitation to panel for talent event once date is confirmed

**Next Financial Services panel meeting: 2 December 2024**