

Friction Not Fraud

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Foreword

Financial Services is an industry full of excellent people doing excellent work. Some might disagree, with recent news of regulatory fines around non-compliant business communication. But in life, the reality is often more complex than the headline.

The truth is, the Finance community is struggling to adapt to a rapid evolution in communication practices. Technology has altered how clients and colleagues want to interact with one another. Unfortunately, it appears that today's demands may be outstripping yesterday's frameworks.

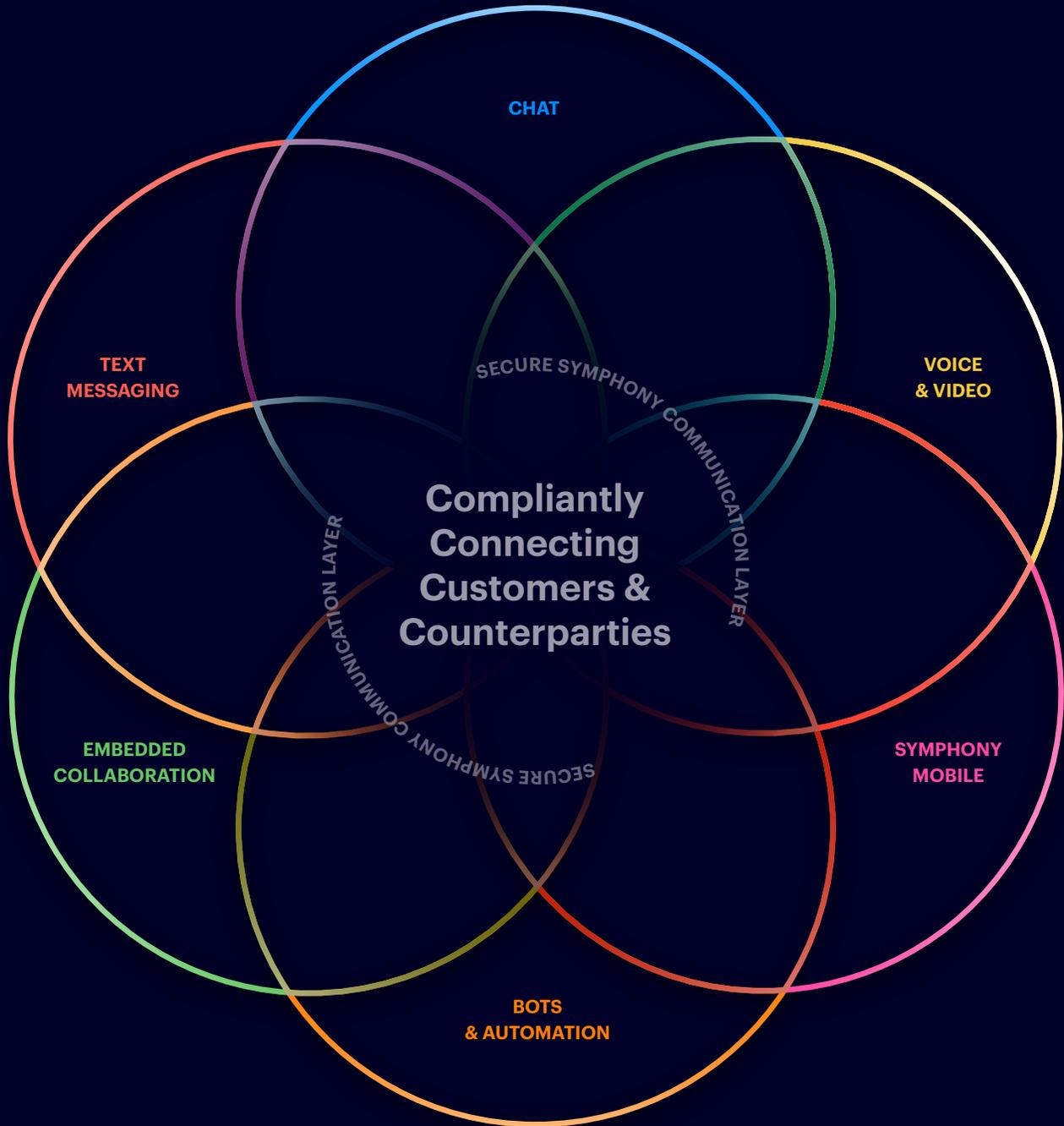
For example, regulators have not yet clarified industry obligations around video meetings. Yet our industry, more than any other, understands the benefit of spotting the trend. The ability to record video isn't new, however the flexibility to filter, cross-reference and quickly retrieve specific video records is what distinguishes a truly compliant firm. Many organizations have already begun instituting these protections; and, it's quickly become an important component of a thorough process.



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Symphony offers omnichannel communication tools across desktop and mobile, reducing friction in securely and compliantly communicating with clients and counterparties.

An Industry in Transition

The global pandemic changed the way we work, driving a heightened need for flexible communication tools

The ability to communicate became central to every firm's operation—some would even say their very survival.

The truth is, the pandemic transformed all of us, almost overnight. In March 2020, traders who were globally transacting billions of trades were suddenly doing so from their kitchen tables; the entire industry weathered an abrupt transition. In that period, companies struggled to maintain business-as-usual in a world that had become anything but.

The one constant that carried our industry through that upheaval was communication. Maintaining workflows and servicing clients remotely was only possible because of technology. The ability to communicate became central to every firm's operation—some would even say their very survival.

However, the first thing that changed in that hot moment was communication itself. **The sudden "work-from-home" adjustment saw new tools and apps pressed into service. From WeChat and WhatsApp to personal texting and Zoom, various methods became the ad-hoc solution for many professionals.**

Breakdown

Communication friction often underlies Compliance infractions

As industry-wide communication left the confines of the office, securities regulators became justifiably concerned. They rightfully questioned industry compliance around conversation monitoring and recordkeeping. Ultimately, hundreds of millions of dollars in fines were levied by both the Securities and Exchange Commission and the Commodity Futures Trading Commission. In the United Kingdom, the Financial Conduct Authority has imposed fines for misconduct which involved the use of WhatsApp and other social media platforms.

There is no question that the Finance industry needs to be compliant. Indeed, its people *want* to be compliant. However all this breaks down the moment professionals seek to serve their clients in a changing world.

In simple terms, when your most loyal customer texts you personally, you're going to reply. If the firm's most valued client calls your personal mobile, you're going to answer. To be clear, none of this is an adequate excuse, but it must be acknowledged that such marginal moments are real. Unfortunately, they can trigger non-compliant repercussions.

The majority of Financial Services professionals aren't trying to do nefarious things on their mobile phones—they just want to serve their clients with the least friction possible. It may not be acceptable to simply claim expedience, but the reality is that many of these infractions were driven by a desire to serve the best interests of the customer.

So how do we resolve this conundrum?

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Interoperability & Security

As communication methods evolve, so must the Financial Services industry

The real solution is to meet people where they want to be met. In a multi-channel world, front office folks need the flexibility to interact with their clients in any and all of those channels. Not constraining your client will open the door to faster trust, stronger partnership and greater revenue.

As the world of work continues to transform, the Finance professional has new needs. Technology must perform more of this function now in a comprehensive, yet compliant manner. A comprehensive approach means seamless communication across both desktop and mobile. It means the ability to easily integrate bots, automations and third party tools clients are already using. Most importantly, this must all happen inside a secure environment seamlessly integrated with compliant recordkeeping requirements.

It may sound like fantasy, but it's not. Symphony's network of over half a million industry professionals already benefit from such flexibility, efficiency and yes, compliance. **Many companies mistakenly believe that adaptation to this new demand is technically unobtainable or prohibitively expensive to implement. The reality is the technology to fully enable this is relatively simple and available today.**

Everyone agrees that recordkeeping is an essential part of market integrity. It is a foundational component of any fair marketplace. Indeed, S.E.C. Chairman, Gary Gensler summarized the real issue at play: "As technology changes, it's even more important that registrants ensure that their communications are appropriately recorded."

The challenge arises from the "technology changes" that he highlights, yet where technology is a challenge it can also be a solution.

The right technology should offer:

- **Real-time surveillance** by Compliance Officers
- **Retention, archival and export** of communications
- **Expression filters** to monitor keywords and terms
- **Disclaimers** automatically inserted into conversations when required

Conclusion

At Symphony, we've worked with our customers to make possible something that never was before: the ability to meet clients exactly where they want to be met—and, to do so in a compliant manner. Regardless of a client's communication channel preference, our customers can manage them all from a single platform.

The Financial Services industry is rapidly adapting to this new demand to serve clients, while fully satisfying regulators. This is what Symphony is enabling – solutions that reduce friction, facilitate seamless communication and avoid unintentional compliance violations in the effort to serve clients.

With Symphony, client service and compliant communication are not mutually exclusive; they harmoniously coexist through unified solutions on a single platform, here to help you.



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