

# *The International Banker*

## Featuring

Is the regulators' focus right?



SPRING 2018



*The Worshipful Company  
Of International Bankers*

## From the Editor

Welcome to Spring – a nervous time, one year to go before the UK leaves the EU with little information on what the future relationship will be. We all have our hopes and fears. So this edition of the *International Banker* is timely in discussing a wide range of important issues which have been masked by this. These include a deep review of regulation (the theme of this issue), very different views on FinTech and machine learning and how businesses can use them, the dawn of open banking, whether whistle blowing can avoid tears allround, and interviews with two distinguished members. There is also lots of interesting company news

on new initiatives across its full range of activities including the encouraging educational ones such as school and university competitions where so many Company volunteers are making a difference – but there is certainly room for more; and of course, what our younger members are doing and thinking. Read and enjoy.

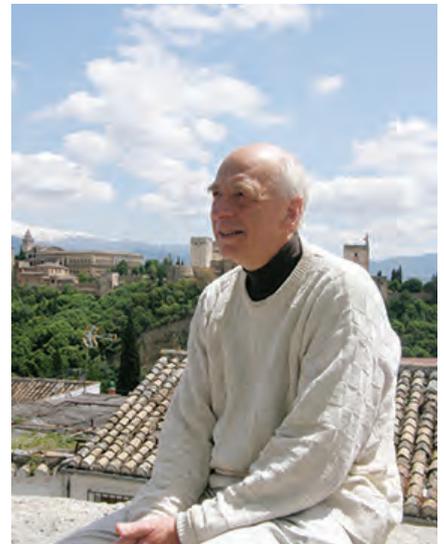
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# From the Master

## SIX MONTHS ON

Thank you to those joining us for our Annual Banquet last month. May I take this opportunity to thank Jayne-Anne Gadhia in particular for being our guest speaker and for her words of wisdom.

As I referred to in my speech, we are clearly living in what is called 'the fourth industrial revolution'. The re-engineering of financial processes and the digitization of our, our customers', and our clients', lives is occurring daily, and at a rapid pace. And that's before we look into the future of a world of blockchain and the impact of artificial intelligence described in this edition of the Magazine.

However, is everyone able to participate on this journey? When I left school, the adage was that you had an education for life. Frankly today, I suspect we all need a "Skills MOT" every few years. That's great if you have access to such programmes, which those in work often do, but many don't.

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*In the UK today, there are approximately 6 million people who are digitally excluded because they are not able to access the many digital services on offer - and there are many more who can but do not understand their finances.*

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Joanna Finlay, of Virgin Money, in winning her award as the 2017 young Chartered Banker of the Year, set out the cost of such exclusion. Financially excluded citizens incur costs

of £1,000 a year through fees and not being able to operate a bank account. And in a recent government report, it was reported that digitally excluded citizens lose out on savings of some £600 a year by not being able to access digital services. Livery companies, as well as financial firms, have an important role to play in helping the 6 million people who are digitally excluded. Financial firms may lead the way on this, protecting people against crime and enabling those most vulnerable to access services, but livery companies can, and regularly do, play their part in increasing financial literacy, particularly in young people.

These young people may have access to the internet but may not have the knowledge of finance to be able to benefit from it. WCIB members are in a wide variety of financial services and are very well placed to play an active role in making a real difference to the present and future lives of young people in London.

Our latest infographics set out an array of our support and its impact. Here are some examples. The Brokerage have organized 164 workshops attended by over 3000 students in the last two and a half years. Over 130 students from 14 schools entered the Company's Annual Essay Competition; and MyBnk has given financial literacy training to over 1,650 young people increasing their likelihood of employment.

My thanks to all of you for supporting this work. Please do keep up the good work and take to heart the appeal that the Chairman of the Charity & Education Committee, Tom Newman, makes in his article for more volunteers to become involved with these essential initiatives.

**Alderman Peter Estlin**



# Regulation - Why regulators are wrong to promote FinTech

## ALAN MILLER OF SCM DIRECT GIVES A CLEAR EXPLANATION

I would not go against the argument that financial services need to innovate, encourage disruptive/new business models or embrace technology to assist in improving consumer outcomes. As an industry it is one of the last bastions of dinosaur thinking, inefficient business models, opaque practices, high hidden fees, and strategies that have not evolved as the wider investment environment.

However, financial services encompass many different companies offering a myriad of services – banking, credit, loans, foreign exchange, mortgages, pension, insurance and investments – so all FinTech is the same.

Within the UK there are a growing host of so called ‘robo advisers’, a wholly misused term as they are not robots, nor are they advisers. A better term would be online or digital wealth managers, whom the regulator appears to believe provide a ‘FinTech’ solution to the increasingly large numbers of UK investors not having access or wanting to pay for advice.

It is our view that at best this is a naïve view, at worst it could lead be the next big miss-selling scandal. Unfortunately, it is our view that many firms:

1. Regularly break the rules which the regulator has set out to protect the consumer. For example, very few firms appear to add up all their charges to all the charges of the funds they invest in and show these to their customers before they invest. This is legally required by Article 24, MiFID II which came into force in January this year.
2. Appear to be inefficient in their operations with very little automation, thereby requiring significant numbers of employees.
3. Rely on digital advertising for their customer acquisition, where rates have risen significantly in recent years. Between 2013 and 2016, the overall (across all categories of advertiser) Average Cost Per Click (CPC) has risen from \$0.92 to \$2.14 and the Cost per conversion from \$10.50 to \$33.00. The data came from a sample of US local, national and international campaigns from a variety of industries. UK digital advertising rates are normally about 13% less than the US.
4. Rely on venture capitalists and/or high net wealth individuals to finance their ongoing losses and future investment plans.

5. Have poor or often unreported investment performance.

6. Are effectively giving ‘advice’ even when not allowed under law by determining which fund/portfolio a client should invest in, on the basis of client specific answers/ information. In the US, these and other issues prompted the Massachusetts Securities Division to question the ability of so-called robo advisers to act as state-registered investment advisers saying that “*fully-automated robo-advisers, as they are typically structured, may be inherently unable to act as fiduciaries and perform the functions of a state-registered investment adviser*”.

Analysis below shows the FinTech folly of many of the supposedly leading FinTech business models - in the field of asset management:

I have examined the last reported accounts from four leading ‘robo advisers’. Of course, these firms have been in existence for different periods of time but their combined financial figures are illuminating. In summary, the overall costs were found to be over 8x their income and their staff costs per employee alone more than 3x their turnover per employee.

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*It had cost their firms (in terms of their combined accumulated losses since they started) over £15 per £1 of income.*

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Footfall is a key to success but they require an exponential growth in their business for the £15 invested, to generate a typical industry 40% operating margin, i.e. 40p (being 40% of £1). This implies an eventual return on investment of 2.7% and an Internal Rate of Return of significantly less, given the number of years it will take to break even, let alone make a profit.

It might be sensible for regulators to focus their attention away from creating new categories of advice to encourage firms with a business model that appears financially very high risk, and towards properly regulating the existing industry to act in the best interest of their investors for once. Technology should be embraced as an enabler of efficiency, lower costs and improved transparency for consumers, not as a replacer.

# FinTech, the future?

GEORGE LITTLEJOHN SEES A FACILITATION  
ROLE FOR REGULATORS

Monster mainframe computers first appeared in banks and insurance companies 50 years ago, and set a trend (after hefty initial investment) for improved internal efficiency. Later developments brought more nimble technologies to the middle and back offices of securities and investment firms, and not long after that to the front offices and dealing desks. Is “FinTech” any more than an extension of that trend, for all the hype?

The answer is almost certainly yes, and the difference lies in the data. More information has been created in the World in the past two years than since the dawn of Man, and that pace is quickening. Nimble financial services organisations – including regulators – have noted that access to more people, with more data, in a host of different ways and at a fraction of present-day costs will mean that in future finance will only be limited by our powers of imagination.

The UK – meaning London and, in part, Edinburgh – has built a leading global reputation in FinTech, outstripping other European centres by a country mile. Language is one key element. London’s position as the World’s leading international financial centre helps too. And Edinburgh is host to Europe’s biggest university centre of “informatics” – the practice of information processing and the engineering of information systems that lie at the heart of all major computing developments. That, in

a tight-knit community, has spun off the development of Britain’s biggest technology incubator, CodeBase, at the foot of Edinburgh Castle.

Partnerships between start-ups, incumbents, regulators and, most, important, consumers have been the hallmark of Britain’s success.

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*Beyond the initial disruptive phase – with its inevitable “death valley curves” of huge spend with little revenue to match, which characterises most tech business – it has become clear that the benefits of growth can best be secured through a collaborative, joined-up approach.*

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The World has followed Britain’s regulatory lead in helping unleash this industry. In October 2014, the Financial Conduct Authority (FCA) launched “Project Innovate”, in which the regulator offers direct financial regulation, support, and advice to FinTechs – the ugly, slightly obscure, catchall for participants in this buoyant activity. As part of Project Innovate, the FCA offers a “regulatory sandbox”,

where FinTechs can operate in the open market on a limited scale, benefitting from the FCA’s guidance, regulatory waivers and “no enforcement” relief during the process.

The FCA’s work has been admired (and copied) on the global stage, but is not to everyone’s taste. Some of the objections hark back to the Victorian Locomotive Acts – the “red flag Acts” – passed ostensibly to protect passengers and others but in reality to smother competition. (The red flag was carried by a man walking in front of any road vehicle hauling multiple wagons to keep its speed to walking pace; trains were restricted to 4mph in the country, 2mph in cities).

Today’s tech entrepreneurs are for the most part keenly aware of regulation, financial, data, and otherwise. As FinTechs work increasingly inside the heart of the financial services industry, they and their mainstream partners and sponsors work hard to ensure that they – and the products and services they are developing – take advantage of, but do not exploit, the regulators’ progressive approach while complying with the law.

And as most who have worked alongside start-ups in this arena will quickly testify, the approach to ethics, integrity and personal behaviour amongst the mainly young people who lead the charge here carries lessons for many of their elders.

# Regulation – The Senior Managers and Certification Regime

**CLAIRE WALLACE OF PWC ASSURANCE LOOKS AT BANK IMPLEMENTATION AS A GUIDE TO ITS EXTENSION TO OTHER FIRMS**

## What is the Senior Managers Regime?

The banks and insurers have been under the new Senior Managers and Certification Regime (SMCR) rules for nearly two years already; this means the regulators have had more power to place responsibility on senior managers, holding them clearly accountable for their conduct and competence, and in turn strengthen market integrity, a key regulatory objective. The intention is now for this to be rolled out to the remaining 50,000 firms that the FCA regulates. A Consultation was published last Summer and a detailed technical paper pre-Christmas. We do not anticipate having final rules until Q3 2018 at the earliest, with implementation estimated for 2019 - but no clear dates are yet known.

The FCA has been pragmatic in its proposals and has created a three tier approach depending on the type and size of firm that you are. They have a simplified regime (limited scope) for the very small/sole trader size firms, a 'core' regime where they believe the majority of the 50,000 firms will sit and an 'enhanced' regime for circa 350 firms. The FCA has informally indicated that they do not expect tier three firms to do a lot of preparation; it will be up to individual firms to decide whether to rely on this – particularly after things have gone wrong.

The enhanced regime most closely resembles the regime applied to banks and insurers and requires firms to have a great number of Senior Manager Functions, sets out more Prescribed Responsibilities for individuals, Responsibility Maps and handover procedures. These requirements apply on a legal entity not group basis.

Individuals who currently hold a Controlled Function role are likely to map into the new certification regime and the most senior individuals become a Senior Manager. The FCA will still approve all Senior Manager roles but firms will hold the responsibility to approve staff that fall within the Certification Regime. Consideration needs to be given to how this will be achieved and who will run the process.

Ultimately, the SMCR has a significant cultural dimension. Cultures that are focused on customer outcomes and welcome challenge are going to find the SMCR much easier to implement and sustain. The regime should become part of a 'new way of working', rather than being seen as a regulatory tick box exercise.

## What do firms need to do?

In their recovery from MiFID II, senior managers should not think that compliance from 2019 gives them lots of time. A key lesson learned from the banking implementation is that this was much more than a paperwork exercise; there were many decisions on the firm's governance, culture and controls to be taken in changing the management matrix and committee structure – time taken now to identify the Senior Managers, what their individual responsibilities are, and engaging with them, will pay dividends; firms with complicated structures, and overseas influencers are particularly affected.

### WHAT NEW RESPONSIBILITIES DO SENIOR MANAGERS HAVE?

Senior Managers will be required to produce and adhere to a statement of responsibilities that will draw out individual responsibilities, guidance being that these statements should be approximately 300 words using positive and clear language. These statements mean Senior Managers will be held accountable by the regulator in the event of criticism and/or failure in an area they hold responsibility for under their statement. Senior managers will find themselves explaining what they did to try and prevent the issue under enquiry, in order to evidence they should not be held responsible.

Firms should think about how to operationalise the SMCR (build doing the right thing into day-to-day decisions) and socialise the SMCR (ensure people really understand expectations and have the organisational mandate, support and alignment to meet them). Reporting lines need to be amended to better reflect what happens in reality, terms of reference for governance committees to be updated to better reflect their purpose; membership of such governance committees streamlined to those who really needed to be involved; role profiles updated and controls strengthened. The precise mechanics of implementing these changes will vary firm to firm, but typically there will be a project team, involving from first and second line employees and management. International firms particularly should start early.

# The advantages and dangers of open banking

PAST MASTER MICHAEL LLEWELLYN-JONES DESCRIBES AN IMPORTANT CHANGE

In 2013, a 7-day switch service was introduced to encourage customer to compare banking services and therefore change providers to stimulate competition – this was an abject failure with low single-digit take up. There followed the much-derided Competition & Markets Authority's investigation into retail banking in the UK. This concluded that: *“Older and larger banks do not have to compete hard enough for customers' business and smaller and newer banks find it difficult to grow.”*

It did suggest one interesting remedy to stimulate competition – Open Banking (mirroring the EU's Payment Services Directive 2 initiative). The advantages would be *“Reliable, personalised financial advice, precisely tailored to your particular circumstances delivered securely and confidentially”.*

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*The idea is that bank customer information should be 'securely' shared with third parties via an API (Application Programming Interface) to enable those third parties to provide targeted services to customers.*

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So although you might have one current account bank, all your other investment or insurance services could be with other providers – this is known as *“banking as a platform”*. Clearly, this relies upon customers giving their approval to the underlying data sharing. Given the continuous stream of publicity relating to leaked or hacked systems this may prove a challenge. A recent survey by Accenture found that 69% of consumers were not willing to share their bank account information, whilst one of its lead consultants emphasized the

need for any new entrants to the financial services sector to earn the trust of consumers. There is however, as one might expect, a generational divide with 39% of Generation Z (born post 1996) respondents being likely to use open banking (compared with just 13% for baby boomers)! Assuming enough customers approve access, then the account information on everything from your Starbucks-kicks to utility bills will be available for data mining. The realistic expectation is that once this data is generally made available, FfinTtech developers will find interesting ways of capitalizing on that data to produce useful applications.

For the traditional high street banks, this should provide an opportunity to work with FinTech firms to expand product offerings and capture new customers and generate additional revenue opportunities. Conversely, banks may see it as a potential loss of grip on their customers. As always with technological advances, if you want to benefit from change, it's probably best to try and adapt as quickly as possible rather than hold back the inevitable.

There is plenty of scepticism around re the ability of the big banks to gain rather than lose here. A recent McKinsey report suggested that in the UK, digital challengers have been quite successful in diverting revenues from the retail banks and have enjoyed some regulatory support. It forecast a range of outcomes for UK banks all of which show a significant diminution in Return On Equity in the next 3-5 years and open banking will be part of that challenge, hence the actions on branch networks that we continue to see, as banks try to address their cost issues.

Given the other issues the big banks currently have to deal with - viz Brexit, increasing cost of regulation, low interest rates, challenger banks and FinTechs insurgency - they have to ensure that open banking becomes an opportunity. Otherwise, in the relatively near term it may become an existential threat.



# Rethinking financial stability

GEORGE LITTLEJOHN WONDERS IF  
REGULATORS HAVE GOT IT RIGHT

*“Over the course of the better part of a decade, a deep and wide-ranging international regulatory reform effort has been underway, as great as any since the Great Depression.”* Thus spake Andy Haldane, the Bank of England’s highly-regarded Chief Economist, in a speech on *“rethinking financial stability”* in Washington in October 2017. *“The global financial crisis has been the prompt for a complete rethink of financial stability and policies for achieving it”* he said.

But when push comes to shove, is global regulation fit to protect us from another crash? It’s better than it was, much of the industry thinks - but that’s not saying much.

The past decade has certainly seen substantial increases in the amount of capital held by banks, in large part driven the new Basel rules. Attempts to unwind interconnectedness between financial institutions are also working. One key is higher capital on trading activities, another more use of centralised clearing – central counterparties between financial institutions have made the derivatives business safer. For now.

But there are two big unknowns – the impact of bail-ins, and of abnormal monetary policies. Bail-outs happen when investors, usually governments, rescue borrowers by injecting money. Bail-ins happen when the borrower’s creditors are forced to bear some of the burden by having

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*If multiple institutions are squawking, and regulators slap losses on various classes of creditor, that creates conditions for a panic. So the bail-in concept may fail come the next big hurdle.*

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a portion of their debt written off. During the Cyprus bank crisis, for instance, depositors with more than 100,000 euros in their accounts were forced to write off a portion of their holdings. This shifts part of the pain from taxpayers to creditors.

Bail-ins and bail-outs are both meant to keep the borrowing institution afloat, but take two different tacks. Bail-outs keep creditors happy and interest rates low; bail-ins come into their own when bail-outs are politically difficult or impossible, and creditors aren’t keen on the idea of a full-scale meltdown. The European Sovereign Debt Crisis was the heyday for bail-ins. But all this emphasis on debt securities that convert to equity in a crisis, and giving regulatory authorities the power to impose losses on holders of instruments other than equity, is untested. Suspicions are growing that this approach might crumble very quickly in another crisis. It is hard to envisage a scenario where a large financial institution is in pain on its own, and if multiple institutions are squawking, and regulators slap losses on various classes of creditor, that creates conditions for a panic. So the bail-in concept may fail come the next big hurdle.

The other big unknown is how much risk-taking has been happening these past 10 years of very low interest rates. *“We don’t really know who has been taking risks during these unusual monetary policy times. So when policy moves back to normal, some institutions may find they have been taking bigger risks than the market – or indeed they themselves – realize”* says one well-informed market sage.

*“We can’t feel safe until we are back to normal monetary policy,”* he says. *“Things are better than they were, but that is a pretty low threshold. The lack of equity in financial services 10 years ago was exposed during that crisis. But do we now have enough equity to withstand a major shock? Probably not. And is it where it it needs to be? We don’t know.”*

Last October, the Bank’s Mr Haldane concluded his speech by saying: *“The hard bit is what happens next. Not least given the scale of regulatory change over the past decade, [the] new regulatory framework will plainly need to adapt in the period ahead in the light of the new evidence, experience, and incentives associated with operating it.”*

# The untapped value of Machine Learning processes in Banking

MOORAD CHOUDHRY DESCRIBES AN IMPORTANT OPPORTUNITY

It is common to suggest that ‘FinTech’ and artificial intelligence (AI) are transforming the financial services industry. Certainly the possibilities offered by AI are immense, but in truth financial services firms have barely scratched the surface of what is offered by AI. A particular branch of AI known as machine learning has the potential to transform the way firms do business. Some large and small firms employ machine learning in their risk management processes, but the technique can add value in *any* services activity, not just risk management, and – significantly – is a capability that is not restricted to only the large firms. In theory any financial services firms can implement a machine learning system.

## What is it?

Originally machine learning models were an extension of orthodox econometric techniques that draw out relationships between different sets of data; for example, between height and sporting ability. A well-fitted model will enable us to *infer*, or predict, an outcome based on the relationship between the independent variable and causal factors; but because relationships are complex, (extending the analogy, many factors drive sporting excellence, and as a causal factor height can be both a positive and negative driver), linear multi-factor econometric models are of less value when looking to derive deep understanding of a diverse data set.

Machine learning systems, on the other hand, are designed around prediction, identifying strong correlations between variables. They enable us to predict outcomes with more certainty and to understand relationships to a granular level. Systems vary widely, from logistic regression to neural networks and random forests. Every

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*Prospective clients who fit the pattern of specific peer group current clients can be the object of tailored marketing of specific products they are predicted to purchase*

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model is comprised of (i) the query or ‘problem’ to be solved; (ii) the data set; (iii) the model itself; and (iv) the optimisation algorithm. A fifth element is the validation and testing process.

## Machine learning and Big Data

The value of machine learning lies in its ability to recognise general patterns in large data sets, particularly for variables for which no analytical solution is available. Exhibit 1 shows sources of data that are well suited to machine learning analysis.

Financial firms hold considerable data on their clients, their tastes and habits with respect to virtually every aspect of their lives. Applying pattern recognition to this dataset will enable them to serve clients in specific tailored ways. For example:

- Existing clients who fit a pattern that identifies a particular peer group, who have not purchased a financial product that their peers have, can be identified as predicted future buyers and marketed to specifically, using their preferred communications method (branch, smartphone, etc)
- Prospective clients who fit the pattern of specific peer group current clients can be the object of tailored marketing of specific products they are predicted to purchase
- Customer franchises that are ruled out *en masse* (for example,

charities, or offshore entities) can be considered individually based on patterns marking them out as ‘safe’.

These are instances of “*unsupervised learning*” problem pattern recognition, identifying relationships amongst customers. This is considerably more cost-effective than existing techniques such as postcode or age group targeting.

Machine learning can also assist a firm to target clients in the absence of extensive data, because the model itself will calculate the parameters that enable predictions to be made. The implication for client services provision is immense: specific tailoring, really knowing one’s client, whilst still offering human interaction for the times when the customer desires it.

## Conclusions

Machine learning does not necessarily mean the replacement of one form of financial services by another. What it does enable firms to become are masters of data analytics – *their* data. And genuinely understanding one’s data in a bank is like fire for a stone age human: it enables one to conquer the environment. With machine learning, a firm can acquire more accurate control of its strategy setting, marketing, risk management, and client service processes. This, ultimately, is transformational for any firm that has the vision to use it.

EXAMPLES OF DATA SOURCES THAT CAN BE EXPLOITED USING MACHINE LEARNING

DATA SOURCE	EXAMPLES
Online social media	Facebook, Twitter, LinkedIn
Communications	Phone, email, WhatsApp
Government	Central bank, Social security
Mobile app	Countless examples, with data trends in purchases, locations, habits, frequency, demographics, etc
"Internet of things"	Fitbit, smart meter, etc
Banking	Bank general ledger and customer databases
	Trends in:
	Payments, purchases, locations, value, age group preferences, entertainment tastes, etc
	Financial products: Contact preference, frequency of renewal, retention, etc

Note: "Big Data" is defined here as large volume data with low information density



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# A Memorable Train Journey

## MEMORIES FROM THE MEMBERS FORUM

### ROBERT BINNEY REMEMBERS THE TRAIN TO THE SEA

As a child I had a real love of steam engines and was a trainspotting addict. My favourite station was Paddington, my favourite engines were Kings and Castles of the GWR (God's Wonderful Railway). My favourite journey was from Paddington to Torbay in Devon, where my grandparents lived. I loved the brown/yellow carriages, with separate compartments. Early on I used to travel with some of my siblings and at least one parent. Then later I was allowed to travel on my own, with the treat of lunch in the dining car. The gorgeous scenery, like the Wiltshire White Horse but especially the coastal portion around Dawlish, was always most memorable. Then the joy of meeting my grandparents at journey's end. All ready for a quick walk to the beach for a swim in the sea and the making of sand castles.

### CLIFF KNOWLDEN ON A NIGHTMARE JOURNEY

My commute from Gidea Park to Liverpool Street was usually in no way memorable. We pulled into Romford and the carriage was full to capacity - with another 8 stops before reaching Liverpool Street something would have to give....halfway to Chadwell Heath the electric doors suddenly fully opened. There were screams and people were suddenly clinging onto waists/arms/anything to avoid falling out onto the tracks. We pulled in to the next station and several of us sought out a station guard to explain the panic and danger of the situation. The doors promptly closed and off went the train. End result we were accused of forcing open the doors (why would we do that??).



### CATHERINE SMITH- MASON ON AN EARLY PASSION

A Greek woman, a perfect stranger, offering me a share of her peeled cucumber on a roaster of a chuntering little train crossing the rickety-feeling viaduct over the Corinth Canal, for one. In childhood I was the only girl ever allowed to attend the steam days of the Glasgow Miniature Engineers Society, who had their meet at the old Rolls Royce grounds near Glasgow Airport - but they were so sexist (definitely a macho preserve) that they wouldn't let me be train driver. Then there was the privilege of getting on one of those tours by train round the Scunthorpe Steel Works.

### JOHN ELDER REVISITS STEAM

My daughter has been a Harry Potter fan from a young age and about seven years ago we travelled from Fort William to Mallaig on the Jacobite train that featured in the Harry Potter films. The train left Fort William in a cloud of smoke, steam and noise and the excitement of all on board was palpable; whether it was the older generation reliving their youth or the younger sharing the Harry Potter experience. The route is very scenic, travelling through beautiful countryside and crossing the Glenfinnan Viaduct, before passing Arisaig and reaching Mallaig where we had lunch, before returning to Fort William. During the journey, we were seated in old style comfortable armchairs with a lamp table in First Class (second Class was a 1970's style BR carriage with bench seats and Formica table and is not to be recommended), with morning coffee on the way up and afternoon tea and scones on the way back - very civilised. More importantly, it was a fabulous Father/ Daughter journey which we both remember fondly and still talk about.

### DR OONAGH MCDONALD CBE REMEMBERS A TRAIN JOURNEY THROUGH CHINA

We were on the way to Kashgar. We had survived the drive through the mountains sometimes with a sinister dark grey K2 looming over us, through rock falls from the shale mountains on one side and at all times with a drop of some hundreds of feet to the Indus River below. The next stage of the journey was due to be by train from Kashgar to Dunhoung through the Gobi desert.

The desert night air was cool, so we hoped to be refreshed. We had not counted upon the Chinese heavy smokers so the night was spent in the battle of the windows: we opened them to let the cigarette smoke out and the Chinese got up and closed them. A tourist ride on a Bactrian two-humped camel was great fun - infinitely preferable to the train! All has changed for Chinese railways - sleek fast modern trains on the right tracks. A far cry from the days when Mao Tse Tung was forcing the Chinese to try to smelt iron in their backyards.

# What is the future for Euroclearing staying in the City of London after Brexit?

PROFESSOR JOHN RYAN OF THE LSE GIVES A SOBERING MESSAGE

On 23 June 2017, the European Central Bank (ECB) took a decisive step to ensure it can oversee London-based trading of trillions of euros in derivatives and other risky securities even after Britain leaves the European Union. Although it has not explicitly expressed a view of forcing the relocation of Euroclearing to the EU after Brexit, the ECB will require tougher regulation of 'systemically' important amounts of trade being conducted by clearing houses outside the remaining 27 members of the EU.

The UK's future relationship with the EU remains the subject of negotiation, but the Government's ambition is set out to construct a relationship based on reciprocal market access and cooperation, underpinned by

a high-quality regime reflecting international standards. The ECB may still decide to pursue a policy of repatriating Euroclearing to the Eurozone...

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*...and it is hard to see how an institution (the EU), the majority of whose stakeholders are located on the Continent would not use whatever means available to it to support this process.*

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For the EU demanding that Euroclearing be relocated or at least EU regulated

is a reasonable proposal because it will be the ECB that would have to bear the bail-out risk of a failure of any Euroclearing bank. Speaking to German, French and ECB policymakers, it is clear that they will move quickly if it becomes obvious that there is a very large gap between the UK and EU negotiating positions. They are fearful of a disorderly Brexit. Most London-based financial firms have been implementing and updating their contingency plans since the 2016 Brexit vote.

Unless the UK Government moves on from broad headline statements to a clear and practical path for the City of London in its negotiating position, a migration of Euroclearing activity to the Continent will be set in motion shortly that will be difficult to reverse.

The European Central Bank (ECB), Frankfurt





# Brexit – The view from Jersey

HELEN HATTON ON  
AN OVERLOOKED VIEWPOINT

The United Kingdom is a union of England, Scotland, Wales and Northern Ireland. Jersey has never been part of the United Kingdom and therefore did not join the European Economic Union when the UK became a member in 1973.

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*It is often a surprise to UK residents learn that Jersey residents do not have a vote in UK elections or referenda.*

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Jersey children attending UK university are classed as “Foreign Students”; the island has its own Parliament; currency; and postal, electricity, social security and telecommunications systems; and health and education services. There is no VAT in Jersey. It is all more different than first meets the eye. Very importantly, this different infrastructure includes its own tax and financial services regulatory authorities.

The island is more independent than many realize and therefore the Brexit issues affect the island differently to the way they affect the United Kingdom, providing, Islanders believe, more opportunity than threat to the major economic sector of the island – international financial services.

These are exciting times for Jersey. Fundamentally a transaction hub, the Island acts as a major service provider in the journey of inward and outward global investment flows. As business has continued its march to globalization over the last 25 years, Jersey’s ability to offer sophisticated, structured transaction and asset holding structures has earned the island its title of “Top International Finance Centre” six years in a row, beating competitors such as Hong Kong, Singapore, Switzerland and Dubai.

So why has all this developed? What’s so special? And, the sixty four thousand dollar question, will it be affected by Brexit? Whilst the UK government continues its work to broker the terms of Brexit, not much changes from Jersey’s point of view.

# Will whistleblowing always end in tears for the company and employee?

REBECCA ASTON, HEAD OF PROFESSIONAL STANDARDS, CISI



In January 2018 the Luxleaks whistleblower, Antoine Deltour, was once again in the spotlight. Luxembourg's highest court ruled that Mr Deltour should have been recognised as a whistleblower after having passed information about PwC clients to French journalist Edouard Perrin, who broke a story about how Luxembourg helped large corporations slash their global tax bills (now known as the 'Luxleaks' scandal) in 2012. Mr Deltour, a former PwC employee, had originally been convicted of leaking the files related to the tax-evasion scheme, and was serving a six-month suspended sentence. The latest decision by the Luxembourg court overturned that sentence.

Mr Deltour's lawyer hailed the decision as "a significant step in the protection of whistleblowers in Europe" and, indeed, whistleblower protection has improved over the past few years. Public Concern at Work, a whistleblowing charity operating in the UK, are celebrating their 25-year anniversary this year, and note that since they were established "there have been some landmark wins" such as successfully campaigning to amend UK law to further protect whistleblowers and growth in the number of whistleblowing hotlines and companies that offer training and consultancy to improve whistleblowing arrangements within organisations.

However, the fact remains that whistleblowing still, all too often,

leads to negative repercussions for the whistleblower, the company or both. For example, in January 2018, the FCA was severely criticised by the Financial Regulators Complaints Commissioner for disclosing the identity of Mark Wright, a former NatWest employee who made a series of allegations against RBS in 2013, to RBS. We are also still awaiting the FCA's decision about the actions of Jes Staley, Barclays CEO, after his attempts to unmask a whistleblower were revealed in April 2017.

Stories like these might make it seem as though whistleblowing brings nothing but strife. Yet that is in part due to the fact that whistleblowing stories usually only hit the headlines when things go wrong. It's not interesting to report that someone raised a concern which was later dealt with and all parties were satisfied with the outcome, even though that is the outcome for many whistleblowing cases. A 2016 report by *Public Concern at Work* revealed that 41% of whistleblowing cases in financial services have a positive outcome (where the concern has been investigated, admitted or resolved). This compares to 31% of cases in health, and 21% in education.

In America, whistleblowers may even receive financial rewards. The US Securities and Exchange Commission whistleblower programme has now awarded more than \$179m to 50 whistleblowers since issuing its first reward in 2012, with the biggest reward to date being over \$30m to one individual (who also happened to live in a foreign country, demonstrating the programme's international reach). Yet any kind of financial reward remains the exception rather than the rule.

The 2017 *Institute of Business Ethics'* research into the attitudes of the British public about business ethics revealed that "employees being able to speak out about company wrongdoing" is still one of the top five issues that the British public feel needs to be addressed, coming in at 5th place (17%) after corporate tax avoidance (38%), executive pay (30%), exploitative labour (27%) and work/home balance for employees (21%). So, work remains to be done in this area. But, with adequate protections for whistleblowers and well-functioning whistleblowing processes and policies in place, it need not be the case that whistleblowing always ends in tears for the company and employee.

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*"Employees being able to speak out about company wrongdoing" is still one of the top five issues that the British public feel needs to be addressed*

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# HMRC focuses on tax advice

**NICK PARKER, PRESIDENT OF THE ICAEW, LOOKS AT THE IMPORTANCE OF ETHICS IN TAXATION**

Taxation can and should be used to promote fairness. A rigorous tax system, run with discipline and transparency, should be a force for good.

It was the US Supreme Court Judge, Oliver Wendell Holmes, Jr, who famously said that “*taxes are the price we pay for a civilised society*”. But tax itself should also be civilised, in how it is collected, administered and spent.

Those of us working in tax need to make the case for the positive role we can and do play in ensuring that tax systems work as intended, and can be improved upon further. At ICAEW, we expect all of our members to uphold the highest professional and ethical standards at all times. In 1995, we joined with six other professional bodies to produce a code called the “*Professional Conduct in Relation to Taxation*” (PCRT). This sets out the fundamental principles and standards of behaviour that members are expected to follow when engaged with tax work, and provides guidance on applying them.

The five fundamental principles are: acting with integrity; remaining objective; maintaining competence in knowledge and skills; safeguarding confidentiality; and behaving professionally. We’re very proud of this Code and the values it instils into our members and thus into the tax system. The principles form its core and reflect a requirement to respect the interests of Society as a whole. The Code has been revised on several occasions, others have signed up to support it and it is enthusiastically endorsed by HMRC as a model of best practice. But since the Code was published, taxation has dramatically risen up the public agenda.

In 2015, the then Chief Secretary to the Treasury, Danny Alexander, challenged the tax and accountancy regulatory

bodies to maximise our role in policing the profession, by setting and enforcing clear standards around the promotion of both tax avoidance and tax evasion. This was a watershed moment for us and one that we have taken very seriously. It is important to us that the public interest remains at the forefront of our work, and this is clearly a matter of public priority. So we updated the PCRT to include a specific set of five standards for tax planning. Among these standards, are that our members must: be specific to the needs and circumstances of the client; undertake their tax planning lawfully and with integrity; maintain full disclosure and transparency; and exercise professional judgement with appropriate documentation.

But perhaps most importantly, members must not “*create, encourage or promote aggressive tax planning arrangements or structures that, i) set out to achieve results that are contrary to the clear intention of Parliament in enacting relevant legislation, and/or ii) are highly artificial or highly contrived and seek to exploit shortcomings within the relevant legislation.*” HMRC have adopted four of the standards – all but the standard on client specificity - into their guidance to all professional tax agents.

These standards strengthen the original fundamental principles, and members of any of the seven bodies who are found to be in breach of them will face disciplinary action.

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*We must be clear that there is no place in our membership for the creation or promotion of tax avoidance.*

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We also strongly urge all non-members to commit to following the Code. Tax is no longer a purely technical subject; it has become deeply emotional, political and culturally sensitive. It is also a global issue, in need of global solutions.

The leaking of the Panama Papers in 2016 and the Paradise Papers last year, caused great public frustration, and understandably so. But we must recognise that these revelations are merely a symptom of a problem that needs addressing at its core, and it’s up to us as regulators to lead the way at ground level.

Our vision at ICAEW is for a world of strong economies. Fairness and ethics in taxation will lie at the heart of achieving this, and those of us in accountancy and finance all have a key role to play.



# PATRONS

of V A R I E T Y

## Change a child's life forever, become a Patron of Variety

Every day of the year Variety, the Children's Charity, changes the lives of disabled and disadvantaged children across the UK by providing grants for life-changing essential equipment.

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Patrons make a substantial and on-going philanthropic commitment to Variety's work, making it possible for the charity to plan and deliver the long-term charitable programmes that make the biggest difference for its beneficiaries.

In recognition of the essential contribution that Patrons make, Variety has developed a programme of exclusive events featuring exceptional guest speakers in prestigious venues.

By bringing like-minded people together as Patrons, Variety is able to maximise the impact of its work.



## Brian Winterflood

founder of Winterflood Securities,  
is proud to be a Patron of Variety



**"As a long-standing supporter of the important work that Variety does, my wife and I were delighted to become one of the first Patrons.**

**Being a Patron of Variety is immensely rewarding and I would encourage anyone who wants to make a real and lasting difference for children in the UK to consider becoming one"**

**To find out more about becoming a Patron of Variety and the charity's work please contact:**

**Jo-Anne Brown**

**0207 428 8147**

**[patrons@variety.org.uk](mailto:patrons@variety.org.uk)**

**Variety, the Children's Charity, Variety House,  
93 Bayham Street, London NW1 0AG**

 **variety** **the children's charity**  
improving young lives every day

THERE HAS BEEN MUCH ACTIVITY IN THE GROUP. WE START WITH JEAN STEVENSON LOOKING BACK AT HER TIME LEADING THE GROUP, AND WITH TOM NEWMAN'S PLANS FOR IT IN THE FUTURE.

## A Retrospective / Looking Back

### JEAN STEVENSON ON STEPPING DOWN FROM A SATISFYING ROLE

I took over as Chairman of the Charity & Education Committee from the current Senior Warden, Mark Sismey-Durrant. Having been a member of the Company since inception, and having focused for almost as long on the charitable aspects of our 'brief', I felt I knew more than most about the things that the Company did in the charity and education space. I was justly proud about what we had achieved from a standing start; but nothing can stay the same and a review of our focus and targets was required, just as Tom will do, so we revisited our strategy and as a committee worked hard to achieve it. It was in turns fun, hard work and very frustrating! Volunteering is a wonderful thing but herding cats must be easier than working with volunteers, academics, teachers and charity workers, all of whom for much of the time seem to be dancing to different music. It makes it all the more rewarding when everything comes together and we achieve what we set out to do.

However, one thing stands out for me during my time in office and was brought into sharp focus at various functions I attended in an official capacity at several of the Great Twelve Livery Companies since we have much to learn from companies who had been in the game hundreds of years longer than we have. They were marvellous events, very well attended and, as it happens, tended to focus on my particular area of interest which is building aspiration in secondary school students. In the WCIB we concentrate a lot on this aspect in our educational work and also in our charitable giving, so I was very keen to see what we could – inevitably the events were impressive – with dinners in wonderful surroundings (both ancient and modern), and were attended by some students.

One of the events enabled several teams from different schools to present different business ideas and answer a question from panel members such as Baroness Lane-Fox and a couple of real life television dragons. I compared this to equivalent sessions we have run within schools, when not only did we ask for a business plan but we asked the finalists to put it in to action and come back to be judged! Our events were a bit less swish but I know which of the two events was more demanding, and I also know that really valuable life and work skills such as team work, realistic aspiration, careful costing and budgeting, the fact that loans have to be paid back, marketing etc were the take homes from our events, as well as in some cases part of the profit made from the venture!

The WCIB has now built up relationships with 19 business schools and close relationships with at least 6 secondary schools (less close with many more). So what I learned in my



tenure as Chairman of the Charity & Education Committee was the meaning of super equivalence in a Livery Company context. For the WCIB there has been no proportionality for our relative youth. For a Company with such a short history we punch massively above our weight.

We depend on some other charities such as My Bnk, School Home Support and The BrokerageCitylink, to deliver our vision but members enthusiasm, time commitment and donations to the International Bankers Charitable Trust are enabling us to have an impact on lives beyond what might reasonably be expected.

I am proud of what we have achieved in the last few years and I know this will continue under Tom's leadership. I would urge you to find out as much as you can about our charitable works so that you can share my pride and encourage those who can to give their time.

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*Members' enthusiasm, time commitment and donations to the International Bankers Charitable Trust are enabling us to have an impact on lives beyond what might reasonably be expected.*

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# Looking ahead

TOM NEWMAN, THE NEW CHAIRMAN OF THE CHARITY & EDUCATION COMMITTEE



It is a great honour to take over as Chairman of the Charity and Education Committee following Jean Stevenson who has accomplished so much over the past 3 years.

## In the next 3 years the C & E Committee will be working to achieve the following goals:

- Provide Increased interaction between WCIB members and school and university students by facilitating member involvement in speaking, coaching, judging and mentoring opportunities and attending events for schools and university students.
- Hold successful competitions for students in schools (Annual Essay Competition and Sheriffs' Challenge) and universities (WCIB prizes and the Lombard Prize) while exploring opportunities to reach more students by these and additional competitions.
- Successfully deliver our charitable vision. To make a real difference to the lives of the underprivileged young people in London through:
  - Increasing financial literacy.
  - Supporting their education.
  - Raising their aspirations for education and employment.
  - Improving their likelihood of employment.

## To be achieved by:

- Working with our current strategic partner relationship charities:
  - The Brokerage – raising aspirations and providing access to the City
  - MyBnk - delivering financial literacy
  - Guildhall School of Music and Drama – providing outreach programmes to school children.
  - School Home Support – providing financial literacy through their practitioners in schools in support of families and their students.
  - Uprising – a new relationship through which we hope to support social mobility, aspirations and employability.
- Developing 4 to 6 new relationships in our charitable vision focus area.
- Working to leverage programmes with additional outside funders and other lively companies.

*Our charitable vision is to make a real difference to the lives of underprivileged young people in London*

**But fulfilling this mission requires more members to contribute time and energy. Members are invited to get involved in the areas where the C&E Committee is active:**

- The Schools Working Group (SWG) is responsible for delivering the Company’s charitable vision to young people in secondary schools in London. It delivers the vision through:
  - Direct relationships with state secondary schools:
    - ~ Pimlico
    - ~ Thomas Tallis
    - ~ St Saviours and St Olavs
    - ~ La Retraite
    - ~ Dunraven
    - ~ Other state schools
- Delivering WCIB charitable programmes:
  - The Annual Essay Competition
  - The Sheriffs’ Challenge (jointly with the Financial Services Group of Livery Companies)
  - The WCIB City Experience
- A direct relationship with Dulwich College where the WCIB provides the WCIB Lord George Bursary and looks to support private-state school initiatives.
- Get involved in the activities of the SWG:
  - As a speaker going into the secondary schools
  - As a relationship manager for a direct relationship school
  - Helping to deliver WCIB charitable school programmes
  - Mentoring and judging student teams in programmes such as the Sheriffs’ Challenge
- The Company has established relationships with charitable partners with which we look to deliver our charitable vision and other objectives:
  - The Brokerage
  - MyBank
  - School Home Support
  - Uprising
  - Guildhall School of Music and Drama Outreach projects
- Get involved:
  - Learn more about the Company’s charity partners and projects
  - Join a WCIB relationship management team for one of the charities
  - Attending or participating in a programme put on by one of the charities
- The Company receives a number of applications for grants from charities. For any charity unknown to the Company but which looks like it could help the Company deliver its vision, C&E researches the charity and performs due diligence prior to making a grant.
  - Get involved: Help research and perform due diligence on prospective charity relationships.

- The Education and Awards Working Group (E&A) is responsible for the WCIB’s relationships with business schools/universities and judging the Essay Competition and the Lombard Prize Competition. (Read about the E&A working group in the related article in this issue).

**The Company currently has relationships with 19 business schools/universities:**

- Birmingham Business School
- Cambridge Judge Business School
- Canterbury Christ Church University Business School
- Cass Business School
- Coventry Business School
- Cranfield University Business School
- Durham University Business School
- University of Greenwich
- Henley Business School
- IFS School of Finance
- Imperial College
- Kings College London
- London Business School
- London Metropolitan (Guildhall)
- London School of Economics
- Loughborough University
- Manchester Business School
- Newcastle Business School
- Oxford - Said Business School

**Get involved in the activities of the E&A:**

- As speakers going into business schools
- As a relationship manager for a school
- Attending events at business schools/universities
- As part of a judging panel for the Essay Competition and the Lombard Prize
- Mentoring graduate students such as Mansion House Scholars

There are many opportunities with secondary schools university/business schools and charities involved in helping the WCIB deliver its charitable objectives. We additionally need help with our website to tell the story and administration to help match speakers with speaking opportunities. I hope that a number of activities have piqued your interest to get more involved with the activities of the C&E Committee.

**Please contact the Clerk (clerk@internationalbankers.co.uk) or me (tom@thomas-newman-consulting.com) to find out more about opportunities to get involved.**

# The Company's Lombard Prize develops well

In 1999 the City of London Corporation extended the possibility of Freedom of the City of London beyond UK, Commonwealth and European Union citizens. This led to the possibility of a company with "international" membership. The WCIB places a high value on relationships with universities involved in postgraduate finance facilities which attract 'international talent'. Our Education and Award (E&A) activities offer a gateway into the WCIB and the City of London. These include i) the Essay Prize for K12 Schools, ii) the WCIB Prize awarded to 18 universities and iii) our flagship Lombard Prize.

## THE WCIB PRIZE

The WCIB Prize goes to a business school student for the best dissertation or extended piece of written work (in Finance) as assessed by their faculty. Each WCIB Prize winner receives a certificate of merit and a cheque for £300. Starting at Cass, the WCIB Prize has been extended to include 18 leading business-schools nationwide.

## THE LOMBARD PRIZE

Each WCIB Prize victor qualifies to participate in the annual Lombard Prize Competition (between all the

other WCIB Prize winners). This involves submitting a summary of their dissertation and providing oral answers to two questions relating to the City. This year we asked about the role of "Artificial Intelligence in the City of London" and the dilemma for "Regulating Bitcoin". It is of note, the Lombard Prize is judged by a WCIB panel not by the school. The overall Lombard Prize champion is awarded a silver frame, £1,500, and honorary membership for a year at WCIB. These are presented at our regular Guildhall Dinner in the presence of our Master and senior City of London Executives.

## Going forward

The WCIB/Lombard Prize process has gained the attention of School Deans, that include it in their graduation ceremonies (see Oxford photo) and cover it in their social media or special events. The effort is now to deepen the relationships - there are numerous opportunities for collaboration including Master Talks, Sponsorships, Speakers etc. Please contact Tom Newman (Chairman of Charity and Education) or Omiros Sarikas (Head of Education & Awards) to get involved.

AND THERE ARE JOINT PROJECTS WITH OTHER LIVERY COMPANIES

# The Monmouth Enterprise Initiative

PAST MASTER MICHAEL LLEWELYN-JONES ON AN INTRIGUING IDEA

This initiative was established 10 years ago with the aim of introducing Haberdasher 6th form school students to careers in the City. The last event, in November, involved a networking dinner for sponsor companies and students hosted at Haberdashers' Hall; headlined by WCIB that had arranged the student placements for the following day. The hosts were: Bank of China, BoNY Mellon, Barclays, Citi, JP Morgan Chase, Morgan Stanley and Thomson Reuters. An excellent example of WCIB using its influence in the City to good effect.

At the dinner, following a welcome from the Master of the Haberdashers and my short address (standing in for the Master), one of our Associate members, Zain de Belder, gave an excellent talk on his career to date at Barclays and Blackrock with handy hints on how to progress in the City.

The 75 students, out of a 900 cohort, were selected by their respective school Principals. The students were an interesting mixture, from one who spent all the time straightening hair over dinner, to others who were very focused, asking everyone for calling cards and subsequently looking to "LinkedIn" - I'm all for enthusiasm!



Tony McVeigh during Sheldonian Ceremony at Saïd Business School, University of Oxford is awarded the WCIB Prize by Omiros Sarikas, Head of the Education and Awards Working Group.

## AND AN EXAMPLE OF FOCUSING UPON PARTICULAR COMMUNITIES

# Financial Education for Ex-Offenders

## JESSIE BRADLEY OF MYBNK DESCRIBES THEIR INITIATIVE

The WCIB has a long-standing relationship with award-winning financial education charity, MyBnk. Since 2010, WCIB has helped ensure that thousands of young people across London are receiving quality financial education, and improving their skills, knowledge and confidence on all things money related. Most recently, WCIB supported the costs of an 8-hour financial education programme, *Money Works*, at Feltham Youth Offending Institution (YOI), delivered to 10 young people as part of their 'pre-release programme'. *Money Works* is designed to equip young people with the necessary skills to live independently.

There are just under 1,000 young offenders (10-17 year olds) and over 17,000 aged 18-24 in the UK. Upon release from prison, individuals over 18 are entitled to a 'discharge grant' of £46 upon release from prison on which they must manage until they can secure alternative income or receive benefits payments, often several weeks after being released. Many young people will be unable to return to their homes and put in social housing with no experience of living independently. On top of this, they may have pre-existing debt, or parental responsibilities. It is unsurprising then, that:

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*72% of young people released from custody go on to re-offend within one year, often citing money as the prime motivation.*

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Through a series of 2-hour workshops, *Money Works* uses interactive activities, debates, games, and real life examples, to tackle:

- *Living Independently*: Money attitudes, steps after moving in, reading bills, household costs.
- *Budgeting & Income*: Cutting back, budgeting, sources of income, wage slips, tax and NI.
- *Banking & Benefits*: Benefits, universal credit, savings and current accounts, interest, forms of payment, choosing an account.
- *Borrowing & Beyond Today*: Forms of borrowing, credit history, debt consequences and prioritisation, setting future goals.

MyBnk's Education Officers are intensively trained to work closely with individuals, to identify and be responsive to

their individual financial stress triggers, and support them to confront doubts and bad habits around money. For example, learning to understand the main drivers for their behaviour as well as examining budgets and lifestyle choices for their peers. These activities illustrate how it is possible to find money by making minor alterations in behaviour.

There are four main outcomes of the *Money Works* programme. Participants will:

- Gain an understanding of the steps needed to, and the costs associated with, living independently upon release from the YOI. Create a personal budget to make effective use of their money, (including the Discharge Grant for ex-offenders), and learn to develop ongoing solutions to their money problems.
- Gain an understanding of their entitlements, and how to interact with the benefits system.
- Gain confidence in engaging with the financial system and institutions, in order to take steps to improve their financial situation and build a more positive future.

Completion results in a Level 1 ABC accreditation in *Personal Money Management*, a confidence boost and positive addition to CVs for a lot of vulnerable young people, who may have fallen behind in school.

Feltham YOI has requested MyBnk deliver a *Money Works* every month, in order to ensure each young person is supported throughout his or her rehabilitation, and MyBnk are seeking funding partners to meet this request.



# The Senior Warden Interview

## IRINA ONS VILABOA FINDS A FASCINATING CAREER

Mark Sismey-Durrant, a founding member of the WCIB, retiring/stepping down CEO of a challenger bank, Pro-Chancellor of Loughborough University, and a reflective leader with a strong moral compass, brings a wealth of experience to his important forthcoming role in the Company.

The interview takes place at the City based headquarters of Hampshire Trust Bank, his third CEO role over 23 years, and the day after his 6 year anniversary as its CEO, as Mark points out with an unmistakable sense of pride in his voice. He sees that the success as a CEO comes through the consistent practice of what he calls “servant leadership” and “leading by example”.

He has unexpected but powerful answers to questions about his management philosophy and the legacy he thinks he is leaving behind as a retiring CEO: “*The Legacy you leave is your impact on people...you lay down the DNA.*” He knows his successor will affect the ‘DNA’ but adds: “*I am not precious about that*”. This

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*“The Legacy you leave is your impact on people... you lay down the DNA.”*

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comment stems from his reflective and ‘accessible’ leadership style: “*You have to approach it [leadership] with humility...*”, he explains.

A recurring theme in Mark’s responses is the ‘involvement and engagement’ that must be cultivated by any leader. He advises those at the beginning of their career to: “*Demonstrate commitment...by constant learning and gaining a professional qualification*”, “*Be a ‘pain in the neck’*” and ask questions early on to understand how things work “*as after 100 days you have gone ‘native’*” he elaborates, and once you have gone native, you have lost your fresh perspective and are less likely to make a difference.

He is convinced that using this approach in any job will eventually allow

you to accumulate enough knowledge from everybody and make you think like a manager.

As the potential next Master, he has an exciting but a challenging year ahead as the Company has had two Lord Mayors and has two potential Lord Mayors in its midst, the current Master being the first one with the WCIB as his mother company. This privileged position comes with an increased responsibility that would require orchestrating significant involvement of livery members, something in which Mark has no shortage of experience.

His aim is to enthuse members so that they “Understand, Recognise and Celebrate” the Livery’s privileged but important position in the City, as well as to focus on the membership experience to ensure it is as good as it can be.

You can get a distinct sense of how proud Mark is to be a member of the WCIB when he talks about his previous involvement in the Charity & Education Committee, and about his efforts as a member of the Court and role in the Lord Mayor’s Show.

Once Mark steps down as an executive, there is no doubt that his new life will be as full and varied as his working life. The plans involve travelling, hill walking with his wife, Helen and the dog, getting a handle on his ‘erratic’ golfing which he thinks has potential and finishing what sounds like a formidable shed project, all of which he hopes to achieve in his spare time whilst also going ‘plural’ as a non-executive director. Ah yes, and going back to slow reading, with a glass of an underappreciated Tuscan red that he knows a thing or two about.



# Social Media and the Website

ALEX ROTTENBURG, CHAIRMAN OF THE COMMUNICATIONS COMMITTEE, DESCRIBES OUR PLANS

The Communications Committee, and in particular the eGroup, have been busy over the last few months reviewing our evolving social media strategy and the processes for implementing it. The WCIB has a website, a Twitter account, a LinkedIn page and a LinkedIn group, and moves are afoot to improve and expand our use of electronic/social media.

The website, quite apart from looking rather dated, suffers from a substantial drawback in that the current platform (WordPress) is unable to communicate effectively with the CiviCRM (the key management system for membership, events, etc), meaning that our Learned Clerk has to manually input all records of event bookings, membership, and payments. Court has

therefore approved the development of a new website which will act as a portal to CiviCRM. How long this will take is not yet clear but once it is done the ability to book events, make payments and search for other members will all be possible on-line. It will also present an opportunity for improving the design of the website.

The use of social media as a part of any organisation's communications strategy is a commonplace today and the WCIB is no different. Both our Twitter posts and our LinkedIn page have gained significant traction over a relatively short period, with nearly 1,000 followers on Twitter and a significant number of "likes" of our LinkedIn post. As far as we can tell our profile in these media is at least as

prominent as that of our livery peers.

To date the vast majority of our social media posts have been done by the Clerk, so we are investigating ways of increasing our presence in these media without adding to the Clerk's already considerable workload. Twitter and LinkedIn have a broad demographic appeal but with a younger target audience in mind (a demographic group important to growing the membership of the WCIB) we are also investigating the pros and cons of having a "read only" Facebook page.

None of these initiatives will happen overnight but we have made, and continue to make, considerable progress, so please be patient and continue to follow all the WCIB posts!

# Liverymen's Committee

PAST MASTER MICHAEL LLEWELYN-JONES IS THE NEW COMMITTEE CHAIRMAN

**The large Liverymen's Committee has a wide remit with members covering the following key areas:**

Journeyman and Mentoring Banking history; External relations; and Liaison with our military affiliations. Over the last few years each of these has had attention and focus so that as I take over as Chairman, the building blocks and responsibilities are clearly in place.

As always however, in a company of volunteers with limited resources, our challenge is to have a clear strategy so that all of our Liverymen – not just the Committee Members – have a clear view of as to what we are trying to achieve on their behalf. In that regard, I do request that Liverymen give me feedback both on the initiatives set

out here but also, in particular, on how we can differentiate the benefits of Livery over and above those of the Freemen of the Company.

Our Journeyman scheme for accelerating Associate members to Livery needs to be refreshed and given more coherency. We are in the process of drawing up a 'contract' to ensure both Associates and their respective Journeyman Mentors understand their responsibilities. If Associates have a desire to have a career mentor, this will be arranged separately.

The oral history project continues to be actively pursued (see article in last edition) as are our military affiliations that did lack attention until 2 or 3 years back. Thanks to a number of Liverymen and the active support

of our Clerk, we now have a good rapport with each of our 4 services units and a good understanding of each others' desire and ability to work together, with each being assigned a specific relationship manager.

On external relations, the Liverymen's Committee is focused on the professional bodies: CISI, LIBF, CIB, BSB and so on. Whilst this work has advanced over the last few years, it is only more recently that we have become active partners with these important bodies. Whilst more work needs to be done, the joint CISI/WCIB "Question of Ethics" debate at Cass in November was a great example of what is possible. (see article later).

I greatly look forward to hearing from Liverymen.

# Diversity & Inclusion and the WCIB – the way forward

KARINA ROBINSON, MIDDLE WARDEN, ADDRESSES AN IMPORTANT SUBJECT FOR THE COMPANY



The WCIB rightly prides itself on being a modern livery company that punches above its weight. As the Middle Warden and a member of Court and the Company for a number of years, I am constantly impressed at how we never rest on our laurels but work tirelessly to improve our recruitment and fellowship, our education and charity, and our events. All on a voluntary basis.

Our flexibility in building on tradition while adapting to the 21st Century's bumpy journey is a distinguishing feature. It is set to be even bumpier as Artificial Intelligence, quantum computing and cryptocurrencies penetrate and overhaul our financial services world even further. Let alone the challenges for financial services from Big Tech's push into the industry and the ever-present regulatory burden.

As our industry tackles these themes, so must we.

Nigel Carter, Global Leader of the Financial Services Industry at Mercer, echoes the theme that building greater innovation and flexibility in the workforce will be critical. "A proactive approach to diversity planning will broaden the talent pool and enhance workplace culture to better prepare financial services firms to thrive in the future," he wrote in a foreword to his company's report on helping women thrive.

In my daytime career as a search consultant one issue resonates with every City CEO and Chair I meet – the war for talent. Accessing a broader pool, making sure a company's culture supports diversity all the way to the top, improving the customer experience and avoiding group think boost profitability. McKinsey's latest study yet again

demonstrates the link between diversity – defined as a greater proportion of women and a more mixed ethnic and cultural composition in leadership – and company outperformance. To their definition we might add a diversity of age and nationality. Overall, the WCIB's record is mixed.

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*People over 60 are set to become the World's fastest growing cohort and we can point to 44% of our members meeting that criteria, yet we do not measure ethnic diversity and it is time to do so.*

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Meanwhile, 15% of our members are women: not a decent percentage when even 50 of the World's largest financial institutions, many of whom are working on their diversity, have women accounting for a quarter of senior staff, according to recent FT analysis. Meanwhile, 27 global investors with £10.5tn of assets are signed up to an initiative to push for 30% of women on FTSE 350 boards and 30% of women in senior management roles at FTSE 100 companies by 2020.

On nationality we are overwhelmingly British – not unexpected given our location – but with a wide mixture ranging from Japanese to Nigerian, Estonian to Turkish. With Brexit, we may need to work on retaining and improving these numbers.

The City is a pragmatic place that turns challenges like diversity into opportunities – the WCIB will no doubt reflect on that.

**MARK CAZALY, DEPUTY EDITOR**

It's been a busy few months for the Associates, with a number of people joining the Royal British Legion's Young Professionals Remembrance Banquet at Charterhouse, a few of us trying our hand at life in the armed forces and our squash league getting up and running. Here's a few highlights along with some thoughts on working life in China.

## Exercise Sharpe Shooter

**OMAR MAJID - SALONICA GROUP**

It was with trepidation that I stepped afoot at the Honourable Artillery Company to partake in the Annual Sharpe Shooter competition. Yes, martial blood supposedly flowed through my veins – I am Punjabi after all – but three generations of living in London has softened my genes. The only comforting factor was that all my erstwhile team mates including this awesome threesome Mark Cazaly, Max Asmelash and John Lam – seemed to be equally unprepared. However, what we lacked in skill, we certainly made up for in enthusiasm.

Despite the name, there was only a little shooting, and the competition was made up of a number of exercises reflecting a range of tasks Reservists might be called on to undertake.

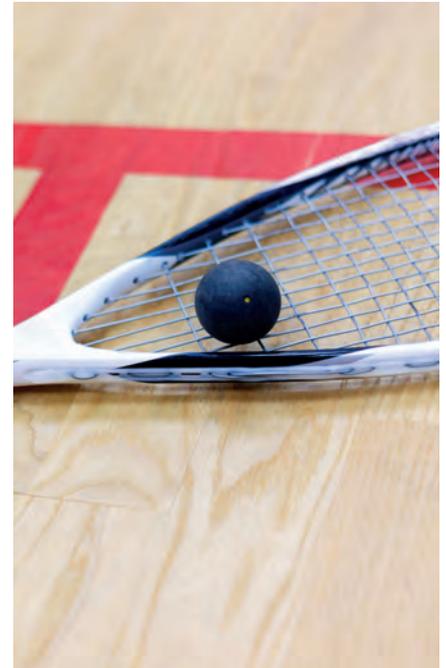
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*This included, defusing a nuclear bomb using only string, a fighter jet simulation, loading a mortar and finding IEDs in a sealed room.*

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The highlight was definitely witnessing the Clerk Nicholas Westgarth lose his composure and showing his exasperation at our collective incompetence on the fighter jet simulation – we crashed the thing twice! Despite this debacle we managed to finish a respectable 5th out of 10 participants, and most importantly, we bested the City of London Corporation Team.

All in all it was a fantastic evening and we learnt much about the good work that various Reservists units undertake. Many of the City Reservists were university students or city workers illustrating how accessible the units are. At the end of the evening all members of team WCIB could see the benefits of joining the Reservists, particularly what it can bring to working life and are committed to support future events. **For further information on joining the Reservists, just search for Greater London Reserve Forces' and Cadets' Association.**



## Squash League

The WCIB Associates Squash League continues, while we're just getting started we are keeping things informal and just getting people together to play. Our ambition is to get something more competitive in place soon with maybe even an overall winner crowned later in the year.

Personally I've received nothing but a complete thrashing so far but I'm confident victory is just round the corner.

**If you'd like to get involved, please contact our Squash Captain by email: [Chris.Gallant@coutts.com](mailto:Chris.Gallant@coutts.com)**

# What gets me out of bed in the morning

## CONTRIBUTIONS FROM ASSOCIATE MEMBERS

### NICHOLAS SMITH

“Call the hands, call the hands, call the hands” - this is what gets me out of bed in the morning in my part-time role as a Naval Reserves Officer Cadet.

However, in my civilian life in Sales for Eurex, what gets me out of bed in the morning is progression. As young people, it is imperative to consider that, in the business world, we are just starting out. Therefore, we all appreciate that it takes time to build ourselves to a point of experience and skill that will be considered at a later stage significantly better than where we started.

This comprises a two crucial tenets of life for a young professional:

- First, Education. I must learn. This is key to going to bed that evening with a sense of betterment and waking up wanting more. Learning new information helps me to progress, and to pinpoint that progression on a specific increase in my knowledge that day.
- Secondly, Self-development. Akin to Education, but specifically in relation to skills. Interpersonal skills are most important to me in my Sales role – these must be carefully honed by reflecting on experiences, which must be gained by... getting out of bed in the morning!



### TIM PEMBERTON

I think I only really get fired up when battling on the squash court or when beating siblings at board games at Christmas. That said there are many things which make life in London, particularly in the financial services world, worthwhile and rewarding.

Good people and good opportunities. These two things form the foundation of what makes work compelling in the early stages of a career. Even the most independent analyst needs engaging and talented people around them to guide and inspire. Similarly, opportunities to grow are essential for employees to feel that employers are invested in them.

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*The BBC said last week that adolescence finishes at 24, I turn 25 this year which might mean that it's time to get more serious.*

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I think I object to the word serious but responsibility is fundamentally a good thing; it allows you to fulfil your potential and can give the necessary structure to thrive.

We all need the fundamentals to be in place: community, financial stability, exercise etc. Additionally, extras including my motorbike, great food and occasional weekend adventures are always welcome...

# Be More Dog

**BENNY ZACHARIAH - INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED, LONDON BRANCH**

As the UK Premier's visit to China comes to an end it made me think about my own one-month trip to Beijing recently at the end of last year. At a time of increasing geopolitical uncertainty and macroeconomic changes, China continues to dominate headlines around the World as it increases its influence globally. Anyone successfully managing to do business in China understands the value of staying true to themselves while interacting with "the Dragon" and while many books have been and probably will continue to be written about the subject I thought it would be worthwhile trying to share my two yuan, rather than recall a certain telecom provider's marketing campaign, as this article's title may suggest.

Two important points of culture served me well in China. Guānxi is best described as personal relationships and networks. This concept is core to getting things done in the People's Republic and while there may be formal hierarchies in the workplace, it is most often the informal networks that grease the wheels. For anyone that has been in a meeting with Chinese executives, you would recognise the formality of the proceedings, the exchange of business cards or perhaps the offering of presents. While this is important by way of ceremony, it is usually the conversations outside

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*Guānxi is best described as personal relationships and networks. This concept is core to getting things done.*

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of the meeting place that holds most value. This is why eating together is so important in Chinese culture and I personally felt that my guānxi with my colleagues has been enhanced. As an aside, food in China is amazing and with so much variety given the influences from the different regions, rather than what we may have come to expect from our own "Chinatowns," this means that, as you are building your networks over numerous meals you will not have to worry about getting bored with the food!

The other concept that is useful to remember, that is shared amongst most East Asian cultures, is Mianzi, or the concept of face. An overtly simplistic way of describing this is not to cause undue embarrassment either to yourself or others. Once you understand this though, you can start to see why public confrontations in China are frowned upon or why a 'maybe' in a meeting could well possibly mean a 'no.' This can be a hard concept to grasp particularly when compared to most Western cultures, but when used properly it can serve you well particularly as it shows

appreciation and understanding.

The big themes around China include i) improvement in the financial system, be it dealing with shadow banking, or the rising threat of FinTech and RegTech to conventional models; ii) creating a greener environment, both culturally and practically and iii) enabling the creation of a modern day Silk Road, through China's "Belt and Road" Initiative. Bearing these themes in mind particularly in business will put one in good stead, as China looks to boost its economic influence throughout the World and as the World seeks to improve mutual understanding in a time of increasing globalisation.

The Year of the Dog began on 16 February 2018, and we can draw a lot of parallels with man's best friend. Whether you plan to spend more time in China for business or leisure, just remember to 'Be More Dog' - stay persistent and loyal, clever and patient and your time will be well rewarded.

Wishing all our readers happiness and prosperity this year. Gōngxì fācái. Xīnnián kuàilè.



## Giving something back MARK CAZALY

It is a fact of life these days that many jobs just involve sitting at a desk sending emails – though we're lucky even that remains, with the rise of the robots, it's not just manual jobs which are under threat! So what gets me out of bed and in front of my computer is the idea that I will deliver something more than just completed objectives or ticks in boxes, it's the idea that I might do something that positively affects the lives of other people, beyond the 'business as usual'. Whether that's working on how my organisation can deliver a profit we can reinvest in our business while providing a better service for vulnerable customers, or sitting with friends in a café to try and turn our sporting interests into something that will raise money and awareness for good causes, it's what's outside the routines of just doing the job by really giving something back to those who need that little extra help that really gets me going.

# Guildhall Dinner Photos



# The January Court Meeting

## COURT OBSERVER GIULIANA BRUCE EXPLAINS WHAT HAPPENED

The Master and the Court expressed the Company's considerable gratitude for the service and support that Sir Roger Gifford had given the WCIB through many years now that he has stepped down from the Court.

### THE MAIN POINTS WERE:

- Website.** The updating of the website is a key near-term objective so that we communicate with existing and prospective members in an effective and more efficient way, using appropriate media for younger members. The Associate's Court Observer noted that the Communications Committee's e-Group had prepared a report on how we can improve WCIB's presence on social media.
- Schools Annual Essay Competition.** Tom Newman, the Chairman of the Charity and Education Committee, provided an update in respect of the Competition; this was successful with 14 schools participating and 138 pupils writing essays. An info-graphic report on impact should be prepared. The Chairman also provided an update in respect of the maths challenge from the Royal Society; he had approached Dulwich College as a pilot. It was suggested that the Charity and Education Committee should also reach out to CISI to see if their affiliated schools/colleges may be interested in participating in the programme.
- Events.** The Master and the Court shared ideas on how to ensure that Associates participate more in arranged events, one of the ideas was to do more Breakfast Briefings.
- Guildhall Banquet.** The speaker at the Banquet on 27th February would be Jayne-Anne Gadhia, CEO of Virgin Money. More should be done to publish and share with members, supporters and the public the tangible results and successes of our various charitable and educational initiatives; an information leaflet would be given to all at the Banquet.
- International Bankers Charitable Trust Investments.** The Chairman of the Finance Committee, Nick Garnish, proposed a new strategy suitable for the investment objectives and risk appetite of the Company. The strategy would be reviewed by the Court at least annually. The Court agreed to the proposed strategy.
- The Financial Services Group.** The Senior Warden provided an overview of FSG initiatives he has helped arrange that includes a meeting on 24th January to discuss common challenges connected with recruiting and retaining members.
- Our Lord Mayor.** The privilege of being the Mother Company of a Lord Mayor includes arranging the Presentation Dinner (attended by Lord Chancellor). A Committee had been formed under the chairmanship of the Senior Warden and additional member volunteers are required. The Master said that there will be a competition for the best Float at the Lord Mayor's Show. He welcomed ideas for sponsorship or creative ideas for the WCIB theme.

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*The Associate's Observer was asked to put forward ideas for events that may appeal to the younger members.*

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- Liverymen.** Michael Llewelyn-Jones, Chairman of the Liverymen's Committee, explained that due to a lack of clarity on roles and responsibilities in the Journeyman scheme, a charter of roles and responsibilities will be made and circulated shortly.
- Staff.** The Clerk reported that Ankita Patel (Assistant Clerk – Finance) had left on 17th January to start a new job after 6 years with WCIB. Instead of employing a replacement the Company was contracting out financial support services to a small firm run by Sean Lo, who had previously worked for the Company. The initial agreement would run for 3 months and would be reviewed by Master's Committee.

# From the Clerk

I have to pinch myself to realise that it is five years since I wrote my first piece for *'The International Banker'*, I started as Clerk to the WCIB in January 2013. Looking back the years have flown by, always a good sign and a reflection of the many activities going on at all levels in the Company. It has been terrific to see at first hand the good stuff the Company enables through partners such as The Brokerage, Guildhall School of Music and Drama, Archway Project, MyBnk and of course the various University Business Schools where WCIB awards prizes. A particular enthusiasm of mine is the Mansion House Scholarship Scheme, celebrating its 20th anniversary this year, which brings 10-12 foreign students to the

UK every year to study at Master's degree level in a subject related to the work of the City of London. I am very grateful to the many Liverymen of the WCIB who have volunteered their time to act as mentors for the students and I know some long lasting friendships have been forged. Some of the students have come back to work in the UK and become full members of the Company which is great.

It has also been fascinating to be a part of the great historical continuum of the City with WCIB's involvement in the work of the Sheriffs and Lord Mayor. For such a young company it is wonderful that we have already had 4 Sheriffs and 2 Lord Mayors and are

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*A particular enthusiasm of mine is the Mansion House Scholarship Scheme, which brings 10-12 foreign students to the UK every year to study at Master's degree level*

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on track to be Mother Livery of 2 Lord Mayors in the next 3 years. It really makes the hairs on the back of my neck tingle sitting in the Royal Courts of Justice when the Lord Mayor is presented to the Lord Chief Justice and other senior judges at the half way point of the Lord Mayor's Show in a ceremony going back hundreds of years. The 2018 Lord Mayor's Show will be bigger and better for WCIB because we shall be putting in a float with a lot of members and supporters taking part.

A recent change in the Clerk's Office that many of you will have noticed is that Ankita Patel who looked after the Company's finances for 6 years has moved to another job. Taking advantage of some technological changes our finances are now being looked after by Sean Lo and his assistant Cecilia Malmgren who are providing a service involving some days in the Clerk's Office and some days working remotely. Sean previously worked for WCIB when Ankita Patel was on maternity leave so knows the Company and livery world well.

By the time you read this the Annual WCIB Guildhall Banquet will have been and gone, it is one of the major items I have to deliver for the Master and Company and I am glad to say it is also one of the most enjoyable. I hope those attending had a good evening and I look forward to seeing those who weren't there very soon.

**Nicholas Westgarth**



# A Question of Ethics

REBECCA ASTON, HEAD OF ETHICS AND INTEGRITY AT CISI, DESCRIBES A SUCCESSFUL JOINT EVENT WITH AFFILIATED ORGANIZATIONS

*“A topical debate in which guests from the worlds of media, politics, financial services and academia discuss dilemmas and answer questions posed by members of the public”.* No... this is not the precis of the next episode of the BBC’s ‘Question Time’, but a brief synopsis of the “Question of Ethics” event which took place on 29th November 2017.

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*It was the first collaboration between the Company, The Chartered Institute for Securities & Investment (CISI), the Institute of Business Ethics (IBE), hosted by Cass Business School.*

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A powerful Panel of experts (Lord Desai, member of the EU Financial Affairs Sub-Committee; Michael

Mainelli, Alderman, Chairman and co-founder of Z/Yen; Professor Paul Palmer, Associate Dean for Ethics, Sustainability & Engagement, at Cass; and Past Master Jane Platt, an FCA Board member) applied their collective brainpower and experience to discuss a series of ‘moral mazes’, or real-life ethical dilemmas.

It was a lively and interactive event, with panel chair, John Plender, Senior Editorial Columnist at the *Financial Times*, posing difficult and morally challenging questions as well as fielding questions from the audience on a range of topics including whether anything posted on social media is truly ‘private’, how to manage culture in organisations and challenges posed by the rise of technology.

Each panellist brought a unique perspective to the dilemmas. Professor Palmer approached each scenario from a range of ethical positions, whilst Lord Desai took a more practical approach regarding the role and responsibilities

of companies, declaring at one point that those managing the business in one of the scenarios were “stupid!”. Jane Platt provided the perspective of “what would the regulator do?” whilst Michael Mainelli drew from experience to guide the audience through technological and commercial challenges. On a number of occasions, the Panel swayed the audience’s collective mind, most notably in one case where a 47% majority of audience members had voted (using individual voting machines) for one particular course of action but, after hearing the points made by the Panel, changed their mind - leaving only 8% of attendees voting for the same option.

The event reinforced the importance of discussion and debate about issues which are ethically ‘grey’, and showed that, even 10 years after the Global Financial Crisis, businesses still need to be mindful of and effectively manage ethical conundrums which can (and will!) occur within their organisations.





## Forthcoming Events

### 2018

<b>11<sup>TH</sup> APRIL</b>	11:00 – 3:00PM BIG CURRY LUNCH FOR ABF THE SOLDIERS' CHARITY AT THE GUILDHALL
<b>3<sup>RD</sup> MAY</b>	COURT FOLLOWED BY LIVERY AND FREEDOM CEREMONY
<b>16<sup>TH</sup> MAY</b>	INTER-LIVERY CLAY SHOOT
<b>24<sup>TH</sup> MAY</b>	TOUR OF THE CHARTERHOUSE
<b>14<sup>TH</sup> JUNE</b>	WCIB SUMMER PARTY
<b>25<sup>TH</sup> JUNE</b>	COMMON HALL - ELECTION OF SHERIFFS & LUNCH (LIVERYMEN)
<b>3<sup>RD</sup> JULY</b>	ELECTION COURT FOLLOWED BY LIVERY AND FREEDOM CEREMONY AND COURT DINNER AT THE OLD BAILEY
<b>18<sup>TH</sup> JULY</b>	SWAN UPPING AT HENLEY ON THAMES
<b>21<sup>ST</sup> SEPTEMBER</b>	SHERIFFS' BALL AT THE GUILDHALL
<b>1<sup>ST</sup> OCTOBER</b>	COMMON HALL –ELECTION OF LORD MAYOR & LUNCH (LIVERYMEN)
<b>3<sup>RD</sup> OCTOBER</b>	INSTALLATION COURT, COMMON HALL AND INSTALLATION COURT DINNER AT DRAPERS' HALL