



**THE  
GLOBAL  
CITY**

# UK RegTech Success Stories



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# Foreword

Good regulation is vital to a stable and sound financial services sector. It must serve the interests of both consumers and investors alike. Good regulation is an enabler of the wider financial system, providing trust and confidence for everyone's benefit.

In today's world, regulatory measures are deeply integrated into the life cycle of all financial institutions, be it in insurance, banking, or asset management. The UK has long been recognised as a global thought leader in financial regulation, so it is no surprise that both the Financial Conduct Authority and the Bank of England have been proactive in their approach to technological innovation. This drive for innovation is demonstrated by recent developments such as the introduction of a secondary objective on international competitiveness. This objective prompts the regulators to look at ways to meet a growing demand for agile regulation and easier compliance – that is where regulatory technology, 'RegTech', can truly make a difference.

In this report, we showcase the benefits of RegTech by presenting successful examples of RegTech implementation which have helped UK firms to cut compliance costs, be more efficient, and save time and resources. This report is intended to foster collaboration, build sustainable growth in the RegTech industry, and in particular, motivate UK organisations to use, invest, and embrace the value that RegTech can bring.

RegTech is an emerging sector that holds great promise for the UK. If we apply the lessons from other success stories – like FinTech – our economy will gain significant benefits. We believe that both the financial services industry and RegTech have a pivotal role to play in making this sector a cornerstone of the competitiveness of the UK financial sector.

My thanks to Dr Sian Lewin, who led this report. RegTech has tremendous potential to support the financial services sector and these case studies show what can be achieved.



**Chris Hayward**  
Policy Chairman of the City  
of London Corporation

“

In today's world, regulatory measures are deeply integrated into the life cycle of all financial institutions, be it in insurance, banking, or asset management. The UK has long been recognised as a global thought leader in financial regulation”

# Foreword

I have spent the last six years researching the global RegTech market and I am more convinced than ever that this broad range of solutions is vital to support the ongoing safety and soundness of the financial sector and to protect consumers and investors.

A financial services sector that is robustly compliant can only be good for the economic development of the UK. With the huge advancements in technologies such as generative AI, this regulatory strength can be gained more effectively and efficiently than ever.

Whilst there are still many barriers in place preventing full scale adoption, more and more financial services firms are already experiencing

the benefits of implementing RegTech solutions. It has been very encouraging to listen to the RegTech success stories featured in this report. They speak of shared values, a strong desire to do the right thing and a new, more collaborative way of negotiating the customer-supplier relationship.

I know, from personal experience, that there are many, many more stories to be told about the successful adoption of RegTech – time saved, risks mitigated and reductions in laborious manual processes. My hope is that publishing this snapshot of RegTech achievements will provide the assurance and impetus for other firms to follow suit.



**Dr Sian Lewin**  
The Reg Doctor

“

A financial services sector that is robustly compliant can only be good for the economic development of the UK.”

## Executive summary

Regulations and their complexity are likely to increase both domestically and internationally due to growing consumer protection concerns, technological advancements (like fintech and digital assets), the global push for sustainability and ESG, and greater international regulatory coordination driven by globalisation.

Recognising the opportunity to comply with regulations better, cheaper, and faster through RegTech, we believe that its adoption can enhance the competitiveness of the UK financial services sector and make it a safer and stronger place to do business.

The promise and potential of RegTech led us, three years ago, to conduct detailed research into the state of the UK RegTech industry<sup>1</sup> in our report, “2022: A Critical Year for RegTech” (referred to hereafter as the 2021 report). The findings showed that there was still work to be done before realising the full potential of these new and innovative technologies.

Following this, we collaborated with Grant Thornton to further examine the RegTech

ecosystem<sup>2</sup>, understand the priorities for regulated firms and RegTech vendors, and determine how best to meet these needs. Both reports highlighted the need for better awareness of RegTech best practices and demonstrating the concrete benefits available to regulated firms through the adoption of this technology.

In response, the City of London Corporation has taken two initiatives. The first is the creation of the RegTech Platform, a joint initiative with Innovate Finance<sup>3</sup>, comprising participants from all aspects of the ecosystem - vendors, regulated firms, professional services firms, academics, and independent industry experts. The second is this report, showcasing successful RegTech adoption stories and the demonstrable benefits they have realised for the firms that have implemented them. We hope that sharing these RegTech success stories will instil confidence, provide reassurance, and serve as a catalyst for other firms to collaborate with RegTech vendors both in the UK and globally.

1 <https://www.theglobalcity.uk/PositiveWebsite/media/Research-reports/2021-A-Critical-Year-for-RegTech-final.pdf>

2 <https://www.grantthornton.co.uk/insights/regtech-survey-understanding-priorities-for-2023-24/>

3 <https://news.cityoflondon.gov.uk/city-of-london-corporation-teams-up-with-innovate-finance-to-boost-regtech>

## Summary

The first part of this report presents the UK RegTech landscape in 2024 and provides commentary from the members of the RegTech Platform Strategy Group, highlighting different perspectives on the current state of the industry. Key observations of the current RegTech industry can be described as the following:

- **Growing RegTech Market**
- **Decreasing Investment**
- **Increasing Adoption Rates**
- **Ongoing Regulatory Changes**
- **Continued Regulatory Support**

This section provides the following key recommendations to scale the adoption of RegTech:

- **Improve Awareness and Transparency of the Benefits of RegTech**
- **Establish Specialised Forums**
- **Create a Dedicated Industry Body**
- **Scale the Recognition and Support of RegTech Solutions by Governments**

To improve the awareness and transparency of the benefits of RegTech solutions, the second part of this report showcases five RegTech success stories. These success stories brought demonstrable benefits to firms through the adoption of RegTech solutions, providing assurance to other firms embarking on the journey towards RegTech implementation. Key benefits are:

- **Reduction of Risk**
- **Improvements in Efficiency and Effectiveness:**
- **Cost Savings**
- **Improved Customer Experience**
- **Better Insights from Data**



The five success stories contained within this report are just the tip of the iceberg and we know that many other regulated firms have implemented solutions that are helping them to comply more effectively, efficiently and accurately.”



# 1 The UK RegTech landscape in 2024

In this section, we present the UK RegTech landscape in 2024 and draw on the combined expertise from several key members of the RegTech Platform Strategy Group.



## Regtech industry insights

By RegTech we use the broad definition of 'the use of technology to help regulated firms meet their regulatory obligations'. Given the depth and complexity of the regulatory rulebooks, these obligations are far-reaching and provide numerous challenges to firms and technology, and in particular innovative regulatory technology, is extremely well placed to help.

Key trends of the current RegTech industry can be described as the following:

### GROWING MARKET

### DECREASING INVESTMENT

### INCREASING ADOPTION RATES

### ONGOING REGULATORY CHANGES

### CONTINUED REGULATORY SUPPORT

### INVESTMENT

### Key takeaways from this section:

#### GROWING MARKET

The UK RegTech market is growing, with financial crime solutions still dominating. RegTech is crucial in helping financial institutions combat fraud, showcasing the sector's value in tackling novel financial ecosystem issues.

#### DECREASING INVESTMENT

Investment funding has slowed due to rising interest rates, but mergers and acquisitions (M&A) activity and consolidation among players are increasing.

#### INCREASING ADOPTION RATES

RegTech adoption is accelerating, with improved levels of awareness.

#### ONGOING REGULATORY CHANGES

Ongoing regulatory changes and reforms are focusing on new technology risks such as artificial intelligence (AI) and digital asset markets.

#### CONTINUED REGULATORY SUPPORT

UK regulators continue to support RegTech and are also focusing on their own data and technology transformation journeys.

### Key recommendations from this section to scale the adoption of RegTech:

#### IMPROVE AWARENESS AND TRANSPARENCY OF REGTECH BENEFITS:

Provide more evidence and transparency around more granular benefits that RegTech is delivering from specific implementations with financial institution partners.

#### ESTABLISH SPECIALISED FORUMS:

Establish specialised Forums involving incumbents and innovators around topics of current interest (e.g. financial crime, ESG, etc) to scale best practices and provide a platform for innovators.

#### CREATE A DEDICATED INDUSTRY BODY:

Create a dedicated industry body that can integrate education, market facilitation and advocacy with enough depth around RegTech segments to accelerate adoption and impact.

#### SCALE THE RECOGNITION AND SUPPORT OF REGTECH SOLUTIONS BY GOVERNMENTS:

Governments can encourage the adoption of RegTech solutions. Governments in Australia and Singapore have provided financial support to stimulate RegTech development, which could be mirrored in the UK.



# UK RegTech market in 2024

The UK is one of the largest financial markets and the second largest market for RegTech (after the US). There are around 260 RegTech companies headquartered in the UK<sup>4</sup>, split across 11 categories<sup>5</sup> as shown in **Figure 1**.

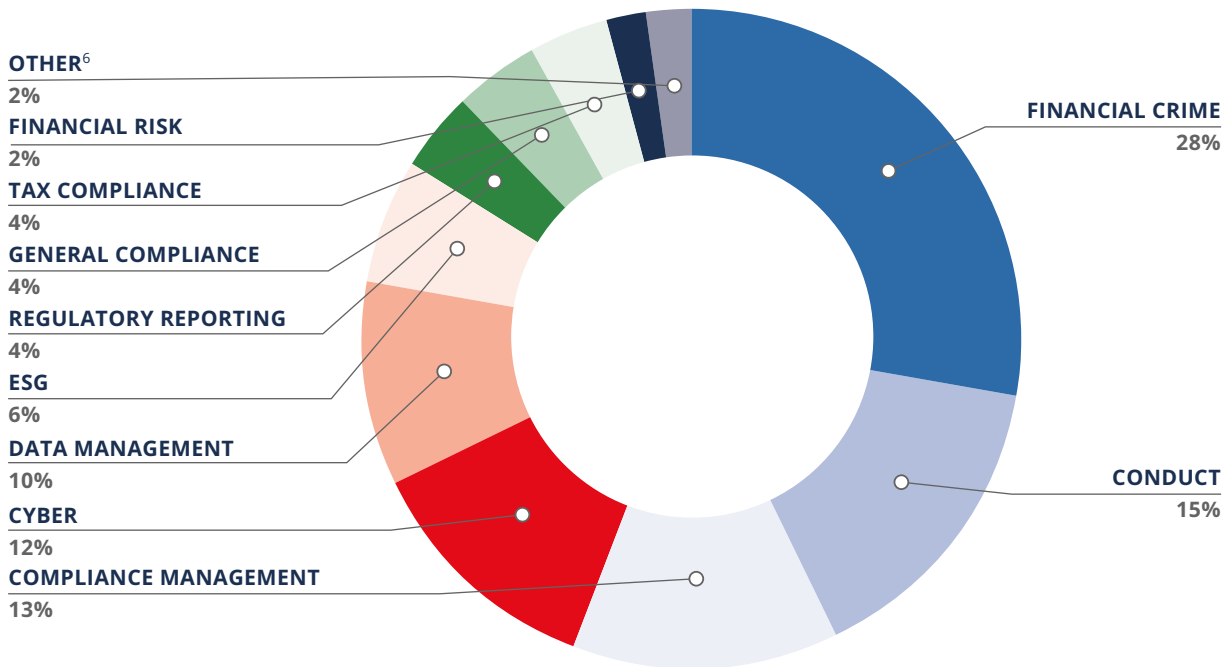
RegTech is crucial in the financial services sector due to high regulatory demands, real-time monitoring needs, and the importance of keeping financial stability. The largest proportion of RegTechs in the UK (28%) are focusing on financial crime – tackling money laundering, fraud and terrorism financing, among others. The second largest proportion (15%) are focusing on conduct, helping firms comply with regulatory requirements across all retail and wholesale markets.

The smallest proportion (2%) are RegTech products that are focusing on other industry sectors than financial services (e.g. healthcare).

Whilst the market is maturing, we are also seeing new entrants to the market focusing on a range of problems from compliance management to digital asset compliance. However, unlike in 2021, the growth landscape for RegTech companies in the UK has changed quite significantly.

**Figure 1 UK RegTech Companies by Category**

Source: Radar by RegTech Associates, September 2023



<sup>4</sup> In the 2021 report, the count of UK Headquartered RegTechs was 234.

<sup>5</sup> See RegTech Solution Categories in Annex

<sup>6</sup> RegTech products that focus on industry sectors other than financial services (e.g. healthcare) and products where regulatory compliance is one of many use cases for the technology

## RegTech investment environment

**“The recent increase in UK interest rates to 4.5% is significantly impacting the FinTech industry, including RegTech, especially in terms of the availability of funding. As the cost of borrowing rises, RegTechs, many of whom are start-ups or scale-ups are finding it increasingly difficult to secure the necessary funding”.**

**Diana Paredes, CEO of Suade**

It is clear that there has been a slowdown in funding, with KPMG reporting that global levels of funding for RegTech with the total RegTech investment falling to a six-year low of \$2.6 billion in 2023, compared to \$21 billion in 2022<sup>7</sup>. There are grounds for optimism in the European region as ‘the constantly evolving regulatory environment is expected to keep RegTech interest quite high, particularly with respect to AML/KYC solutions’<sup>8</sup>.

Despite this, there were some notable funding deals for UK RegTechs in 2023 including:

- **Themis**, a digital financial crime platform, raised a total of £3.1m Pre-Series A funding in January 2023<sup>9</sup>
- **Global Screening Services**, a sanctions screening platform, raised £37m in January 2023<sup>10</sup>
- **Quantexa**, a data and analytics platform focused on financial crime and decision intelligence, raised Series E funding of \$129m in April 2023<sup>11</sup>
- **eFlow Global**, a provider of market surveillance and transaction reporting software, raised a £7m Series A in July 2023<sup>12</sup>
- **Napier AI**, an AI driven anti-money laundering solution, secured £45m of funding in February 2024

Another investment trend over the last couple of years has been the increase of M&A activity. There is a trend towards private equity roll-ups, where RegTech firms are acquired and combined. We are also seeing more M&A activity between RegTechs themselves. Examples include:

- **Waymark**, a regulatory horizon scanning tool was acquired by US firm **Ascent** which in turn had recently been bought by a private equity firm<sup>13</sup>
- **Duco**, which was acquired by **Nordic Capital** in 2021, bought **Metamaze** in February 2024<sup>14</sup>
- **Corlytics**, a regulatory management company, acquired both **SparQ** (from **ING Ventures**) and **Clausematch** in July 2023<sup>15</sup>
- **Encompass Corporation** acquired both **Blacksmith** and **Corp ID** from **ING Ventures** in January 2024<sup>16</sup>

Given the maturity of the market and the outlook for funding in 2024, we are likely to see further consolidation amongst players and perhaps a renewed interest from private capital who are sitting on large reserves of ‘dry powder’ which is globally estimated to be \$3.9tn<sup>17</sup>.

7 <https://kpmg.com/xx/en/home/industries/financial-services/pulse-of-fintech.html>

8 Ibid

9 <https://www.finextra.com/pressarticle/95515/themis-closes-pre-series-a-funding-round-at-31-million>

10 <https://financialit.net/news/fundraising-news/sanctions-screening-fintech-gss-raises-ps37m-first-funding-round-former-vice>

11 <https://www.fintechfutures.com/2023/04/quantexa-raises-129m-series-e-funding-at-1-8bn-valuation/>

12 <https://www.finextra.com/newsarticle/42688/uk-regtech-eflow-raises-7m-for-global-expansion>

13 <https://fintech.global/2024/02/12/ascent-acquires-waymark-to-transform-compliance-automation/>

14 <https://www.fintechfutures.com/2024/02/duco-acquires-intelligent-document-processing-startup-metamaze/>

15 <https://www.finextra.com/newsarticle/42592/corlytics-acquires-clausematch>

16 <https://www.prnewswire.com/news-releases/encompass-corporation-acquires-coorpid-and-blacksmith-kyc-froming-to-develop-revolutionary-corporate-digital-identity-platform-302031366.html>

17 <https://www.pwc.com/gx/en/services/deals/trends/private-capital.html>

## RegTech adoption and awareness

**“Financial institutions are moving towards cloud computing and this, combined with API architecture, should make it easier for them to engage with RegTech vendors but there is still a major education, market facilitation and advocacy need.”**

**Richard Maton, Director, Aperio Strategy**

Adoption of RegTech globally is accelerating, as documented in Thomson Reuter’s *‘Fintech, RegTech, and the role of compliance in 2023’*<sup>18</sup> report based on a survey conducted in 2022. Results of their survey showed that 50% of respondents said they have either implemented a RegTech solution or have done so in part, an increase from 38% in 2021. Focusing solely on Globally Systemically Important Banks (G-SIBs), this figure rises to 90%. Given that the UK is one of the largest financial services markets and the second largest market for RegTech (after the US), we surmise that these results are also

representative of the situation in this country, which is an encouraging picture.

However, the report also shows that the output of RegTech solutions is primarily used by risk and compliance and in operational management, showing that the insights and data is yet to be used strategically within financial organisations.

One of the key findings from the 2021 report was that the RegTech industry had an awareness problem which extended to ‘fundamentals like the definition of RegTech itself, as well as how it supports firms to achieve better compliance, and why that is an attractive goal for regulated firms to target’.

Increased levels of adoption would seem to indicate that awareness of RegTech has improved, but the market is still fragmented, across regions and across different regulatory disciplines. Awareness, therefore, is likely to be more focused on a particular set of problems rather than across the entire landscape.

<sup>18</sup> <https://www.thomsonreuters.com/en-us/posts/investigation-fraud-and-risk/fintech-regtech-compliance-report-2023/>



## Regulatory change

New regulation is usually introduced to either respond to new and emerging external risks – whether technological, geopolitical or macroeconomic – or in reaction to issues endogenous to the financial system such as widescale market misconduct. The last three years has seen a particularly complex mixture of external risks from the pace of innovation in technologies such as AI, the expansion of the digital assets market and the continued need to fight climate change. HM Treasury has been actively consulting on a future financial services regime for crypto assets<sup>19</sup> and the Department of Business, Science and Innovation has been working on the UK's approach to regulating AI<sup>20</sup>.

In addition, regulators and legislators seek to strengthen and render more effective the existing regulatory frameworks. To this end, the UK Government has been busy introducing a substantial package of regulatory changes in December 2022, known as the 'Edinburgh reforms'<sup>21</sup>, building on the Financial Services and Markets Act of 2020<sup>22</sup> as well as the Economic Crime and Corporate Transparency Act in 2023<sup>23</sup>. Other regulatory initiatives introduced during this period include the FCA's new Consumer Duty<sup>24</sup>, progress towards the final implementation of Basel 3.1 prudential regulation in the UK<sup>25</sup>, reform of Solvency 2<sup>26</sup> and improvements to the Appointed Representatives regime<sup>27</sup>.

Combined, these changes will have a significant impact on the UK financial services industry. Some will be positive, designed to stimulate innovation in a safe way to increase the competitiveness of the financial sector. Other changes will contribute to the more effective achievement of regulatory outcomes and the meeting of the PRA and FCA's statutory objectives. There will also be consequences for regulated firms which will not just be financial, but also challenging their capacity for change, the availability of the right skills and talents and the need for more effective technology to achieve compliance.

**“The Economic Crime and Corporate Transparency Bill provides opportunities for financial crime focused RegTechs as well as FCA registered crypto players. The data sharing initiative in this bill could also benefit start-ups. The [late] Data Protection and Digital Information Bill should strengthen the requirements for privacy by design benefiting well as privacy focused start-ups”**

**Dr Devraj Basu, Senior Lecturer,  
University of Strathclyde**

- 19 <https://www.gov.uk/government/consultations/future-financial-services-regulatory-regime-for-cryptoassets>
- 20 <https://www.gov.uk/government/publications/ai-regulation-a-pro-innovation-approach/white-paper>
- 21 <https://www.gov.uk/government/collections/financial-services-the-edinburgh-reforms>
- 22 <https://www.legislation.gov.uk/ukpga/2000/8/contents>
- 23 <https://www.legislation.gov.uk/ukpga/2023/56/enacted>
- 24 <https://www.fca.org.uk/firms/consumer-duty>
- 25 <https://www.bankofengland.co.uk/prudential-regulation/publication/2021/october/implementation-of-basel-standards>
- 26 <https://www.bankofengland.co.uk/prudential-regulation/key-initiatives/solvency-ii>
- 27 <https://www.fca.org.uk/publications/policy-statements/ps22-11-improving-appointed-representatives-regime>



## Regulators supporting RegTech

Regulators play a critical role in the RegTech ecosystem, but they have a difficult line to tread in terms of supporting the industry without being seen to endorse or prescribe any individual vendor or indeed, any specific type of technology for solving regulatory compliance issues. That being said, both the PRA and FCA are actively engaging with the RegTech industry. In addition to the sandboxes mentioned above, initiatives such as TechSprints<sup>28</sup> and the work that has been done to date by the PRA and the FCA on Digital Regulatory Reporting and Transforming Data Collection<sup>29</sup>.

These organisations are also leading by example through their own adoption of technology (referred to as SupTech), with plans for the PRA to make the PRA's rulebook machine readable<sup>30</sup>, and with the FCA's stated ambition of being a data and technology-led regulator<sup>31</sup>.

**“The FCA and other UK based regulators actively promote RegTech, particularly the regulatory and digital sandboxes, which are a significant activity and considered world-leading in collaborative outreach to technology providers and the financial services industry. They are certainly a notable achievement in providing a testing environment for innovative solutions that can benefit the financial services industry”**

**Dr Henry Balani, Head of Regulatory Affairs, Encompass**

28 See <https://www.fca.org.uk/firms/innovation/techsprints> for more information.

29 See <https://www.bankofengland.co.uk/prudential-regulation/transforming-data-collection> for more information.

30 <https://www.bankofengland.co.uk/-/media/boe/files/report/2019/response-to-the-future-of-finance-report.pdf#page=10>

31 <https://www.fca.org.uk/publications/business-plans/2023-24>



## More work still to do

Whilst there are encouraging signs of increased levels of RegTech adoption and a clear need for innovative solutions, there is still more that can be done to boost this industry which will only serve to further benefit the UK financial services sector and make it more competitive.

Many of the recommendations from the 2021 report are still valid, particularly the need to improve awareness and transparency of the benefits of RegTech. This report aims to provide more evidence and transparency around the more granular benefits of RegTech.

Additional recommendations by our expert commentators include:

**“Have specialised forums involving incumbents and innovators around topics of current interest such as financial crime and RegTech for ESG. These could help incumbents understand best practice in these areas and help innovators gain exposure.”**

Dr Devraj Basu, Senior Lecturer,  
University of Strathclyde

**“Create a dedicated industry body that can integrate education, market facilitation and advocacy with enough depth around each RegTech segment so that relevant buyers and regulators get meaningful value from its programmes that accelerate adoption and impact.”**

Richard Maton, Director, Aperio Strategy

**“Governments worldwide are encouraging the adoption of RegTech solutions. For instance, in Australia and Singapore, governments have provided financial support to stimulate RegTech development. This indicates a global trend towards recognizing and supporting the importance of regulatory technologies, which could be mirrored in the UK.”**

Diana Paredes, CEO of Suade



## 2 RegTech success stories

Here we present five case studies that showcase the advantages that can be derived from using innovative RegTech solutions to solve regulatory challenges<sup>32</sup>. These case studies span a range of different problems and types of regulated firm which speaks not only to the diversity of solutions available in the market but also the range of issues that financial firms are grappling with.

<sup>32</sup> These case studies were created following research interviews in Q4 2023 with the RegTech vendors and their customers, conducted by the author.



# The benefits of RegTech

When it comes to the likely benefits of adopting a RegTech solution, five key categories are usually cited<sup>33</sup>:

## REDUCTION OF RISK

## IMPROVEMENTS IN EFFICIENCY AND EFFECTIVENESS

## COST SAVINGS

## IMPROVED CUSTOMER EXPERIENCE

## BETTER INSIGHTS FROM DATA

### RegTech Solutions

#### REDUCTION OF RISK

Regulation is inherently about the proportionate management of a whole range of risks, including the risk of non-compliance. The use of RegTech, which can bring together disparate data sets for analysis and eliminate manual errors through process automation, can significantly help to reduce risk.

#### IMPROVEMENTS IN EFFICIENCY AND EFFECTIVENESS

Again, through automation, more seamless data integration and advanced analytics, processes can become more efficient. This gives employees more time to focus on the more difficult and complex edge cases requiring human judgement which in turn can improve effectiveness. Accuracy of data for reporting or alert generation is also improved.

#### COST SAVINGS

Greater efficiency and a reduction in risk, especially compliance fines, will lead to cost savings. Whilst the true cost of compliance is very difficult to calculate, RegTech can help firms to avoid expensive remediation projects and streamline processes.

#### IMPROVED CUSTOMER EXPERIENCE

The need for a good customer experience has come to the forefront as a result of the digitisation of finance. Often, the need to ensure compliance can introduce friction into the customer journey but RegTech can help to avoid this by smoothing out the experience and allowing more customers to be processed in the same amount of time.

#### BETTER INSIGHTS FROM DATA

RegTech can utilise machine learning to integrate siloed data sets more efficiently and make better use of unstructured data. New insights can be generated for purposes such as regulatory reporting and aiding strategic decision-making.

<sup>33</sup> <https://www.innovatefinance.com/reports/a-users-guide-to-regtech-navigating-the-challenges-and-what-success-looks-like/> & <https://www.theglobalcity.uk/PositiveWebsite/media/Research-reports/2021-A-Critical-Year-for-RegTech-final.pdf>



## Case study 1

**RESISTANT.AI****Habito**The Habito logo, which includes a stylized bird icon to the right of the word 'Habito'.

### Habito and Resistant AI

Working together to combat mortgage fraud



#### ABOUT HABITO AND RESISTANT AI

Habito is an online mortgage broker, founded in 2016 to simplify and streamline the mortgage process. For customers, it takes care of the whole mortgage application process, searching the whole market for the best deal.

Resistant AI is a company comprised of machine learning and security specialists with more than 16 years' experience. Their solutions protect automated systems used by financial services from manipulation and fraudulent attacks. Resistant AI's technology can forensically analyse everything from the documents submitted by customers to the ongoing monitoring of behaviours and therefore uncover and prevent forged documents, serial fraud, synthetic identities, account takeovers, money laundering and other unknown financial threats.



#### WHAT WAS THE PROBLEM HABITO WAS TRYING TO SOLVE?

The process of obtaining a mortgage is very document heavy. Lenders need a lot of information from borrowers – payslips, bank statements, tax documentation etc. As an intermediary, Habito needs to be able to assess the authenticity of these documents to protect against mortgage fraud which is on the rise in the UK. As technology becomes more sophisticated, so are the methods that fraudsters can use to fake documentation and no matter how skilled our staff are, it is becoming more and more difficult for the human eye to authenticate these documents.

Habito must review the documents that every customer submits – not just to authenticate them but to validate the customer's affordability and risk criteria. With hundreds of mortgage applications per month, having to spend an average of an hour per customer is extremely time consuming for Habito's staff, not to mention the time taken to deal with more complex or high-risk cases that are elevated to the Head of Compliance and MLRO. All of this will lead to delays in the time it takes for a customer's application to be approved and processed.



#### HOW DOES RESISTANT AI'S DOCUMENT FRAUD DETECTION PRODUCT HELP?

Resistant AI's document fraud detection product solves this exact problem. KYC or underwriting risk assessments are increasingly automated but the ability to validate and identify fraudulent documents is also becoming trickier. It is easy for fraudsters to edit documents using off the shelf editors in a way that is almost impossible for a human to spot. Resistant AI's solution examines how a document is built rather than what it says. Features such as the layout, internal structure, code, metadata, document history, image structure are all analysed using a combination of supervised and unsupervised machine learning models.

Once documents have been reviewed, the solution will classify the documents into one of four categories. The first is where there are a whole set of indicators that are very indicative of fraud. The second is a warning category – where there are some modifications but there could be reasons for these other than fraudulent intent. Third, are so called normal documents where there are no indicators of fraud. Finally, the fourth category is trusted documents where Resistant AI can confirm that these documents are exactly as they should be from that specific issuer.

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## Habito and Resistant AI – continued



### FINDING THE RIGHT SOLUTION

Habito had been looking for a long time for a solution to this problem as it was taking a lot of time, slowing down customer journeys and exposing the company to risk. After a painstaking search for a product that did not yield many results, Habito were approached by Resistant AI. One of the issues with other solutions on the market was that they couldn't necessarily deal with the somewhat 'old fashioned' requirements around documentation, but this is still unavoidable when it comes to mortgage lending. Habito felt that not only did Resistant AI understand the problem but also offered what sounded like the perfect solution.

One of the key reasons that Habito began working with Resistant AI was that it was very easy to prove the business case through a proof of concept.



### THE JOURNEY TO IMPLEMENTATION

Resistant AI takes two different approaches when demonstrating the value of their solution. The first is to take a batch of documents from the customer that have been accumulated over time, including documents which are known to be fraudulent and run these through the solution. This demonstrates the ability of the product to not only identify the documents that the customer knew were frauds but also to find documents in that corpus that they were not aware of. Generally, between 7 - 15% of documents analysed in this way show some significant signs of modification – a much higher level than firms such as Habito generally expect.

Resistant AI also provides an API for the customer to implement and trial within their existing workflow and processes so they can understand the impact over a longer time period. This is more of a proof of value than a proof of concept and provides an understanding of the impact that the product will have on speeding up decision-making and ultimately, the onboarding process.

Habito was able to demonstrate the benefits of Resistant AI's document fraud detection in the proof of concept which really helped to garner internal support and validate the business case. As with most compliance or regulatory technology, there is not an obvious return on investment so being able to demonstrate not only a time saving but also an improved level of fraud identification really helped.

The implementation of the solution itself was remarkably seamless. The API was built in just two days, so the integration was very quick, providing results almost instantly. What took the time was ensuring that the output could be dealt with, how it was going to be managed and how does that fit into the organisation's risk appetite.

From the initial engagement between Habito and Resistant AI to the full implementation, it was only a matter of months before the solution was fully up and running.



### BENEFITS IDENTIFIED

Habito experienced benefits from the solution almost immediately. There were instances where Habito was being targeted by organised networks of fraudsters and Resistant AI was able to identify that sort of activity which can then also inform other investigatory work involving specific customers or sets of customers.

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## Habito and Resistant AI – continued

It can point to wider issues that need to be explored further and to opportunities to bring different data sets together to monitor suspicious activity.

One of the key benefits is that because the document fraud detection capability is so accurate, customers can be processed a lot more efficiently. Before, if there were queries around documents, this required further communication with customers, slowing down the workflow even if there was no fraud involved. Now, Habito can move forward more quickly with good customers and can also stop fraudulent applications earlier on in the process.

Resistant AI's product also means that mortgage experts spend a lot less time reviewing customer documentation. Rather than spending their time on authentication, they can focus more on the substance of risk and affordability which now only takes 12-15 minutes for each customer. Not only does this shortened time represent a cost saving, it also means customers have a shorter journey and more customers can therefore be serviced in the same amount of time.



### WORKING TOGETHER

Habito were particularly happy with the level of engagement and responsiveness from the Resistant AI team from the sales process through to implementation. One of the core values at Habito is to enable their customers a very quick turnaround time for mortgage applications. Because Resistant AI themselves have great customer support, queries and issues get resolved easily which is incredibly important in a market where interest rates change rapidly and decisions need to be made quickly to lock those in.

From Resistant AI's perspective, there is a real alignment of values – they too want to be actively engaged with their customers and to nurture ongoing relationships. Not only is this good for the business generally, it also allows Resistant AI to improve and tune their models so that they can get to the stage where their customers never see the same fraud scenario twice and they can tune their models accordingly so all their customers benefit and ultimately, the level of mortgage fraud is reduced.

### REALISING THE BENEFITS

Better able to identify potential fraudsters

Customers processed more efficiently

Reduced time for customer review so able to process more customers

Shorter and easier customer journey

## Case study 2

### Transferlab and ComplyFirst

#### Automating regulatory reporting



#### ABOUT TRANSFERLAB AND COMPLYFIRST

TransferLab is a foreign exchange and payments company that allows their customers to transfer money abroad with ease. They provide a simple way to send money across Europe and are headquartered in Northern Ireland. They are an FCA Authorised Payment Institution, serving customers both online and in-store.

ComplyFirst provides Regulatory-Reporting-as-a-Service and enables firms to automate their regulatory reporting from end to end. The ComplyFirst platform is enabled by cloud-based technology and has been designed and built by their team of ex-bankers, lawyers, and tech experts.



#### WHAT WAS THE PROBLEM TRANSFERLAB WAS TRYING TO SOLVE?

Because Transferlab is regulated by the FCA since 2018 and subject to Payment Services Regulations, they must report to the regulator on at least an annual basis. The required reports can be time consuming to understand, complete and verify before submitting. Transferlab was spending a lot of time gathering the information from several individuals before the completion of one report. This meant that the Money Laundering Reporting Officer (MLRO) was spending an increasing amount of time on manual processes, when their time could be better spent on other, higher value aspects of their role.



#### HOW DOES COMPLYFIRST HELP?

ComplyFirst's regulatory reporting platform is configured to ingest data from various sources such as accounting systems and anti-money laundering tools and then consolidate that data in one place. The platform has a process to map all that data to the relevant sections of the FCA reports before applying regulatory logic and finally, quality assurance checks before the report submission process.

Many of these reports only need to be submitted annually and is therefore a very infrequent process which makes it difficult to remember from year to year. The platform can automate the whole reporting process from end-to-end, enabling employees to be more confident with the process, reducing errors on interpretation or submission. By providing definitions and mapping in the ComplyFirst platform, the data and the resulting the submission can be consistent, accurate and save time every year. This is critical to firms like Transferlab.



#### FINDING THE RIGHT SOLUTION

Transferlab knew they had a problem with regulatory reporting and were struggling to come up with a solution. Serendipitously, ComplyFirst appeared in a story in one of the national newspapers about the founders of winning an innovation prize, catching the attention of TransferLab. Transferlab contacted them and explained the problem they were having with the reporting process. From Transferlab's perspective, the team at ComplyFirst were extremely professional from the offset and immediately demonstrated their expertise in regulatory reporting. The two firms reached a commercial agreement and proceeded to implementation.

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## Transferlab and ComplyFirst – continued



### THE JOURNEY TO IMPLEMENTATION

ComplyFirst generally takes about six to eight weeks to implement. The first two weeks comprise a technical review, data discovery and conducting a default mapping of the data from the various systems. A compliance review follows, producing a suggested data map in collaboration with the compliance and finance teams. On some occasions, bespoke integrations may need to be built to pull the required data from clients' systems. This is usually straightforward as long as there is an API. The final two weeks of implementation consist of testing via FCA test web service account.

TransferLab experienced the implementation as very straightforward. They were no hurdles or issues, and the process was very transparent and simple. The burden was lifted from those manual tasks with the software doing the hard work.



### BENEFITS IDENTIFIED

Transferlab saved 300 hours of effort on their annual reporting exercise. That time can now be focussed on ensuring a better compliance function for the firm or focussing on client relationships. Transferlab believe the cost saving runs into tens of thousands of pounds since ComplyFist was implemented.



### WORKING TOGETHER

Both Transferlab and ComplyFirst describe their relationship as perfect. Very straightforward, very business like, very professional, very helpful and ComplyFirst can always be contacted and are very responsive.

### REALISING THE BENEFITS

- Reduce errors in regulatory reports
- Automation of end-to-end reporting process
- 300 person hours saved annually

## Case study 3

### **Bloom Money and IDVerse** Facilitating financial inclusion



#### **ABOUT BLOOM MONEY AND IDVERSE**

Bloom Money is a digital version of a very traditional way of saving money that has been present in communities for a very long time – known formally as a rotating savings and credit association (ROSCA) but informally as an ajo, esusu, hagbad, kamiti, gameeya, or pardna among others. Each person who participates, pays a certain amount of money in per month and then each subsequent month, each member can withdraw the full amount of the 'pot' in rotation. By digitising community money clubs, Bloom Money aims to serve members of diasporas who are new to the UK and may have trouble securing a bank account when they first arrive in the country or may face problems when using other types of payments or remittance companies.

IDVerse is a document verification and biometrics company whose founders were seeking to solve issues in the customer on-boarding process. Often long and arduous, traditional identity verification processes are manual and slow. IDVerse wanted to create a simple, automated solution that was also inclusive and able to use optical character recognition to perform biometric authentication and liveness detection on people's faces versus their identification documents – passports, driving licences and other government issued identity documents. IDVerse covers 16,000 different ID document types, in 142 languages.



#### **WHAT WAS THE PROBLEM BLOOM MONEY WAS TRYING TO SOLVE?**

To be compliant with Know Your Customer checks and prevent fraud, Bloom Money needed an identity verification method. Given their target demographic is largely people from the global south, the solution needed to be able to cope with a wide array of identity documents, as 90% of the documents offered by their customers for verification were international passports. As Bloom Money developed their platform, they knew they needed an identity verification tool from the outset that was representative of their target customer base, was inclusive of as many nationalities as possible and was unbiased when it comes to race and ethnicity.



#### **HOW DOES IDVERSE HELP?**

There are two key elements of the IDVerse solution that were instrumental in Bloom Money's decision to adopt the product. The first was the wide coverage of documents. IDVerse has spent the last ten years building the capability to train their deep neural networks and machine learning models (which use optical character recognition) to identify thousands of types of documents and it is also quick and easy for them to train in new documents.

The second is the importance that IDVerse places on how they train the models for biometric identification. Rather than taking the more common approach of using real faces from existing customers as the training data, IDVerse uses synthetic data. This overcomes some of the challenges with respect to the ethics of using personally identifiable information but more importantly, removes any bias that may exist within 'real' data sets, especially when it comes to people of different races, ethnicities and genders. IDVerse's facial recognition solution has been certified as zero bias by BixieLab, who are NIST and Fido accredited.

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## Bloom Money and IDVerse – continued



### FINDING THE RIGHT SOLUTION

The market for identity and verification solutions is very competitive, but when Bloom Money conducted a review of the products in this sector, they found that there was a heavy industry bias towards Western data sets, including an inability to accurately perform authentication and liveness checks on people with a darker skin tone. Other issues, such as facial disfigurements or hair loss through illness can also contribute to lower accuracy in matching.

Additionally, the system would need to be able to verify identity documents from the nationalities most served by Bloom Money's app – and after British documents, these are Nigerian, Pakistani, Indian, Romanian and Egyptian.

IDVerse's focus on extremely wide document coverage as well as the zero bias focus for facial recognition were extremely aligned not only with Bloom Money's needs but also the underlying values and purpose of the business.



### THE JOURNEY TO IMPLEMENTATION

Bloom Money selected IDVerse as they were building out their own product, and the implementation process was very streamlined from both sides. In the early testing stages, IDVerse provides an extremely convenient and quick option of sending verification requests via text so it did not even need embedding in the Bloom Money app. This zero build solution for testing significantly cut down the integration time, which was critical as Bloom Money is a small team.

In terms of the actual integration with the backend of the Bloom Money app, this was extremely quick and was a matter of hours.

From IDVerse's perspective, the speed of the implementation was also the result of Bloom Money's appetite to garner resources and work quickly and the confidence they had in the IDVerse technology.



### BENEFITS IDENTIFIED

Because IDVerse has been integrated into the Bloom Money from the start, it's not possible to compare time or cost savings pre-implementation. However, there are definite cost savings considering that doing the ID checks manually would have required a full-time member of staff. Using IDVerse, there are very few cases that need an additional layer of review.

This also has a knock-on effect on the customer – a more streamlined onboarding process means they can get to use Bloom Money more quickly without the need to escalate issues. The team at Bloom Money heard stories from customers who have tried to sign up with other payments services or remittance companies where, because they have a darker skin tone, they are flagged as a risk in the liveness check, which is not an issue for Bloom Money, increasing trust in the app.

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## **Bloom Money and IDVerse – continued**



### **WORKING TOGETHER**

Both Bloom Money and IDVerse describe their relationship as more than just a customer and a supplier. There is a real alignment between the mission and values of their organisations and shared sense of purpose in trying to make financial services more accessible and inclusive.

Another important factor from Bloom Money's perspective is the willingness of IDVerse to be on hand to respond to queries or issues, with dedicated account managers and ongoing support.

### **REALISING THE BENEFITS**

Better efficacy in identity verification for Bloom Money's target customers

Increased speed of ID checks and removal of need for manual review due to inaccuracy

Streamlined onboarding process and increased trust in the App



## Case study 4

### Brooklands Fund Management and Leo Tech Streamlining compliance



#### ABOUT BROOKLANDS AND LEO TECH

Brooklands Fund Management Limited (Brooklands) is a boutique fund management company authorised and regulated by the Financial Conduct Authority and registered with the US Securities and Exchange Commission. Brooklands is located in Mayfair, London and established in 2016. Brooklands provides regulatory hosting under the Appointed Representative (AR) Regime and has approximately 30 companies who are AR's under the Brooklands FCA licence terms in the UK

Leo is a UK headquartered company providing all-in-one compliance software offering regulatory solutions for the financial industry. It was developed by compliance professionals to help firms comply with GDPR, the FCA Handbook and alternative fund management regulations. Leo was created with the aim of reducing the day-to-day regulatory burden on teams, allowing them to be more forward-focused – enhancing operational processes, anticipating new regulations, and honing strategic decisions.



#### WHAT WAS THE PROBLEM BROOKLANDS WERE TRYING TO SOLVE?

Brooklands interact with ARs and are responsible for managing the regulatory compliance of those firms. This requires Brooklands to conduct various activities including communicating with the AR firms and collecting data on a regular basis. Previously, this was largely done manually using email, forms and documents and became difficult to manage, requiring a lot of resource to chase certain documents. Furthermore, Brooklands wanted a better way of recording communications and documentation received from the AR firms.



#### HOW DOES LEO TECH HELP?

Brooklands had an existing relationship with Leo but were not using all the functionality available for communication and document management. With Brooklands' business growing, they wanted to streamline several processes and associated tools. Through their relationship with Leo, they discovered almost all the functions that they wanted to deliver – a document repository, a way to interact with clients, a way to organise materials, forms and documents internally with the right access and permissions in place – were all present in the Leo software.

Brooklands also found the Leo team easy and clear to work with. It was a combination of all these factors that made them comfortable in the decision to move many of the different compliance processes onto the Leo Tech platform.



#### THE IMPLEMENTATION JOURNEY

Each of the AR's that Brooklands oversees has their own bespoke compliance monitoring framework. As a result, the implementation of the Leo software was phased in over the last 12 months as processes and clients are brought fully onto the platform. This is also ongoing as either new Brooklands clients are onboarded or compliance requirements and processes change.

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## Brooklands Fund Management and Leo Tech – continued



### BENEFITS IDENTIFIED

When Brooklands begin to implement and move processes over to the Leo platform, they identified the benefits that they expected to attain. Although there is not necessarily a huge benefit in every single process that has been migrated, the overall decision to use Leo as the main platform involved several different benefits that arose immediately. These included speedier onboarding of clients, greater efficiency and an improved ability to validate the compliance of their ARs in line with the enhanced regulatory regime from the FCA.



### WORKING TOGETHER

A key part of the decision-making process for Brooklands to make Leo their central compliance platform was that the Leo team are extremely helpful in resolving issues as and when they arise. As Brooklands transitioned to using Leo, there were areas in which Brooklands didn't have the technical knowledge to resolve and certain additional functions that they believed might be a good addition to the product.

Brooklands found that Leo was extremely helpful in explaining things and also very receptive to any feedback or suggestions on how to improve the platform to make it more usable, which is what has led Brooklands to consider the Leo relationship a true partnership.

### REALISING THE BENEFITS

Able to assess compliance of ARs more accurately,  
reducing regulatory risk

Greater efficiency through centralisation and automation

Information all in one place, allowing better interrogation  
and analysis

Easier to onboard new clients

## Case study 5

### Simmons & Simmons and RiskSmart

Proportionate and effective risk management



#### ABOUT SIMMONS & SIMMONS AND RISKSART

Simmons & Simmons is an international law firm which is mainly based in the UK but has offices in twelve countries around the globe. The firm runs on a federated basis, with overseas offices operating as separate entities with some services run from the UK centre. The client base is primarily highly regulated sectors including asset management and investment funds, financial institutions, healthcare and life sciences and technology, media and telecommunications.

RiskSmart was founded in 2020 by three experienced risk managers who were frustrated that there was not a solution on the market that was simple, flexible and cost effective to help organisations of all sizes manage risk in a proportionate manner. The platform has been developed based on both a deep understanding of risk management and by customer needs and requirements.



#### WHAT WAS THE PROBLEM SIMMONS & SIMMONS WERE TRYING TO SOLVE?

As a global law firm working primarily with highly regulated firms, Simmons and Simmons must find a balance between managing risks effectively and proactively whilst not over-engineering the process so that it becomes a burden on the fee-earning staff who are responsible for the various risks that the business faces. In addition, whilst the UK entity generates the highest proportion of income, this is not commensurate with the level of risk and so risks in the overseas offices need to be managed just as closely, without this being a burdensome undertaking.

Prior to the implementation of RiskSmart, the risk management framework consisted of spreadsheets, which only gave a two-dimensional view of the relationship between, for example, the risks themselves and the mitigating actions and it was very difficult to gain an holistic view of risks or even to understand the risks and actions specific to one office or region.



#### HOW DOES RISKSART HELP?

RiskSmart's founding principle is that any risk management tooling should be appropriate to the size of the organisation and allow firms to manage their risks in a way that didn't create a new 'cottage industry' of risk management within the business. Existing Governance, Risk and Compliance systems are extremely comprehensive, and most organisations need specialist resources with a detailed understanding of the platform in order to use them effectively.

RiskSmart, however, is flexible system with a risk and control module, a policy module and a compliance module. It acts as a 'single pane of glass' so that risks, controls and actions can be viewed holistically, allowing relationships and hierarchies to be easily understood and managed.



#### THE IMPLEMENTATION JOURNEY

Simmons and Simmons had been looking for an automated risk management solution but dismissed several of the other incumbent solutions based on cost and the overly complex functionality. RiskSmart were exhibiting at a conference and there were significant points

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## Simmons & Simmons and RiskSmart – continued

of difference in terms of flexibility, granularity and the ability to link between risks, actions, policies and controls that fitted the requirements that Simmons and Simmons had.

Following this initial contact, RiskSmart engaged with Simmons and Simmons and demonstrated the platform in some detail, which was like a 'breath of fresh air' and fitted the firms needs for combining ease and cost effectiveness with robust risk management.

The implementation itself was straightforward. The existing risk register was uploaded into RiskSmart and the tool configured to fit Simmons and Simmons' process. The latter was the hardest part – figuring out how the risk management process was going to work best for the firm. RiskSmart is flexible enough to work for any process and it can be configured to fit a firm's needs rather than the other way round.

RiskSmart offer a high level of customer success support to ensure that their customers are getting the most out of the platform on an ongoing basis.



### BENEFITS IDENTIFIED

For Simmons and Simmons, the key benefits gained from the use of RiskSmart include the ability to get a holistic view of risks across the whole firm. This can be done on both a top down and bottom-up basis which means nothing gets missed and risks can be actively managed and mitigated rather than just recorded and tracked. This saves a considerable amount of time. It also allows the prioritisation of mitigating actions plans and therefore the allocation of budget to the highest priority and highest impact risks across the organisation.

Ultimately, it allows the senior executives of the organisation to feel comfortable that all the risks are being managed and should a regulator come in and examine how they are managing risk, they can demonstrate that they are effectively managing client expectations, reputational risks etc and can also evidence that.



### WORKING TOGETHER

The working relationship between RiskSmart and Simmons and Simmons was very much a partnership rather than an arm's length customer / supplier situation. It was extremely collaborative, with Simmons and Simmons providing product feedback and enhancement suggestions which RiskSmart acted on. For RiskSmart, that kind of customer feedback has been invaluable in improving the product and make it even more effective for organisations of all sizes.

### REALISING THE BENEFITS

Can more proactively manage risks across the entire business

Fee-earners spend less time on the risk management process

With less time spent, fee-earners can focus on core business

Provides a multi-dimensional view of risks,  
controls and mitigating actions

### 3 Realising the benefits of RegTech

If we consider this collection of five success stories, each is an example of where a regulated firm and a RegTech vendor have come together in the spirit of true partnership to solve a specific regulatory problem. These partnerships have delivered concrete benefits for the regulated firms that span across all five categories identified earlier. Table 1 shows how these case studies map to these categories.

What is also apparent from these five case studies is the difficulty in quantifying these benefits. The cost of compliance is notoriously hard to determine, and under 40% of financial firms globally are monitoring the cost of regulatory compliance across their organisations<sup>34</sup>. However, all the success stories showed that RegTech can improve efficiency and effectiveness across a range of compliance use cases, a compelling message for those considering adopting RegTech.



<sup>34</sup> Thomson Reuters 2023 cost of compliance report

# Benefits

Table 1: Benefits demonstrated by the featured success stories

	Habito & Resistant AI	TransferLab & ComplyFirst	Bloom Money & IDVerse	Brooklands & LeoTech	Simmons & Simmons & RiskSmart
REDUCTION IN RISK	Better able to identify potential fraudsters	Reduce errors in regulatory reports		Able to assess compliance of ARs more accurately, reducing regulatory risk	Can more proactively manage risks across the entire business
IMPROVED EFFICIENCY AND EFFECTIVENESS	Customers processed more efficiently	Automation of end-to-end reporting process	Better efficacy in identity verification for Bloom's target customers	Greater efficiency through centralisation and automation	Fee-earners spend less time on the risk management process
COST SAVINGS	Reduced time for customer review so able to process more customers	300 person hours saved annually	Increased speed of ID checks and removal of need for manual review due to inaccuracy		With less time spent, fee-earners can focus on core business
GREATER INSIGHTS				Information all in one place, allowing better interrogation and analysis	Provides a multi-dimensional view of risks, controls and mitigating actions
BETTER CUSTOMER EXPERIENCE	Shorter and easier customer journey		Streamlined onboarding process and increased trust in the App	Easier to onboard new clients	



## Themes

We can also draw some other interesting themes from these stories, about the experience regulated firms have with working with RegTech vendors and these could form a blueprint of best practice for RegTech implementation.

### 1.

Be very clear and focused on the problem you want to solve with technology and therefore what benefits you are seeking from the outset. Bloom Money knew that they had a specific need for identify verification solutions that could meet the needs of their target customers.

### 2.

Alignment between the vision and values of the regulated firm and the vendor is more likely to result in a successful implementation. For example, RiskSmart want to provide robust but proportionate risk management solutions to businesses and Simmonds and Simmonds also needed a tool that was not going to require additional resources to become experts in the solution.

### 3.

RegTech vendors and regulated firms working together was typically described as more akin to a partnerships rather than a typical arms-length firm and supplier relationship. There is more trust and collaboration on the part of regulated firms and in return, vendors are more responsive and offer great levels of customer support.

Most of all, we hope that the sharing of these RegTech success stories will provide confidence, reassurance and a catalyst for other firms to work with RegTech vendors in this way.



## Acknowledgements

We would like to offer our gratitude to the RegTech vendors, financial and professional services firms who agreed to participate in this report on a named basis. As well as those who were selected to share their stories, we would also like to thank those vendors who submitted their case studies as part of the process. You can read more about these firms below.



### ABOUT US

Your trusted advisor for EU AI Act Compliance. Unlock the full potential of artificial intelligence while ensuring compliance with the EU AI Act by partnering with AI & Partners, a leading professional services firm. We specialise in providing comprehensive and tailored solutions for companies subject to the EU AI Act, guiding them through the intricacies of regulatory requirements and enabling responsible and accountable AI practices. At AI & Partners, we understand the challenges and opportunities that the EU AI Act presents for organisations leveraging AI technologies. Our team of seasoned experts combines in-depth knowledge of AI systems, regulatory frameworks, and industry specific requirements to deliver strategic guidance and practical solutions that align with your business objectives.

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## BankCheck.

by Lacuna Solutions

### ABOUT US

BankCheck is a world-class reference data platform that was developed in collaboration with the largest correspondent banks for payment repair and financial counterparty EDD. It enables banks, financial institutions, and government agencies to direct global payment flows securely and efficiently and mitigate the risks associated with financial counterparties.

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### ABOUT US

Encompass enables fast, accurate identity validation and verification of corporate customers, and a gold standard approach to KYC. Our award-winning corporate digital identity (CDI) platform incorporates real-time data and documents from authoritative global public data sources and private customer information, to create and maintain digital risk profiles.

Utilizing the expertise of a global transformation team of KYC and banking industry experts, as well as strategic data, technology and consulting partnerships, enables seamless integration of Encompass into existing workflows and systems. With Encompass the world's leading banks improve customer experience and increase business opportunities through consistent regulatory compliance and risk mitigation.

### FIND US

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**ABOUT US**

Founded in 2004, eflow Global provides financial firms with technology solutions to help them comply with their regulatory requirements in a more streamlined, efficient and robust way. It offers award-winning solutions for market abuse surveillance, best execution, transaction-cost analysis, transaction reporting and eComms surveillance. The company currently services over 100 clients across five continents, providing both buy-side and sell-side firms with highly configurable digital tools that are designed to keep them compliant and competitive in this ever-changing regulatory landscape. eflow's regulatory solutions are delivered through a PATH, a unique digital ecosystem that offers the speed, convenience and efficiency of off-the-shelf software, combined with a level of customisation that is typically only associated with a bespoke platform.

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**ABOUT US**

Global Relay is the leading provider of fully compliant, cloud electronic communications archiving, messaging, supervision, and eDiscovery solutions for the global financial sector and other highly regulated industries. Founded in 1999, Global Relay delivers services to over 20,000 customers in 90 countries, including 22 of the top 25 banks.

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#### ABOUT US

Novatus Global is a London head-quartered solutions firm, that aims to help clients navigate their most complex issues, maximise commercial opportunities, and build sustainable futures. Our unique operating model that combines deep industry knowledge with adaptable technology allows us to help clients maintain a competitive edge over industry peers, report to regulators, and be assured their business is compliant.

Trade reporting accuracy is a concern for all regulators – failure to comply results in significant fines for offending firms. Firms must ensure systems, processes and controls are in place to ensure their transaction reports are reconciled (RTS 22 Article 15).

In October 2022 the FCA noted in its Market Watch many firms are not defining or interpreting reconciliation correctly, and therefore, are not meeting requirements from regulators. Similarly, other Transaction Reporting products do not report correctly: the Novatus Transaction Reporting Assurance (“TRA”) Software is the only tool that meets full requirements.

It enables those trading financial instruments to meet regulatory obligations and reconcile transactions to source systems on a regular basis. It is created to streamline regulatory compliance and strategically support operations for users, removing the burden of remediation. The software provides comprehensive control, ensuring any issues pertaining to accuracy, timeliness and/or completeness are identified, and root cause determined.

#### FIND US

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#### ABOUT US

Recordsure provides market-leading AI RegTech solutions that have been specifically designed to strengthen compliance, drive new efficiencies, and identify and address risks, whilst ultimately preventing consumer harm and improving outcomes for customers. Recordsure’s ReviewAI suite comprises of two complimentary solutions: ConversationReviewAI and CaseReviewAI. ConversationReviewAI’s unique speech analytics quickly identifies high risk cases to help reviewers focus their attention on the calls that need it most. CaseReviewAI tackles the challenges firms face throughout documentation reviews, removing the high effort, low skilled tasks for review teams. ReviewAI’s scalable solutions are adaptable for deployment across the financial services sector and other regulated industries, and are currently used by Tier 1 Banks, private banks and wealth management firms, as well as government departments and major insurers.

Recordsure has over a decade of experience in designing proprietary AI and working with AI and machine learning technologies.

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## Appendix

# RegTech Solution Categories

### **FINANCIAL CRIME**

Financial Crime deals with helping firms comply with anti-money laundering, fraud detection and counter terrorism financing legislation.

### **REGULATORY REPORTING**

Regulatory reporting across a range of data types, including aggregated capital adequacy and risk management data.

### **CONDUCT**

Financial markets are regulated to ensure they are fair, efficient, and transparent. Vendors in this category helps firms comply with these regulatory requirements across all retail and wholesale markets.

### **COMPLIANCE MANAGEMENT**

Regulatory change and ongoing compliance monitoring is a critical activity for all regulated firms due to the volume of rules with which they must comply and the rate and scale of changes to these rules.

### **CYBER, IDENTITY AND PRIVACY**

CIP focuses on helping firms address cybersecurity risks, data protection and data privacy issues, and ensuring the identity of all devices and applications for which the client is responsible are known, recognised, and verified.

### **FINANCIAL RISK**

Several aspects of regulation require regulated firms to perform complex risk calculations, scenarios, and simulations for various purposes such as pricing, capital allocation and stress testing. Firms are also required to perform calculations for prudential regulation such as Basel 3 and Solvency 2.

### **DATA MANAGEMENT**

Before firms can accurately analyse or report on regulatory data, there is a lot of work to do to improve data quality, understand the lineage of individual data items and apply best practice data governance principles. There is also a drive towards the need for common, granular data models to break down organizational data silos.

### **ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG)**

ESG helps firms by integrating ESG factors into their middle and back-office operations to ensure compliance with internal policies and external regulations as well as additional regulations emerging regarding climate risk.

### **GENERAL COMPLIANCE**

General Compliance focuses on helping firms address problems that are either agnostic to specific types of regulation – e.g. training, marketing compliance, supply chain risk – or that cut across regulatory boundaries.

### **TAX COMPLIANCE**

Products in this category tend to solve compliance problems that span a number of tax regulations.

### **OTHER**

This category includes RegTech<sup>35</sup> products that focus on industry sectors other than financial services (e.g. healthcare) and products where regulatory compliance is one of many use cases for the technology

<sup>35</sup> The use of technology to help regulated firms meet their regulatory obligations.



## THE GLOBAL CITY

### About the City of London Corporation

The City of London Corporation is the governing body of the Square Mile dedicated to a vibrant and thriving City, supporting a diverse and sustainable London within a globally successful UK.

We aim to:

- Contribute to a flourishing society
- Support a thriving economy
- Shape outstanding environments

By strengthening the connections, capacity and character of the City, London and the UK for the benefit of people who live, work and visit here.

### About the Global City campaign

The Global City campaign is the City of London Corporation's overarching initiative to promote the UK as a world-leading international financial centre. It showcases the UK as a great place for financial and professional services firms to invest, locate and grow.

[theglobalcity.uk](http://theglobalcity.uk)