

“Legal risk wouldn’t be in the top 10 risks we worry about as a business.”



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How has the risk and regulatory environment been changing in the fintech space in recent years?

The most profound factor has been the growth of the industry. First, a lot of these companies grow so quickly and are significant to the point where they are systemically important and suddenly the regulatory intensity is a magnitude higher. The other thing is the regulators are rightly sponsoring innovation and competition, but need to balance this with objectives to protect consumers and have a safe and sound financial system.

A victim of your own success...

Yes, you see that play out on a human level too. Once the day-to-day moves beyond product innovation and talking to customers and more into risk management, governance, and completing operational resilience reports, it can feel like, “This isn’t what I signed up for!” The intersection I find interesting is the people and culture aspect. You have to anticipate that environment changing ahead of time and think hard about your team and culture to maintain a high pace of execution and innovation in product development.

So you have to forecast your risk profile?

Exactly – we have to be ambitious and assume the organisation is going to be a multiple bigger across a number of different vectors. The impact of this on the legal team is, one, you need a more high-performing team. Two, the depth of our work will go up because it has to – we’re more regulated, we’ve got more customers and we’re always working to make the product faster, easier and cheaper. So I always need to plot out the team build I need for two years ahead.

How big is the legal team?

Sixteen staff. I’ve hired a lot of non-lawyers. The team is structured into corporate and commercial, disputes and IP, and then co sec. And each major region has a head of legal and there’s an operational team based out of Estonia – they build all of our tooling and also run contract management, small claims and disputes. When people come to the legal front door, most of the time the first people they meet with are in Tallinn.

Is most of your work focused on regulatory risk over litigation?

We don’t see a great deal of litigation, as in financial services there are such mature complaints and ombudsman procedures. Where we do see litigation is where people have exhausted their complaint avenues or have just gone straight to small claims. We house these together to ensure that there is a strong focus on good customer outcomes and the processes are not dissimilar. They are generally not complex cases, but having them supported by the same team means we can spot trends in customer dissatisfaction. That team can then advocate for the customer to our product and operations teams, and we fix the root cause of the issue.

“London will continue to be a critical hub for innovative financial services.”

What are the risks that concern you the most?

Regulatory risks, under which I would bracket operational resilience. The regulators are rightfully focused on this. I fundamentally believe high-tech organisations are more resilient in the sense they can detect and react to incidents extremely quickly. In financial services, trust is absolutely key, so cyber security and privacy risk. Across our top 10 risks that we worry about, legal risk doesn't really feature currently. I can imagine it's going to come into the top 10 in two years' time, so I need to have a team ready to deal with it.

How confident do you feel about London holding its position in the years ahead for fintech and innovative financial services?

I am pretty confident. The investment will be there. The regulatory environment will be there. There is some talent risk, I think, but I am hopeful that post-Brexit Britain will remain a good place for tech businesses to operate, and we have an extremely strong bedrock of financial services in London. I believe those two things together will mean London will continue to be a critical hub for innovative financial services.

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