

Christopher Collins Comments on FCA Review of Off-Channel Communications

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Financial Markets and Funds Partner Christopher Collins was quoted in *Treasury Today* on the UK Financial Conduct Authority's review into off-channel communications, underscoring cultural and oversight challenges as 41 percent of identified breaches involved director-grade or above staff.

Chris noted that this poses challenges for firms seeking improved compliance from employees. He stated, "While the FCA figures represent internal policy breaches rather than confirmed regulatory violations, the concentration of incidents among senior employees could undermine the 'tone from the top' necessary for effective compliance. The persistence of these breaches, particularly given firms' enhanced frameworks over the past two years, indicates that technological solutions alone are not sufficient. The real challenge is understanding why certain employees, particularly senior ones who should know better, still reach for WhatsApp when they understand the rules."

On supervisory implications, Chris said, "The current review serves as both guidance and warning: firms are on notice that repeated internal policy breaches, particularly involving senior staff, may lead to supervisory attention."

Identifying patterns in compliance breaches for targeted help, along with significant consequences, is key to addressing the problems at their source. He added, "When combined with material consequences, training that uses real breach scenarios, and senior management that genuinely engages with the data, are some of the measures that could shift behavior rather than simply document violations."

Chris also spoke with *Law360* about the challenges firms are facing. "Failing to supervise off-channel communications could increase the risk of fraud, whether benefiting the firm or the individual perpetrator." He warned, "If firms are not effectively supervising and monitoring such communications, it can be a lot more difficult to detect such serious wrongdoings. When senior leaders are violating policies, it signals that firms have not truly embedded the behavioral change necessary for effective control."

"RIP BYOD? The compliance challenge of off-channel communications," Treasury Today, September 2025

"HSBC Using AI To Fight Fraud Under 'Failure To Prevent' Law," *Law360*, September 24, 2025

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