

August 2018

REMEDIATION ROADMAP

A structured approach to support



Where problems are identified we expect firms to deal with those quickly, decisively and effectively and to make sure they apply the lessons across the business. If they fail to do so they will continue to face significant regulatory and reputational costs

THE FCA

REMEDIATION

... A word that strikes fear into the heart of the boardroom.

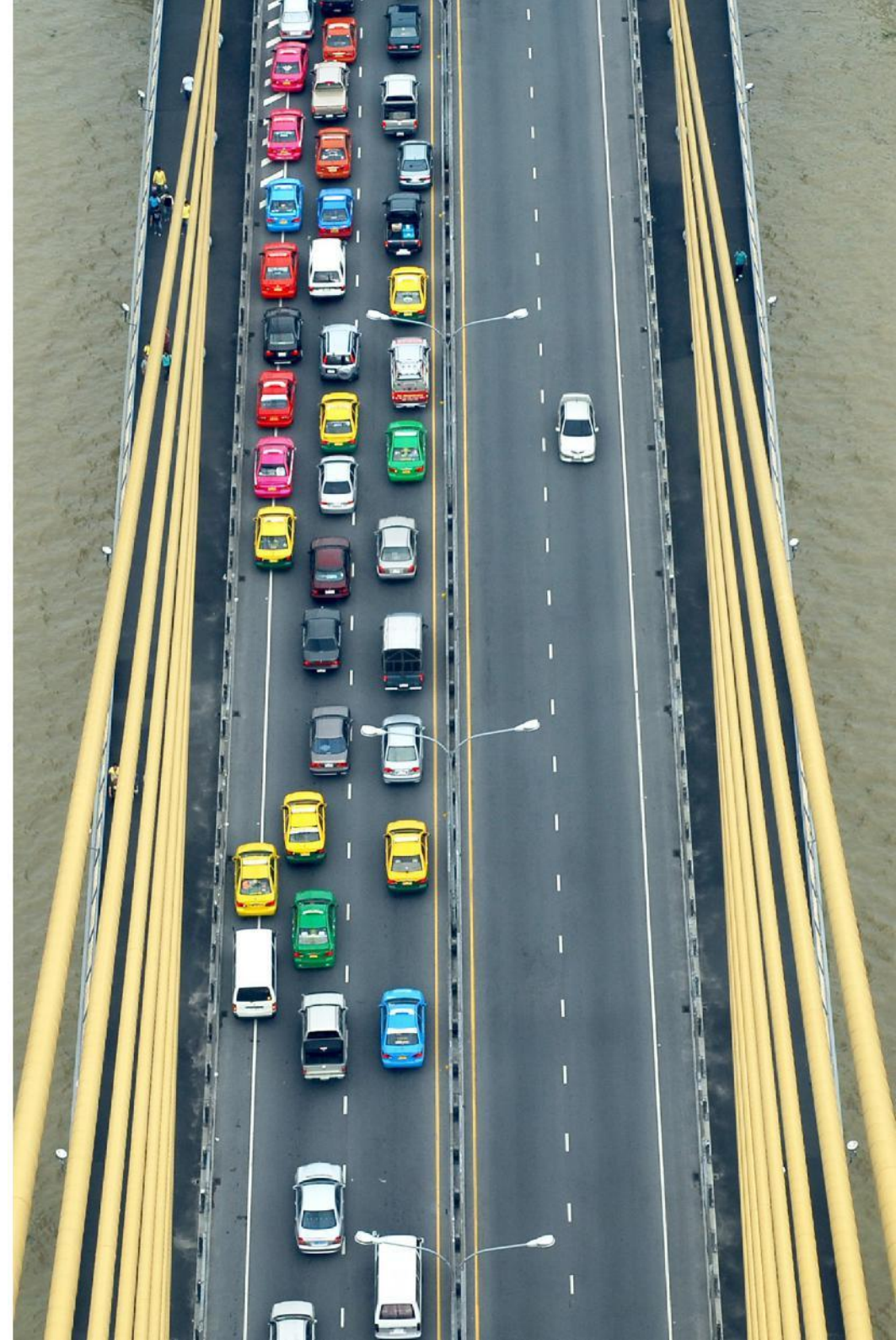
It is impossible to completely eradicate mistakes and misconduct. Even the most well managed businesses will sometimes encounter regulatory problems or get something wrong.

The typical response is to buy in additional people to fix things, but without a clear plan identifying what expertise is needed and when.

This response can lead to inefficiencies and duplication. Key specialists may not be engaged early enough. Opportunities to put the right functions in place to protect against possible enforcement can be lost because the right combination of skills is not in place from the outset. Firms also stand a better chance of obtaining a more forgiving response from the FCA where a firm acts in a thoughtful and planned way and addresses key regulatory risks. The early identification of issues; and well thought out and executed remediation can be vital in mitigating the FCA's response.

Firms therefore need a structured, end-to-end approach to remediation, which brings together the right combination of skills in an organised way, accessing the right expertise at the right time.

Addleshaw Goddard has developed a “**Remediation Roadmap**” that structures the stages of a remediation journey and maps it to our specialist services, providing a combined offering of market leading specialists with low cost paralegal resource. Firms that use our services not only get support from a leading law firm that specialises in advising financial services firms, but our advice normally benefits from legal professional privilege.



THE PHASES OF REMEDIATION

The key to maintaining control when a potential issue is found is to put in place a structured programme that identifies the expertise and resource you need at each stage of the remediation process. Our Remediation Roadmap maps out what you need to consider at each phase of the journey.



- It's not enough to deal with the problem. You need to analyse how and why it happened and what or who was responsible.
- You need to work out what needs to change to prevent it happening again.
- You need to know if the issue is systemic and whether the underlying cause may have resulted in other undetected problems.
- This requires a review of systems and controls and of your controls framework.

PHASE 6
ROOT CAUSE
ANALYSIS

- Remediation projects can ultimately fail at the final hurdle because no-one validates that actions that were mandated to be done, were actually done or were done fully or properly.
- Regulatory action taken a second time for the same failing is always substantially more serious.

PHASE 8
POST
REMEDIATION
REVIEW

PHASE 9
CHALLENGE

RESOLVED

PHASE 5
REPUTATION
MANAGEMENT

- You need to ensure customer messages are clear.
- But you'll need to consider media relations, impacts to the wider industry, reputational damage.
- You will need to manage this alongside your relationship with your regulators.

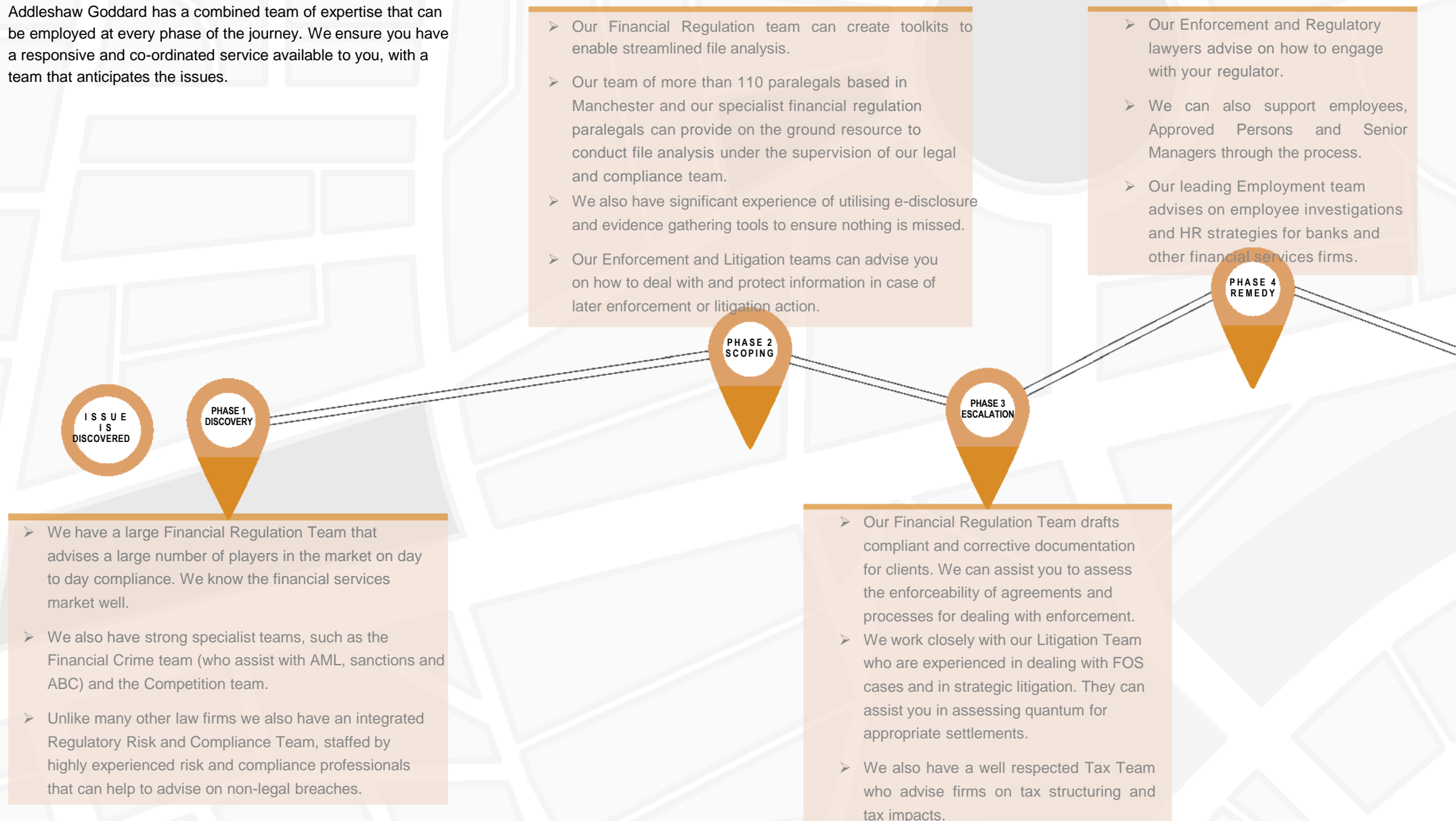
PHASE 7
SOLUTION

- You need a solution that addresses the underlying cause.
- This can involve changes to internal process or to governance structures.
- An assessment of wider impacts needs to be carried out and that may involve additional legal assessments of the way a system works.

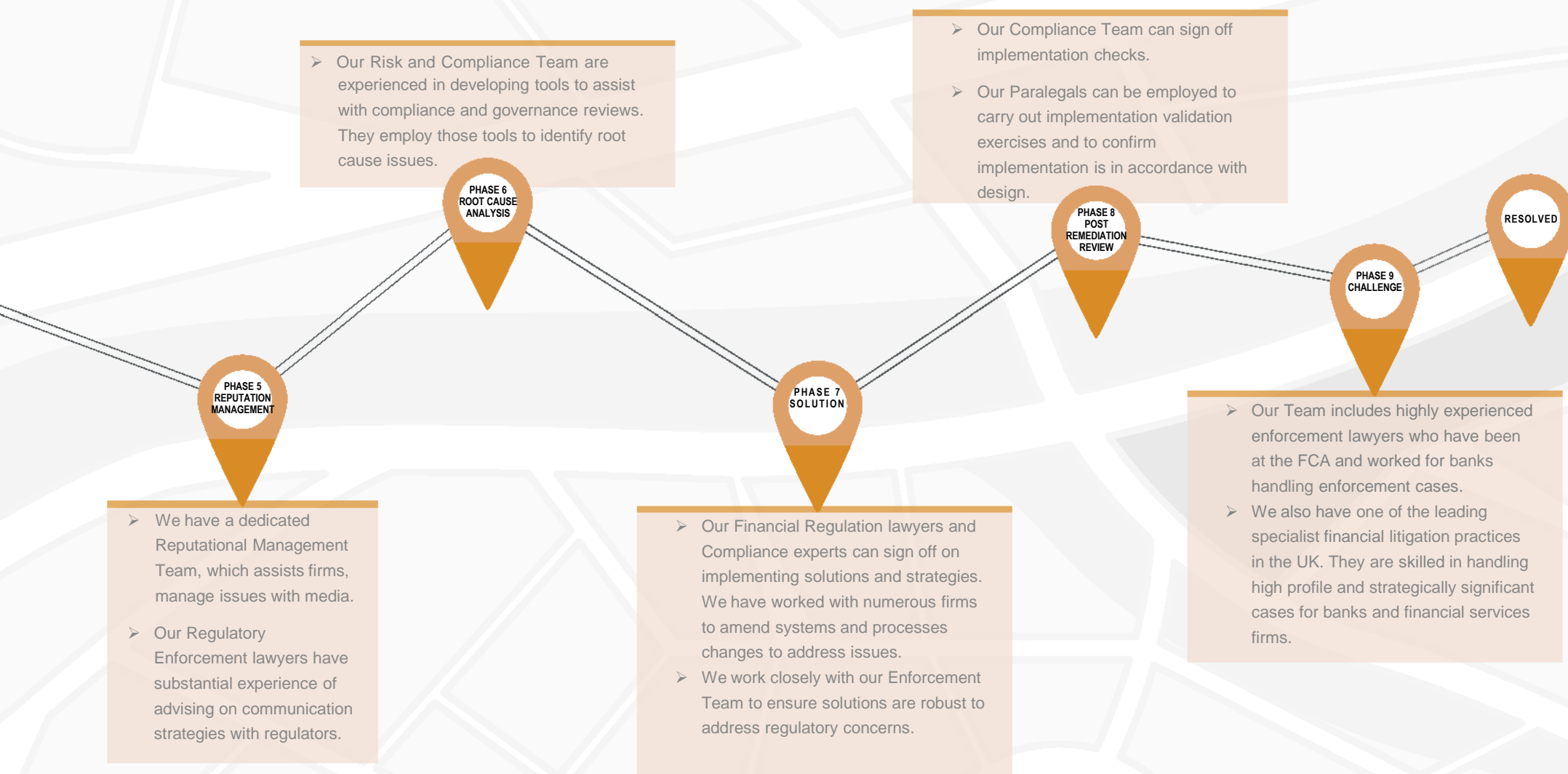
- In serious cases, there will be ongoing regulatory investigation, which may result in enforcement. You need people who have been involved from an early stage and who have helped to frame the remediation approach.
- There may also be ongoing or future litigation. You need to have positioned yourself to deal with those cases effectively.

SUPPORT AT EACH PHASE

Addleshaw Goddard has a combined team of expertise that can be employed at every phase of the journey. We ensure you have a responsive and co-ordinated service available to you, with a team that anticipates the issues.



We have a unique combination of technical legal and regulatory expertise, compliance and risk professionals and a large low cost paralegal team. We combine this with more traditional legal expertise in HR and litigation.



SUPPORT FROM OUR SPECIALIST TEAMS

Financial Regulation

Our Financial Regulation Team is independently recognised as first rate and as “highly attuned” and having “client focus and a pragmatic approach in complicated situations”. The team advises on the full range of issues affecting financial services clients including: FSMA, PRA and FCA rules, Building Societies Act, Data Protection, MiFID, TCF, RDR, anti-money laundering, consumer credit, insurance, conduct of business, customer documentation, e-commerce and advertising and marketing regulation.

Corporate Crime

Our Corporate Crime team handles regulatory investigations and prosecutions, including involving staff or senior managers. They also specialise in Anti Money Laundering and Sanctions controls, as well as bribery and corruption compliance. The team has extensive experience of risk management and compliance issues, advising clients on their internal policies and procedures to combat the risk of corporate crime under its various guises.

Regulatory Risk and Compliance

We have a team of compliance professionals who specialise in operational compliance, risk and governance. They work closely with our lawyers to ensure we can provide a full service and integrated compliance and legal support, providing practical compliance and risk insight for businesses. Members of our team have hands-on experience implementing regulatory frameworks and have detailed understanding of the difficulties in interpreting complex legal and regulatory requirements into business processes.

Regulatory Enforcement

The crystallisation of regulatory risk will sometimes lead to a referral to FCA enforcement for investigation. Addleshaw Goddard’s contentious regulatory team are experts in managing FCA investigations and disciplinary proceedings. We understand the long term nature of the regulatory relationship and we ensure a fair outcome through constructive challenge throughout the process.

Finance Litigation

Addleshaw Goddard has one of the most highly regarded litigation functions in the City. We are able to call on over 100 experienced lawyers. Many of those have extensive experience of dealing with Financial Services related disputes and regulatory reviews. The team has a wealth of forensic skill and allows us efficiently and effectively to isolate the key issues from large or complex fact patterns or datasets. They are also able to advise on Financial Ombudsman issues.

Our forensic expertise is supported by our knowledge and experience of utilising technological solutions to support document reviews. We have a specialist e-disclosure team which acts as a support function in any large scale document review exercise.

Reputation Protection

We are recognised as having one of the leading reputation protection teams in the UK. Our lawyers are consistently identified as leaders in the field by the two principal legal directories, Chambers and Legal 500. Whatever the source of the reputational threat, we provide strategic board level advice and assist with reputational risk mitigation, for example by conducting internal investigations and reviews.

Tax

We are involved in both structuring transactions and advising on the documentary and wider implementation aspects of transactions. In addition, we are frequently approached to provide standalone tax advice for a wide range of our clients. Much of our work has an international dimension and the members of the group have close working relationships with leading local tax advisers which enables us to provide our clients with integrated multi jurisdictional advice.

Paralegal Hub

Addleshaw Goddard is able to resource projects of any size. In addition to being able to call on a large number of regulatory and litigation experts, we also have a Transaction Support Team (TST) of over 110 paralegals based in our Manchester office. The combined resources of Addleshaw Goddard enables us to deliver scalable and cost effective solutions to even the largest of projects.

Employment

Addleshaw Goddard's Employment Group has a nationally and internationally acknowledged reputation. Comprising around 35 lawyers, including 7 partners, the Group provides a complete service dealing with all aspects of the employment relationship, from recruitment to retirement, including cross border human resources and immigration issues.

THE BENEFITS WE BRING

Legal Privilege: All of our reviews benefit from the protections offered by legal professional privilege. While the maintenance of legal privilege may not be a priority when it comes to dealing with the FCA, it is nonetheless important to have the option of protecting the disclosure of material in the context of litigation. We have experience of balancing the demands for information from the FCA while also protecting the wider interests of our clients.

Leading Expertise: We have the full range of genuinely specialist lawyers that you need on any remediation project.

Tailored Support: We hand pick the right mix of lawyers you need for your project - we don't just role out the "one size fits all" approach to a project.

Value: You can make significant financial savings on what are expensive projects, but without compromising on quality of advice, available resource or specialist services. We know how to apply the full spectrum of internal resource from paralegals, associates, IT experts and project managers to deliver cost effective solutions. We have considerable experience of developing commoditised solutions to complex and large scale reviews and can provide a range of fee options for such work.

Available Resource: We have a large team of high quality paralegals, who can be employed on your project to support the heavy lifting roles that projects like this can need.

Approachable Team: Our style is to roll up our sleeves with our clients. We are down to earth and practical. In short, we are nice to work with – which is important on large scale projects.

Integrated Specialists: We are a team of specialists, in one place; used to working together and with the financial services industry.

Safe: You know you have instructed a firm that can cover your needs.

For more information, please contact [Amanda Hulme](#) on [020 7880 5853](#), or any one of those listed.

ADDLESHAW GODDARD

At Addleshaw Goddard, our business is about strong client relationships built on successful delivery across national and international markets. A real meeting of minds.

We are a premium business law firm offering an exceptional breadth of services. Our approach combines a deep understanding of our clients' businesses, markets and sectors with high calibre expertise, straight talking advice and a collaborative team culture. By delivering what clients want whenever they need it, from high value strategic advice, to the everyday, we pride ourselves on a service which is high quality, focused, relevant and consistently excellent.

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