



What did the IPSOS Consumer Duty research tell us?

The FCA, being a regulator that relies on data, is investing in training their staff to fully leverage the benefits of AI. They have also made significant investments in tech horizon scanning and synthetic data capabilities. In addition, they have recently introduced the Digital Sandbox, a pioneering initiative that no other global regulator has implemented. This sandbox utilizes real transaction data, social media data, and synthetic data to foster the safe development of Fintech and other innovative technologies. Furthermore, the FCA has developed its own supervision technology, incorporating AI methods for firm segmentation, portfolio monitoring, and the identification of risky behaviours.

While the FCA faces questions regarding accountability, specifically who should be accountable - users, firms, or AI developers - they do not directly regulate technology. However, they do regulate the use and impact of technology in financial services. The Senior Managers & Certification Regime (SM&CR) provides the FCA with a clear framework to address AI innovations. This framework emphasizes that senior managers are ultimately responsible for the activities of their firms.

There have been recent discussions in Parliament about the need for a tailored SMCR-type framework for senior individuals who oversee AI systems. These individuals may not typically undergo regulatory scrutiny for their roles but are becoming increasingly central to firms' decision-making and the overall safety of markets. This topic will play a significant role in future regulatory debates.

[Read more here](#)

What you might have missed



Webinar: Linking CD outcomes to employee competence

Since the FCA introduced plans for Consumer Duty, firms and individuals alike have been working hard to ensure they deliver against the new requirements. However, whilst there has been a lot of work put into implementing the cross-cutting rules, and the four consumer outcomes, very little has been said about the "employee" dimension, other than in respect of the Conduct Rules.

Book your place on this upcoming webinar and give your input and perspective which we know will add value to our debate on the topic.

[Book your place](#)



Launch of permanent Digital Sandbox

The Digital Sandbox is a testing environment that enables the FCA to support firms at the early stage of product development by enabling experimentation through proof of concepts. The permanent Sandbox also welcomes data providers to apply to list their data on the platform and gain traffic and insights on its usage.

Until now, the platform has only been available temporarily to those participating in pilots and TechSprints. The permanent Sandbox is part of a range of market facing tools and initiatives.

[Find out more](#)

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