



**The professional
excellence pathway**

2021 COMPENDIUM RELEASE: THE ROAD AHEAD FOR CULTURE & CONDUCT RISK IN THE BANKING SECTOR

19 May 2021 - As a leading contributor, FINSIA is pleased to announce the launch of Starling's 2021 Compendium – a comprehensive annual report featuring contributions from 30 global leaders on regulation activities and priorities, providing valuable insight to how the banking industry addresses itself on culture and conduct risk management.

In the report, Chris Whitehead, FINSIA CEO and Dennis Gentilin, FINSIA Acting Head of Standards discuss the 'Why & How' to lift levels of professionalism in the banking and finance industry to embed a system that promotes ethical conduct and a culture that sustains it. They explain why FINSIA recently embarked on a project to develop professional standards for the Retail and Business Banking sectors of the industry and what other initiatives FINSIA might turn their attention to in the future.

In summary, the Compendium reveals the industry is facing a decade of new rules and requirements for non-financial risk (NFR) governance following the COVID pandemic.

As one of the 30 contributors, FINSIA chief executive Chris Whitehead says: "Following the 2008/09 financial crisis we saw a decade-long storm of new financial risk legislative regulation. Post the Covid pandemic we now face a decade of needing supervisory tools and strategies for non-financial risk management to ensure a resilient ethical culture for the banking industry. One of these being FINSIA's Professionalism model."

This same sentiment is reiterated across the Compendium from its 30 contributors with a focus on different models used to assess risk and determine supervisory tools to provide insight on an organisation's conduct and culture.

Mr Whitehead says, "FINSIA has been working continuously with the industry to lift the bar of professionalism to embed a system that promotes ethical conduct and a culture that sustains it.

"Professionalism must be instituted properly - no band aid solutions - for it to be effective across financial services. It develops the people and culture line of defence for non-financial risk governance in the industry.

"Professionalisation is a proven model – like accountants, lawyers, and doctors - to ensure competence and ethical conduct that has the potential to deliver enormous benefits. It can ease legislative and regulatory burdens, contribute to improved customer outcomes, enhance the industry's reputation, and create a sense of pride and belonging among practitioners.

"It is when a community of professionals is successfully established and committed to higher standards that greater self-regulation becomes a real possibility.

"Embracing raised professional standards of competency and conduct with the contribution of professional bodies is the circuit breaker needed to stop the ongoing cycle of scandals, inquiries, penalties, and new regulation.

"Given the central role banking is playing during these unprecedented times, it is crucial everyone in the industry has the right kind of skills, capability and integrity needed to deliver the best outcomes for customers.

"To achieve this the 5 elements (Ethics, Education, Experience, Examination, Entity) of the professionalism model must be put in place first to create a system that promotes ethical conduct and culture – enhancing NFR management for the industry."

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[Link to 2021 Compendium – featuring FINSIA In Focus article \(page 185\), "Professionalism in Australia's banking and finance industry"](#) to learn about the Why and How to lift the levels of professionalism in the banking and finance industry.

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FINSIA — the Financial Services Institute of Australasia, is the professional membership body in Australia and New Zealand for the financial services industry. FINSIA has a heritage of over 130 years of connecting members with industry-leading insights and influential networks, we help members to build their capabilities and advance their careers. While strengthening the professional standing of its members, FINSIA is working to deepen consumer trust by raising standards of professionalism across the industry to deliver better outcomes for the community.