



**Empirical  
Search**

# **Market Update**

**Treasury & Risk Oversight**

**Financial Services**

January to June 2020

**Practical Recruitment Solutions**

## **Introduction**

It seems that every form of communication the last three months has started with a discussion on lockdown and COVID 19, and it's inevitable this market update will also include it. The impacts are well publicised, though if we had one message to share it would be one of continued activity. Whilst approvals to hire have become increasingly more laborious and recruitment volumes decreasing, the market has not had the forecasted 'fallen off a cliff' feeling as some speculators suggested. Opportunities have been spread across the entire market, enough to satisfy job seekers with varying employer preferences ranging from the big and sturdy to the small, nimble and growth players.

## **The Contract market**

The announcement of lockdown not only had an impact on our everyday lives it also directly impacted the go live date for IR35 changes, with a delay to April 2021. Not all businesses dropped tools and reset the alarm for the new deadline and instead decided to continue and adopt the changes they had been long preparing for. It's created a hybrid year for contractors – either pick an employer to satisfy their payment preferences; or adopt accordingly per employer preference, possibly multiple times in the year. A noticeable impact is the acceptance of contracting via a fixed term contract, previously a lesser preferred contracting option. The benefits largely being equal to a permanent employee are now having their real impact. VP and Director level hires have been a popular target for fixed term contracts.

## **The Regulatory space**

Capital and Liquidity regulatory expertise with the ability to report, interpret and then implement updated rules, has been attracting the most attention. It is a clear response to the increased regulatory requirements further emphasised in the pending changes outlined in the new CRD5 and CRR2 rules. There is much to consider with these changes, suggesting increased recruitment across permanent and contract markets. Banks are relying on these extra resources to implement changes such as; calculation engines for new rules; reporting templates as announced by EBA in H2 2019; training the business on new rules, what it means for firms and how to minimise the impact; and more regulatory monitoring of leverage and NSFR as these become binding in June 2021.

Additionally, there is an increased focus to re-assess the robustness of controls and the level of governance that regulatory returns are subjected to, demonstrating a distinct response to notable industry events - the industry-wide Dear CEO letter on regulatory reporting; Citigroup's regulatory fine and potential Section 166 type reviews going forward. Matters of interpretation from policy teams will also need to be reviewed on a more regular basis and subject to increased scrutiny.

And it is not solely related to the banks. The FCA's recent policy paper FG 20/1 – "assessing adequate financial resources" is a new guidance for non-banking financial services (NBFI) for improved prudential regulatory measures. This is similar to the development of bank regulation seen over the last 10 years, effectively a mix of the ILAAP, ICAAP and Resolution Planning. It is a clear step in the direction of replicating the bank regulatory requirements and we feel the NBFI industry will look to benefit from what has been learnt in banking, whilst at the same time presenting career change opportunities for banking regulatory professionals. It is unclear whether these changes will favour the permanent or contract market more, but we will certainly see increased activity either way. We see a continued focus to update and improve which is sending a positive message to all regulatory professionals, especially those who are contemplating moving into a new discipline. The regulation discipline, which has never seen a uniform popular culture like other disciplines, is now becoming increasingly prominent and is certainly proving a better bet to 'safe-guarding' a career against ebbs and flows of corporate restructuring.

### **Fintech / Challenger banks**

There has been a steady flow of recruitment in this market, showing a healthy resilience to the global economic uncertainty, in particular the new payments businesses. Even the pre banking licence community are active, albeit with caution, whilst they seek to complete final funding rounds. Positions in need of particular note have been Heads of Treasury, where the experience of grey or no hairs, has not proven to be the primary perquisite. Its serving as a great platform for the smaller banks 2IC's to step up to the top position, or larger banks middle management to escape the rabbit warren of the corporate title game and enjoy some independence to showcase their skills in a smaller organisation.

### **The candidate market – what is the reaction**

The positive news is strong shortlists are achievable and there is a commitment to move. The pool of immediately available talent has never been stronger. Typically, increased levels of economic uncertainty combined with a forecasted recession will temper the availability of the best people, but this hasn't been as prevalent as we expected so far. The common fear of 'last in first out' still exists and resonates in these markets but not enough to suffocate the availability of good people. Starting a job and building new relationships, all from home, is naturally the cause of some apprehension.

Compensation levels have remained relatively static. Total compensation expectations has decreased with lower bonuses inevitable. Not a surprise given this annual review period overlapped the lead up to, and the initial stages of lockdown. Though this was not a wholesale change, with notable increases seen in base salaries at the junior end – roles at Analyst level requiring up to three years of experience. We have seen an increase of up to 20% on starting salaries here.

### **Qualifications**

What qualification suits Treasury and Risk Oversight professionals has long been a topical debate. In the early reaction to the sub-prime crisis and the increased recruitment for treasury teams, accounting qualifications (ACA, ACCA & CIMA) fared best, largely due the balance sheet knowledge gained. The Chartered Financial Analyst (CFA) and Financial Risk Manager (FRM) have also been deemed as credible qualifications although often as a demonstration of intellect and aptitude as specific technical competence. More recently the introduction by UK ALMA of the CertBALM®, established in 2016, has offered the financial services market the closest aligned qualification and one that is fast becoming the revered one to have. Job requirements now frequently include the CertBALM® as a desired qualification and it has been an easy recommendation for us to give when asked by those seeking an appropriate qualification to support their Treasury or Prudential career.

### **Empirical Search**

On the verge of starting our sixth year and with an extensive record of recruitment success, what we are most proud of is the diversity of our client portfolio. We can share examples of client engagement across all business types within financial services, in the UK and globally. If you are looking to redirect your career or are hiring, please do contact us and we will enjoy sharing what we have learned. Thank you again to those that have either recommended our services or offered to provide testimonials for our work and also those that have fed back their appreciation of our commitment to ensuring delivery and value add on each engagement. We wish you every bit of success in the coming months when life starts regaining a better sense of normality.

For more information please contact:

info@empiricalsearch.com  
+44 (0)203 005 4885



**Empirical  
Search**

Our offices are at:

Empirical Search  
Warnford Court  
29 Throgmorton Street  
London EC2N 2AT

empiricalsearch.com

**Practical Recruitment Solutions**