

An interview with Tony Hanlon, Chief Operating Officer, and Michael Bishop, Head of Wealth Management, at WH Ireland

➤ 'A quick and easy way to tick multiple Consumer Duty boxes'

AUM
£1.8 BILLION

FIRM TYPE
WEALTH MANAGER

CORFINANCIAL SOLUTION
BITA WEALTH

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'A QUICK AND EASY WAY TO TICK MULTIPLE CONSUMER DUTY BOXES'

Having earlier led strategy and change at WH Ireland, Tony Hanlon has been the COO since 2021 with a mandate to further accelerate the firm's transformation from a traditional private client stockbroker to a tech-enabled, data-driven investment house that is maximally empowered to meet Consumer Duty requirements. Implementing BITA Wealth was a 'transformative step' in this direction, reports Hanlon, and one achieved in a very ambitious timeframe indeed.

BITA Risk is known for rapid rollouts, but getting to User Acceptance Testing within just three months does represent something of a new record. This, Hanlon says, was down to three main factors.

On a practical level, the project benefitted greatly from WH Ireland already having a high-quality data feed from SEI Wealth Platform to plug into BITA Risk. WH Ireland moved off of a legacy trading platform in 2020, joining a number of UK wealth managers with similar profiles which have upgraded to the US giant's infrastructure in recent years. 'The data is consistently managed by SEI and we get it delivered reliably via overnight flat files, so once BITA Risk had done the file interpretation that element of the implementation was easy and continues to be so,' Hanlon attests.

Second was the fact that the institution's risk metrics were already very well aligned conceptually with BITA Wealth's out-of-the-box configuration. So, while the BITA Risk team is known in the industry for an indefatigable willingness to customise its products, the tried-

- User Acceptance Testing within three months
- The willingness of BITA Risk's technical team to take an iterative approach to implementation was key to rapid rollout
- From the front office to the boardroom, BITA Wealth is already at the centre of the client experience, compliance and oversight.

and-true quality of its metrics and models – specifically for use in the wealth management arena – reduced the need significantly. As Hanlon recalls, the firm was clear that it needed technology specifically conceived for wealth managers (and so had rejected several more simplistic offerings early on) but even on that basis, BITA Wealth stood out.

BITA Risk now boasts £136bn in client AuM in the UK, driven in no small part by its track record of in helping firms move swiftly to prove immaculate compliance with the new Consumer Duty rules. A wide spectrum of UK wealth managers both large and small have adopted its risk-profiling and monitoring against mandate tools in recent times, and for a similarly broad range of headline business reasons, spanning the need to rapidly harmonise after M&A to ESG and advisor productivity ambitions. Consumer Duty has loomed large for them all, however, as indeed it continues to for the whole sector.

A TRULY 'MEANINGFUL CHANGE'

Its evidencing requirements may be onerous, but Consumer Duty's essence is an entirely uncontroversial (and laudable) demand for the real instantiation of fiduciary duty across the industry, so that *all* investment managers prove their principles and deliver appropriate outcomes for clients consistently and fairly. As Hanlon observes, while holding these principles should be as standard, what the industry is left wrestling with is how to evidence satisfactorily that they do translate fully into practice at every step of multi-year (if not multi-decade) client journeys. The FCA's November 2023 'Dear CEO' letter threw down a warning that supervision will be increasingly 'assertive, intrusive, proactive and data driven' - and that firms must demonstrate they have made 'meaningful changes' to their business, service and proposition, including taking concrete steps to test clients' understanding.

For Hanlon, the move to BITA Wealth has been a 'a quick and easy way to tick multiple Consumer Duty boxes and more', enabling WH Ireland to further enhance its risk-profiling process and optimise all portfolios by progressively bringing them into line with rigorously tested models. Along with BITA Wealth's award-winning portfolio monitoring capabilities this further bears down on risk, but it also demonstrates a commitment to best *value* as the bedrock of best outcomes, he argues.

'It's increasingly difficult to justify the costs of over-engineering for typical clients when the right technology can build and match clients to suitable portfolios so well,' Hanlon observes.

Indeed, the FCA is becoming increasingly impatient with services misaligned with clients' needs, lambasting 'expensive discretionary offerings for low-risk consumers' specifically in its latest missive.

Meaningful reporting and the tricky 'testing clients' understanding' piece are also particularly well served by BITA Wealth, explains Michael Bishop, Head of Wealth Management:

'Managers have been really proactive about using the proposal generation tool to articulate our investment philosophy and set expectations effectively. Ours is a Sharpe ratio argument, meaning our job is to expose clients to an appropriate level of investment risk for their profile in the most cost-effective way.

'BITA Wealth takes care of all of those elements and then when we report, we're able to say with perfect clarity, "We've chosen to expose you to this level of risk, and that's the level of return we've been able to secure for that". Like the FCA, we want clients' investment outcomes to be no surprise.'

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REPORTING WITH PERFECT CLARITY

Hanlon's vision for a fully technology-enabled model with maximum standardisation and automation is still 'a work in progress', but he and senior leadership have been delighted that such great strides have been possible. The third factor driving this rapid rollout was the willingness of BITA Risk's technical team to take an iterative approach to implementation, he says, so that the solution could be rolled out gradually across the business and honed over time to match the cultural evolution also taking place. Yet iterative should certainly not imply any dampening of impact – or enthusiasm. On the contrary, from the front office to the boardroom, BITA Wealth is already at the centre of the client experience, compliance and oversight.

'We've been able to turn off three of our legacy metrics and switch to BITA Risk's for volatility, asset allocation and asset concentration. We're also reporting on a governance basis to the Board using their data,' says Bishop. 'The response internally has been great and we're confident that everyone is really engaging with those metrics now, including clients.'

'All the managers appreciate that this is how their performance will be measured going forward and the dashboard makes it clear where their attention needs to be,' Hanlon concludes. 'For Consumer Duty and beyond BITA Wealth represents an actual solution for us.'

For more information or to discuss how BITA Wealth can truly benefit your business, please contact
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corfinancial provides software solutions and advisory services to banking and financial services organisations worldwide. The firm has offices in London, New York, and Boston.

There are five key problem areas corfinancial looks to solve through its primary software and service offerings:

BITA Risk provides Investor Profiling, Portfolio Analytics, ESG Management and Portfolio Monitoring solutions to wealth managers through the BITA Wealth application. Available as individual modules or as an end-to-end solution.

SureVu empowers buy- and sell-side firms to efficiently monitor and track security trades throughout the settlement lifecycle, enabling users to proactively manage and oversee settlement exposure.

salerio is a post-trade processing solution that enables asset managers, hedge fund managers and securities/fund services firms to automate the flow of securities and treasury trades from matching through settlement.

costars is an investment administration platform for third party administrators, fund supermarkets and wealth management companies.

paragon is a comprehensive front-to-back office fixed income portfolio accounting, processing, and reporting solution for banks.

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paragon.

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SureVu.

Tracks security trades throughout the settlement lifecycle to manage settlement exposure.

salerio.

Automates the flow of securities and treasury trades from matching through to settlement.

costars.

Retail fund/transfer agency solution providing end-to-end administration for collective investments.

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