

# FCA sets out expectations for hybrid working

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Many firms that have been operating remotely during the pandemic are putting hybrid working arrangements in place.

Last week the FCA set out its expectations of these firms: <https://www.fca.org.uk/firms/remote-hybrid-working-expectations>.

The key points are:

- Firms should notify the FCA/their supervisor of their proposed hybrid working arrangements
- Firms should prepare a written plan that identifies relevant risks and shows how the firm will ensure remote/hybrid working will not compromise its ability to meet regulatory requirements
- Firms only need to provide the plan to the FCA on request
- The plan should be reviewed by the Board, Exco or equivalent before arrangements are finalised and periodically thereafter
- The plan should consider, amongst other things:
  - Impact on culture (wellbeing, morale, communication, training, D&I etc)
  - Impact on Senior Manager oversight/control and effective delegation
  - Data protection (e.g. removal of hard copy materials from the office, printing at home, destruction of documents, remote IT access using only approved equipment)
  - Operational and legal risks from working from abroad (e.g. supervision, impact on certification, cross border data transfer issues, compliance with local H&S laws, access to employee benefits, and tax)
  - Financial crime risks (e.g. that relevant policies, procedures and training continue to be cascaded and monitored)
  - Control functions can continue to carry out their roles unaffected (e.g. internal audit's access to the business etc is not impeded)
  - The firm's ability to continue to meet regulatory requirements (e.g. call recordings, order and trade surveillance, consumer access to services, record keeping)

A robust plan will help show that the firm and its Senior Managers have taken reasonable steps in the event of an investigation. A Senior Manager should be given responsibility for overseeing implementation of the plan. Those tasked with preparing a draft will need to consult Senior Managers to identify key risks and proposed solutions. It will take time for firms to fully understand what type of arrangement will work best for them and their employees. The arrangements they put in place now should therefore be flexible enough to enable firms to make changes in future.

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