



FINTECH COMPLIANCE MANAGEMENT SURVEY

Forward

From managing complex regulatory obligations efficiently to maintaining high standards of accuracy and governance, today's compliance teams face an increasingly challenging job.

To better understand how businesses are responding to these demands, My Compliance Centre conducted an in-depth survey focusing on regulated fintechs operating in the payment services and e-money sectors. The objective was to benchmark how these firms are managing their regulatory compliance functions and explore how technology is currently being used — or could be more effectively leveraged — to strengthen capabilities.

The insights in this report reflect responses from a diverse range of firms, with varying business models and customer bases. The breadth of data has allowed us to draw out common challenges, emerging trends, and practical opportunities to enhance compliance operations.

At My Compliance Centre, we want to make governance, risk, and compliance simpler, smarter, and more effective. This report offers clear, actionable insights that compliance professionals and business leaders alike can use to inform their regulatory roadmap for the years ahead.

Table of Contents

1. Executive Summary	03
2. Regulatory Context	04
3. Survey Summary	05
4. Enhancing Compliance With Technology	09
5. How Does The Survey Relate To The FCA's Agenda?	12
6. Alignment With Industry Research	15
7. About My Compliance Centre	16

Executive Summary

This report provides regulated fintechs in the payment services and e-money sectors with a benchmark for evaluating their compliance operations and planning future strategies.



It draws on survey data from a diverse group of firms, ranging in size and business model, to assess how compliance is currently managed and where technology is being used to enhance performance. The report also includes insights from a recent industry compliance technology webinar and three live polls conducted during that session.

The headline insight is clear:

There is a strong alignment between the key challenges faced by compliance teams, the technology gaps identified by firms, and the regulatory expectations outlined by the Financial Conduct Authority (FCA).

This convergence presents a rare strategic opportunity: firms that address their compliance tech gaps can simultaneously resolve operational inefficiencies, improve audit readiness, and strengthen governance in line with the FCA's priorities.

Importantly, these findings are reinforced by independent industry research. Studies by PwC, Deloitte, and GRC 20/20 all confirm that investment in compliance technology accelerates decision-making, enhances risk management, and delivers strategic value well beyond regulatory box-ticking.

For firms in the payment services and e-money sectors, the case for automation and integration is now both urgent and compelling.

Regulatory Context

The regulatory context for the payments industry is clearly laid out in the FCA's "Dear CEO letter". While the regulator emphasises different areas for attention, the phrase that is repeated three times in the Dear CEO letter is this



"You should ensure that your firm's governance arrangements and systems and controls, including reporting mechanisms, are effective and proportionate to the nature, scale, and complexity of your business, and the risks to which it is exposed."

At the end of this report, we identify how the results of the survey can be used by regulated firms to address this ongoing FCA concern.

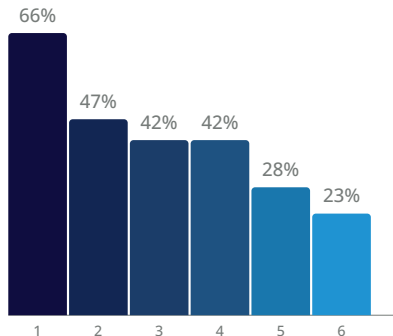


Survey Summary

What are the biggest challenges facing regulated fintechs' compliance teams?

The survey asked respondents to nominate their top three compliance challenges. There were some common themes in the responses.

Proportion of firms reporting the top compliance challenges



1. *Manual processes*
2. *Keeping up with regulatory changes*
3. *Limited resources*
4. *Balancing compliance and business objectives*
5. *Senior Management understanding/awareness*
6. *Reporting and audit readiness*

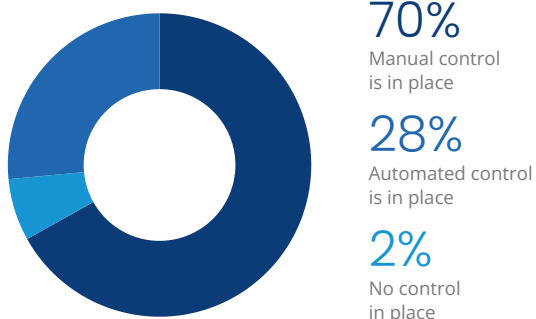
By far the greatest challenge facing compliance teams is “managing manual processes”, with 66% of compliance teams seeing this issue as a top challenge. Second was “keeping up with regulatory changes” (47%), “limited resources” (42%), with “balancing business and compliance objectives”, also at 42%; (it would be interesting to evaluate that response further!)

Only two more challenges received an above 20% response, namely “senior management understanding” and “reporting and audit readiness”.

Automation of Compliance Controls

The survey listed 22 different compliance risks where firms might have a compliance control in place to manage that risk. The survey asked respondents to assess whether they had no process, a manual process or an automated process. The following points summarise the responses:

Of the 22 compliance risks identified in the survey, across all respondents, how many have an automated control in place?



- ✓ Generally, respondents have a control in all areas; only 2.1% of the time was a control not present.
- ✓ 28% of compliance processes are automated and 70% are manual.
- ✓ Consumer Duty was the only compliance process in which zero firms have introduced automation. This is easily explained: Consumer Duty touches on many different areas of the business and involves complex management processes, different data sources and completely different processes for every firm. Full automation is some distance away.
- ✓ Aside from Consumer Duty, at least 9% of firms have automation in all compliance risks, with the exception of managing Conflicts of Interest (which is fully understandable given the low volumes of conflicts most firms have to manage)



- ✓ As might be expected, the processes that are most automated relate to financial crime: sanctions and transaction monitoring (86%), KYC and customer risk assessment (72%), fraud (64%). Compliance training also scored highly at 59%.
- ✓ Away from those processes, for most firms, compliance management is manual. Only a few leading firms have automated the majority of compliance processes. The compliance area with the most firms that have no controls at all was financial promotion approvals.

(It is possible this just reflects business models with a low requirement rather than weak compliance)
Second was horizon scanning and product governance, both with 9% of firms with no process at all.

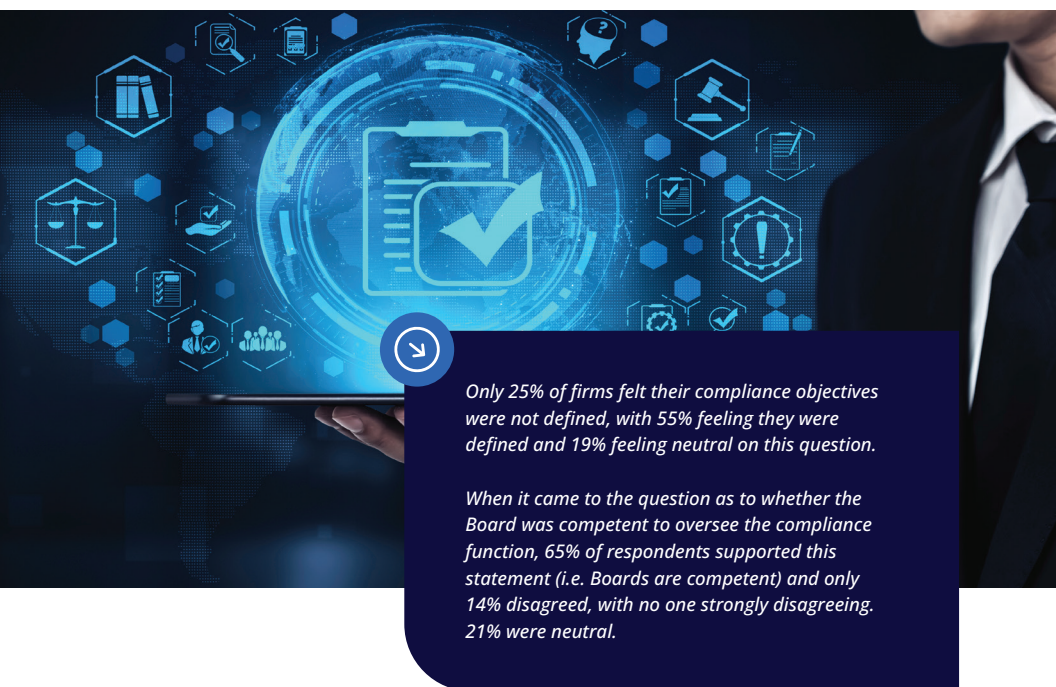
Other Observations

The survey also unearthed a number of other relevant data points supporting the general theme of how payments firms manage their compliance functions:

- ✓ Despite approximately 70% of compliance processes being operated manually (which generally implies firms are using Excel as a primary tool for those processes) only 4% of respondents believed their compliance function contained advanced Excel skills. This might reflect the fact that “intermediate” skills are good enough or that some people are very modest when assessing their skills. This may be considered a surprise given that 70% of processes are being run on Excel.
- ✓ Aligned with the result mentioned above (that manual processing is the biggest challenge facing compliance teams) 82% of respondents say they routinely spend time on important but inefficient work due to the tools used.
- ✓ 36% of respondents measure the cost of compliance to their companies. This is an interesting exercise to do and, of course, the FCA itself has a statutory obligation to reduce the cost of compliance. It would be very interesting to evaluate the measurement methodology firms use to establish the cost of compliance and to understand what is done with this information once calculated.

What did the webinar polls tell us?

In a recent compliance technology webinar we asked attendees three questions via interactive polls. The first two polls were provocatively phrased, and intended to assess whether firms were properly targeting and overseeing their compliance functions. Respondents had the opportunity to anonymously criticise their Boards. However, they didn't take the bait!



Finally, we asked delegates what was preventing them implementing more technology within their compliance function. Overwhelmingly, the response was “budget” (92%). Conversely, only 8% identified “couldn't convince the Board” as preventing them from investing more in technology. It is tempting to suggest that budget and not being able to convince the Board are the same point as the Board allocates budget.

This goes some way to reinforcing the perennial challenge for compliance teams: proving value in what is essentially the business of managing risk over the long term.

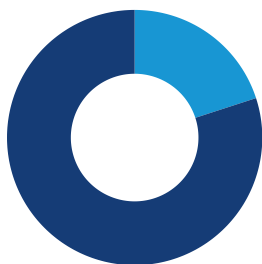
Other notable reasons for not implementing more technology were “time”, “implementation risk”, “not convinced of the benefits” and “awareness of solutions” – all receiving 30-40% response levels from delegates.

Enhancing Compliance With Technology

What are the opportunities for payment services firms?



The survey results make it clear most regulated fintechs could significantly enhance their compliance management with automation. Here are some suggestions:



82% 18%

Yes No

- Overall, given that a massive 82% of respondents say they routinely spend time on important but inefficient work due to the tools used, it would seem there is a strong opportunity to implement better technology tools to support automation.
- The FCA sets out its opinion of the regulatory priorities facing the industry in its Dear CEO letters. There is a very strong opportunity for the payments industry to use technology positively to address the FCA's ongoing concerns. These opportunities are laid out in the next section.



- ✔ A prime target for improvement is horizon scanning. This assertion is made by triangulating three related data points in the survey:
 - Manual processes are the biggest compliance challenge in the industry, followed by keeping up with regulatory changes (i.e. horizon scanning)
 - 82% of firms say they are inefficient in their management of key compliance tasks
 - Only 10% of firms have introduced automation to their horizon scanning

Given all of the above, it would suggest that horizon scanning could be very significantly improved if automation was introduced. It is also emphasised that horizon scanning in itself is only part of the problem – programme management and coordinating the required operational changes are also part of the challenge. Overall, given the huge AI driven improvements that are underway for horizon scanning and regulatory change management, this seems an obvious area of focus.

- ✔ Generally, given the data points mentioned above, it is likely that most firms will have other improvements that they can make to their compliance processes currently operated manually. While the specific benefits might vary by firm if we were to generalise, it seems likely that the other areas with the greatest pay off are Compliance Monitoring, Risk Management, Customer File Reviews, Incident Management and Financial Promotions.
- ✔ The strategy for sourcing compliance technology should also be considered. Very often, there is a choice between buying a “best of breed” single-function tool for risk management, for example, or an integrated tool which addresses a wider range of functions in one place. By way of example, a market-leading risk management solution is likely to cost significantly more to source than a mid-market risk and compliance management solution addressing 15 different processes.
- ✔ There is no right or wrong answer, it will depend on each company's budget, priorities, risk profile and risk appetite.



- ✦ There is a strong case for full integration of different compliance processes. For example, if your compliance monitoring system “speaks” to your incident and breaches system, then managing breaches identified in monitoring becomes easier. If your horizon scanning system has easy access to your document library then suggesting changes to policies as a result of regulatory changes becomes much easier. If your registers system is linked to your boards and committees system then giving the risk committee integrated access to the relevant risk, controls and other registers and MI becomes much easier. And so on.

While this point was always true, the advantages to be gained from integration in an AI-enhanced world will keep increasing.

- ✦ Finally, Excel. Let’s look at the information to hand: 70% of compliance processes are manual/Excel based and only 4% of firms have advanced Excel skills available to them.

This suggests that either firms should get better at Excel or stop using it. Given all the challenges associated with using Excel, this is something to be strongly considered.

How Does The Survey Relate To The FCA's Agenda, As Laid Out In The Dear CEO Letter?

Let's take the following overarching paragraph from the FCA's Dear CEO letter and evaluate what it means and how this relates to the survey.



"Ensure that your firm's governance arrangements and systems and controls, including reporting mechanisms, are effective and proportionate to the nature, scale, and complexity of your business, and the risks to which it is exposed. Your arrangements should provide effective and independent challenge to business and operational decisions, with non-executive directors playing a crucial role."



The FCA is being explicit in terms of its opinion of the industry's governance arrangements. Here are some changes that firms could make to address this concern which also align with the survey's findings.



Risk Assessment

To establish proportionality, ongoing risk assessment is required. It's true that this can be done manually and all risks must be carefully assessed by an accountable human being. However, by managing risk registers within a system, significant benefits can be achieved. This includes automated reminders for renewals of risk assessments, full transparency of the risk status to all stakeholders and full support for the FCA's requirement for better reporting. Automating risk management offers very significant improvements over manual processing.



Independent and Transparent Oversight

Technology facilitates robust governance by delivering clear audit trails, automated reminders, and transparent monitoring of control effectiveness, thereby enhancing independent oversight and effective challenge.



Board Automation

Firms that take their Board processes online can easily demonstrate a stronger governance process. The systems described in the paragraphs above provide a robust audit trail and management information for the relevant committees and Board to review and challenge. Board automation systems can integrate with these results and show how the Board is overseeing, challenging and enhancing compliance.



Efficient Compliance Monitoring

86% of firms are still using manual processes to manage compliance monitoring.

By systemising compliance monitoring in particular, firms can address numerous of the FCA's observations on governance. Compliance monitoring in payments firms is a cross-company activity. By having all the results from monitoring regulatory risks recorded centrally, ideally in the same system as the original risk register, firms can demonstrate effective risk management, reporting, governance and oversight of regulatory risks.



Accountability

Central to effective governance and oversight is accountability. Accountability takes a number of forms: accountability for Board or committee effectiveness; accountability for functional areas and outcomes; accountability for owning, assessing and mitigating specific risks; accountability for monitoring the effectiveness of controls and responsibility for remedial actions.



Effective compliance management systems give full transparency of all of these areas of responsibility, significantly addressing the FCA's governance and accountability concerns.

FCA's Strategy:

Overall, the FCA itself is under significant pressure to make compliance easier. And what is its response?

In amongst other actions, the FCA is using technology to simplify doing business with it in a variety of different ways, so regulated firms have a more automated, seamless and simpler interface with them. Examples are the creation of the MyFCA portal and bringing online paper forms such as Form A and Form B. It is expected that this theme - using technology to make compliance more effective and efficient - will continue over the next few years.

Alignment With Industry Research

The findings of this survey are strongly aligned with broader industry research into the role and value of compliance technology across financial services.

Recent studies, including PwC's 2025 Global Compliance Study, Deloitte's Financial Services Compliance Report, and the GRC 20/20 Research Benchmarking Survey, consistently highlight the following trends:

01

Compliance technology enhances decision-making

46% of organisations reported faster or more confident decision-making due to their use of compliance technology (PwC).

02

Manual processes create inefficiency and risk

Firms relying on spreadsheets and email to manage core compliance processes consistently report higher operational risk and lower audit readiness.

03

Investment in GRC tech delivers strategic returns

Beyond cost reduction, firms with integrated compliance platforms are better able to meet regulatory expectations, demonstrate accountability, and support Board-level governance.



This triangulation reinforces the central message of this report: there is a compelling opportunity for firms in the payments and e-money sectors to leverage technology to close compliance gaps, reduce risk exposure, and align more closely with regulatory expectations.

The survey results, while drawn from a specific population, reflect a broader industry reality — that investment in compliance technology is no longer optional for firms seeking to manage risk effectively and scale with confidence.

About My Compliance Centre

My Compliance Centre is a comprehensive compliance management platform designed specifically for regulated financial services firms. Created by compliance professionals with first-hand experience of the specific challenges highlighted by this survey, My Compliance Centre transforms compliance management from a burdensome administrative task into a strategic, insightful process.

By centralising compliance tasks into an integrated, user-friendly platform, My Compliance Centre allows firms to automate and streamline numerous compliance processes, including compliance monitoring, horizon scanning, risk management, file reviews, incident management, financial promotions, and more.

Key benefits of My Compliance Centre include:

01	Efficiency Gains	Significant reduction in manual tasks, freeing valuable compliance resources.
02	Alignment with the FCA's agenda	My Compliance Centre supports regulated firms comply with the FCA's agenda.
03	Enhanced Accuracy and Audit Readiness	Automated workflows and audit trails ensure accurate, real-time reporting and seamless audits.
04	Improved Management Information	Immediate access to clear, insightful MI, enabling informed decision-making at the Board and operational levels.
05	Rapid Implementation	My Compliance Centre can be fully operational within just a few weeks for most medium-sized firms, minimising disruption and delivering quick wins.
06	Integration and Flexibility	My Compliance Centre's modular design allows enhancing operational effectiveness and enabling firms to adapt quickly to regulatory changes.

My Compliance Centre delivers compliance excellence, aligning regulatory needs with business strategy to protect firms, reduce risks, and empower compliance teams to focus on strategic initiatives.

Contact us

If you'd like to discuss the survey report findings
then please get in touch.



Ben Mason

My Compliance Centre Limited

Email: ben.mason@mycompliancecentre.com

Tel: +44 (0)20 8017 8273



www.mycompliancecentre.com