Welcome and introduction
Hello and welcome to today’s FCA RegTech Forum on our approach to regulatory innovation and SupTech. I’m Jessica Rusu, the Chief Data, Information and Intelligence Officer at the FCA. My role is to ensure that we as a regulator leverage data science, digital technologies, and intelligence capabilities to keep pace with the technological changes that are transforming financial services.

In short, a data-driven industry needs a data-led regulator.

Events like today’s are crucial in our ability to do just that. Engagement with the people at the coal face of innovation and new ideas are important for us to both understand the changes taking effect in the market, and to be inspired in how we ourselves can continue to undertake our own transformation programme.

I want to personally welcome our diverse audience, which spans:

- financial services institutions
- RegTech and FinTech start-ups
- technologists
- academics at the bleeding-edge of emerging technology
- fellow regulators from both here in the UK and across the international community

We all have a shared interest in exploring new ideas, adapting to change, and harnessing data and technology for the benefit of consumers and society.

FCA’s Data Strategy
Today I wanted to share with you my plans for driving ‘innovation’ at the FCA.

Across the Data, Technology, and Innovation division, we are investing heavily in the skills and technology foundations that will make the FCA a regulator fit for a digital future. For many years the FCA has been increasing its use of data. This year we are seeking to achieve a step change on that journey. We are working incredibly closely with colleagues across the FCA building digital regulation bottom up and top down.

Our work programme stretches from fast-paced innovation driven by data science projects to strategic programmes including the build out of a new Digital Unified Intelligence Environment that fundamentally re-imagines how we collect intelligence, analyse data, and take action in a more joined up way.

We are using a customer mindset in partnering with the business teams in policy, enforcement, and supervision. We are performing user journey mapping to understand the key challenges faced in their roles, and identifying data and technology solutions to enable proactive and assertive regulation.
Underpinning the Data Strategy is the cultivation of a spirit of innovation, of which I believe there are 3 key ingredients: (1) culture (2) experimentation and (3) collaboration.

1. **Culture**
   Building a diverse and inclusive culture is an imperative to create the environment that is receptive to new ideas – an environment that has not only the necessary skills, but also the agile mindset to adapt to change. An organisation that is bought-in to continuous transformation will welcome innovation.

I am committed to attracting a diverse and talented team to deliver digital transformation at the FCA. Whilst we’re already having a competitive graduate programme, you will see us expanding our recruitment of data scientists, cloud engineers, and DevOps teams – people who can think outside the box and come at long-standing challenges with new ideas.

Creating and encouraging diversity of thought and experience will allow us to be a more adaptive and innovative regulator – able to constantly learn and adjust in response to changes in market conditions. This new culture will drive innovation.

2. **Experimentation**
   The second element we see as key to enabling innovation is to encourage experimentation.

We understand that the majority of innovation in the market is being driven by technology and that supporting early innovation is about supporting experimentation. We need to provide digital services that allow firms to experiment and regulators to understand those changes.

Our Digital Sandbox initiative is an example of us experimenting and iterating our approach to ensure that our market offering remains fit-for-purpose.

Access to data is key to the development and testing of new approaches and solutions. However, financial data is highly sensitive and often difficult to access. The Digital Sandbox seeks to address this challenge by providing innovators with access to synthetic and anonymised data sets, alleviating the data access challenge and in turn stimulating new innovation – we are still iterating the concept, and will be continuing to work with industry and academia in the year ahead.

A second area where we continue to experiment and iterate is our TechSprint model. We recently held our first ‘SupTech’ TechSprint focused on building tech solutions to overcome challenges faced by regulators in monitoring [environmental, social and governance] ESG data and disclosures.

With ESG, we are entering a new area of regulation. It has an impact on everyone. We want to work together to ensure we have the best possible tools to help us achieve the UK’s net zero ambitions.

This spirit of experimentation and innovation will continue to underpin the TechSprint programme as we evolve to support the policy and supervisory challenges that lie ahead.
3. Collaboration
The third key element of innovation is collaboration. The importance of us working with you in the audience on shared challenges facing the financial services industry. As Nikhil Rathi, our CEO recently said, ‘only by working with others can the FCA be the organisation we want’.

Our innovation culture will be influenced by our external network, and collaboration with some of the most innovative firms, academics, and industry forums in building the future of regulation.

This is what we refer to as the ‘RegTech-SupTech bridge’, ensuring that we as a regulator leverage the same techniques as in industry to prevent harm, tackle poor practice, and support innovation and growth.

In my team, we have witnessed first-hand the importance of collaboration in driving innovation. Engagement with the RegTech ecosystem provided us expertise and inspiration for many projects undertaken by the Advanced Analytics team, including web-scraping, network analytics and agent-based modelling for synthetic data.

Similarly, working closely with the RegTech sector on Digital Regulatory Reporting allowed us to experiment, learn and make progress in areas we would have struggled to access, at a pace we could not have delivered with our own resources.

We are also increasingly focused on forging partnerships to accelerate our learning. For example, The Turing Institute played a key role in our 'DataSprint' – our first foray into the field of synthetic data, while the Global Open Finance Centre of Excellence (GOFCoE) has played a crucial role in providing further data expertise throughout the Sustainability Cohort of the Digital Sandbox. We’ve also worked with the Alliance for Innovative Regulation (AIR) to amplify the impact of our Global AML and Women’s Economic Empowerment TechSprints. We’ve collaborated with the City of London throughout the Digital Sandbox initiative and, finally, we’ve also worked with FinTech Scotland on our Sustainability TechSprint.

To me this spirit of collaboration and working together is vital. The recognition that no organisation alone contains the required knowledge, expertise and perspective to overcome some of the intractable challenges that we face.

Conclusion
And it is this spirit of working together that brings us here today. Only by sharing ideas and experience, forging new relationships and thinking about things in a new way can we become the innovative and adaptive regulator we need to be.

Thank you very much and I hope you enjoy the rest of this event.