



COMPLIANCE  
PROFESSIONALS

August 2020

# Salary Survey

Compliance and  
Financial Crime

# WORD FROM THE MD

## **At the start of the year we put together our annual salary surveys for the UK compliance and risk markets where we took into account data from 2019.**

At the turn of the year what no one could have predicted was that the world would enter into a global pandemic impacting not only our personal lives but also our careers and our ways of working too. Considering this, we have decided to provide you with an update on where the UK compliance and financial crime market stands after the first half of 2020 as well as what we predict for the next 6-12 months.

In the UK, the government has tried to prevent mass job losses with the introduction of the government furlough scheme, however this has not come without a cost. At the end of June 2020, there were 9.3 million jobs furloughed in the UK at a cost of £25.5 billion. It is expected that this cost will weigh heavily on the economy for many years to come, with undoubted increases in tax.

The impact of COVID-19 was felt through the whole of the financial services sector both in the UK and globally. In the UK finance and insurance industries 41% of potential employers utilised the government furlough scheme which accounted for 73,700 people being furloughed by the end of June 2020. This equates to 7% of potential jobs being furloughed at a cost of £246m. However, when compared to other sectors such as the construction industry, which had 59% of jobs furloughed, it shows how robust the financial services sector has been to the initial impact of COVID-19.

Although thankfully the volume of redundancies and positions furloughed has remained relatively low in the UK financial services space, there has been a significant impact to the job market.

Compliance Professionals recorded a 62% decrease in compliance and financial crime vacancies registered when comparing Q2 2020 to Q1 2020.

Working from home became the norm overnight and pushed firms into new ways of carrying out business which previously might have taken 5 to 10 years to implement. More conservative firms who previously would not have permitted working from home had to adapt within a matter of weeks. Following on from this, a Willis Towers Watson survey of nearly 1000 employers found that only 15% of firms felt that working from home had affected employee productivity. However, working from home hasn't been without challenges both for work and from a mental health point of view; not only have we had to share working spaces with family and balance home-schooling, but we also have had to adapt to both living and working at home. As a result of this a recent survey by YouGov showed that 45% workers expected their firms to offer more flexibility when it came to working from home.

For people looking for employment in the compliance and financial crime fields there are positive signs. The regulatory challenges have not decreased, and although firms have adapted and implemented new processes, many teams we've spoken to have reported that the increase in workload will drive the need to hire further staff. Throughout the lockdown period the Compliance Professionals team has been working hard both advising clients on virtual interview strategies and onboarding as well as matching many candidates with their new employer.

I hope you find this report useful. If you have any feedback or would like to input into any future reports please email me at [marcus.courtney@complianceprofessionals.co.uk](mailto:marcus.courtney@complianceprofessionals.co.uk)

# OUR SERVICES

In an ever-changing recruitment market, Compliance Professionals delivers a dedicated and specialist recruitment service for both UK employers and candidates specifically focussing on the compliance and financial crime space. We help build out teams, source specialist individuals and provide an end to end recruitment service for both permanent and contract staff.

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## WHY US?

With 15 years+ market knowledge and experience, we have the insights that set us apart from other firms in the industry. With this experience, we have earned the trust of both our clients and candidates, which means that we have the industry's top talent and leading firms working with us. Our consultants can offer you a tailored, bespoke service to match your every hiring need and requirement, whether you are looking to grow out a team or to find a niche specialist to help with a particular project. From a candidate perspective, our consultants are here to help guide you on your job-hunting journey and provide you with the best next step in your career.

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**35%** of our business was contract in H1 2020.

**8%** was the average salary increase for candidates joining a new employer.

# INTRODUCTION

**Welcome to the Compliance Professionals mid year salary guide for 2020. Our experienced consultants have gathered their industry insights and analysis of the financial services compliance market to bring you this pack.**

We hope that this report will be an informative guide for both our clients and candidates, whether to plot growth strategy, understand what is happening in the market or to look at remuneration benchmarking.

Please note that the research for this paper was carried out for the first half of 2020. Given the unprecedented nature of the COVID-19 outbreak and uncertainty it continues to bring, we only make predictions on what the future holds for compliance recruitment trends.

As part of our work as your dedicated compliance recruitment specialists, we carry out constant market research through attending virtual seminars, writing blogs and engaging with our clients on a regular basis. This research continues to keep us at the forefront of compliance recruitment and as one of the UK's leading specialist firms.

## OVERVIEW OF COMPLIANCE RECRUITMENT

The COVID-19 outbreak has significantly impacted regulated firms. The FCA and PRA were quick to recognise this and looked at how they could help firms to cope. There has been a delay in regulations in the financial services space, examples of this include the extension to SMCR implementation periods for solo regulated firms as well as extensions on some regulatory reporting deadlines such as SUP Handbook returns. However, despite these extensions, this has not significantly reduced the workload placed on compliance teams and they continue to feel the pressure placed on them.

After a slow start in January, we saw positive signs as recruitment volumes increased in February and early March. However, as soon as lockdown commenced, 80%+ of our live jobs were frozen and the new job flow was almost reduced to zero. Compliance Professionals saw new vacancies decrease by 34% between H1 2020 and H1 2019. However, what was more startling was the 62% drop in new vacancies between Q2 and Q1 2020. This was clearly a result of COVID-19, with firms facing cuts in budgets as well as feeling uneasy about hiring without having face to face meetings with future employees.

Over the lockdown period firms have had to adapt their hiring strategies and put more trust in their screening processes when onboarding people remotely.

If we look to our candidate registrations, Compliance Professionals have recorded a decrease of 11% when comparing H1 2020 to H1 2019. We have seen an increase in applications from candidates in the AML space, and in particular candidates focussing on KYC/CDD/EDD. However, we have seen a decrease in applications from the wider compliance market as candidates have preferred to ride out the market uncertainty in their current companies.

In terms of the contingent workforce, temporary contract jobs made up 35% of our business in H1 2020 which is in line with what we saw in 2019.

Across the Compliance market, the average salary increase in H1 2020 was 8% for candidates accepting a new position. This is significantly down on 2019 where the average increase was 19%. Once again, pressures placed on firms' budgets due to COVID-19 has meant that there has been little room for pay rises and candidates have recalibrated their expectations.

## BUY SIDE TRENDS:

- In terms of the buy side compliance recruitment market, there has been a significant drop in vacancies. H1 2020 v H1 2019 saw a decrease of 43% and Q2 2020 v Q1 2020 saw a drop of 58%.
- Permanent salaries have remained relatively flat during H1.
- Advisory candidates are still very much sought after. The most buoyant area of this skill set is the £70k to £100k salary bracket where candidates are very much in demand.
- There has been increase in positions requiring financial promotions experience on the buy side, and this is at all levels.

## SELL-SIDE TRENDS:

- In terms of the sell side compliance recruitment market, there was also a significant drop in vacancies. H1 2020 v H1 2019 saw a decrease of 28% and Q2 2020 to Q1 2020 saw a more marked drop of 64%.
- Monitoring, surveillance and generalist candidates remain in demand at all levels.
- There has been a significant drop in KYC/CDD/EDD positions in H1 which has led to an abundance of candidates. This surplus of candidates has created a drop in rates which means people in extreme cases are now considering 30 to 40% less than previously. This area of the compliance/financial crime market is the only space so far where we have seen a significant change in compensation.

## FINTECH

- The fintech market has certainly shown more resilience than the more traditional financial services firms during the COVID-19 pandemic. Although overall funding is down there have been several large funding rounds during H1 2020 which has driven recruitment across the board, not just in the compliance and financial crime space.
- H1 2020 v H1 2019 saw a decrease in vacancies of 14% and Q2 2020 v Q1 2020 saw a drop of 28%.
- The focus for hiring remains in the financial crime space, where candidates are highly sought after at all experience levels but predominantly mid to junior. The salaries in the Fintech space still trail behind the traditional banking sector.

## TEMP/CONTRACT RECRUITMENT TRENDS:

- As a result of COVID-19, the temporary and contractor market saw the postponement of IR35 until 2021. Unfortunately, the delay to the regulation came too late and by March 2020 many contractors were out of work. The postponement from April 2020 to April 2021 was a short reprieve for some contractors/teams who wanted to continue utilising the services of a Personal Service Company. However, the subsequent acceptance in Parliament on the 1st of July 2020 of the Finance Bill now means almost certainly that the rules will be implemented in April 2021. By tabling an amendment, MPs had hoped the changes could be delayed until the 2023 to 2024 tax year, but they were defeated by 317 votes to 254. As of April 2021, this will mean the IR35 status will be determined in the majority of cases by the company engaging the worker. Some firms who had planned a strategy in readiness for April 2020 have maintained their stance on PSC's even after the rules were not implemented in April 2020 meaning they are ready for the implementation in 2021.
- Looking forward, for those firms who haven't finalised their contingent workforce strategy, time is now of the essence if they want to retain and attract the best talent. It is worth noting that generally after a recession or economic shock the contract recruitment market is generally the first pick up so readiness is the key.

## FUTURE TRENDS:

- Although the spotlight has been on the pandemic for the past months, the Brexit implementation date on 31st December is now just around the corner. With this in mind, and with the likelihood of a hard Brexit we have seen more firms looking into hiring in mainland Europe and Ireland and we expect this trend to continue for at least the next 6 months. That said, our UK clients are not stating Brexit as a reason affecting their hiring, but instead putting the emphasis on COVID-19 and the impact that it is having on the economy.
- Our analysis shows that September will be a key month in the financial services recruitment space. Subject to no second wave, we should see schools returning which will allow firms to increase their physical headcount in their offices with over 50% of firms saying they will have 10 to 30% of staff returning to the office.

Some firms are looking to do this on a rotational basis while others have looked at it on a voluntary basis to accommodate individuals who have been unable to or struggled to work from home.

- In September we expect to see a new wave of activity as firms restart their previously frozen hiring processes as well as releasing new roles to help with the regulatory demand. We expect recruitment volumes to gradually increase through H2 2020 but don't expect any significant uplift until H1 2021. This is on the assumption that there isn't a second wave and employers follow through with plans and have a higher percentage of people back in the office.
- Although in general we expect salaries to plateau, we could see upward pressure on base salaries for niche roles as candidates are not expecting good bonuses to return until at least 2023 and are looking at base salary rather than bonus to compensate for the risk of moving.
- In terms of the contingent market, we anticipate contract vacancy volumes to increase over the next 6 months as teams look to manage their workload whilst under

the restraints of permanent headcount freezes. It is too early to predict whether the implementation of the new IR35 rules may slow the contract market in Q1 2021 or whether demand will remain robust for the reasons outlined above.

- In conclusion, firms looking to hire now will need to have a strong recruitment process to attract the best talent. They will need to articulate a clear strategy on Brexit, COVID-19 and post-COVID-19 and what it means for their employees as we are already seen candidates doing more in-depth due diligence and research on potential employers prior to accepting offers of employment. Salary and career prospects are no longer the only main drivers. COVID-19 has led many people to reassess their lifestyles and look for employers who can satisfy not only financial and career ambitions but also address the work life balance and allow flexibility in terms of where and when people complete their work. Looking forward employers who insist on the 9-5 in the office, 5 days a week are likely to miss out on some of the best talent.

# REMUNERATION GUIDELINES

*Please note that these figures are based on base salary only and data collected in H1 2020.*

Corporate Banking/Wholesale Banking/ Broking/Stockbroking/Private Banking/ Exchanges/Fintech	Basic Salary	Daily Rate
Compliance Assistant	£30,000 - £45,000	£180 - £250
Compliance Analyst/Associate	£40,000 - £50,000	£200 - £350
Senior Compliance Analyst/Associate	£45,000 - £60,000	£250 - £400
Compliance Supervisor	£60,000 - £75,000	£300 - £450
Compliance Manager /Senior Compliance Officer	£75,000 - £90,000	£400 - £600
Deputy Head of Compliance	£90,000 - £110,000	£500+
Head of Compliance (SM16 registered roles)	£120,000+	£700+
Global Head of Compliance	£160,000+	£1,500+

**TOP 3 MOTIVATORS:**  
FLEXIBLE WORKING, MONEY, CAREER PROGRESSION

# REMUNERATION GUIDELINES

Please note that these figures are based on base salary only and data collected in H1 2020.

**IR35**  
delayed  
until April  
2021.

Investment Banking	Basic Salary	Daily Rate
Compliance Assistant	£33,000 - £45,000	£200 - £300
Compliance Associate	£45,000 - £55,000	£250 - £350
AVP/Manager	£60,000 - £85,000	£300 - £500
VP/Senior Manager	£75,000 - £120,000	£450 - £600
Director/Deputy Head of Compliance	£115,000+	£700+
Head of Compliance (SM16 registered roles)	£140,000+	£800+
Global Head of Compliance	£180,000+	£1,500+

Asset Management	Basic Salary	Daily Rate
Compliance Assistant/Analyst (1/2 years)	£35,000 - £50,000	£200 - £250
Compliance Associate	£45,000 - £65,000	£250 - £350
AVP/Compliance Manager	£60,000 - £80,000	£350 - £500
VP/Compliance Manager	£80,000 - £120,000	£500 - £750
Head of Compliance	£130,000 - £180,000	£750 - £1,200
Global Head of Compliance	£180,000+	£1,000 +

Financial Crime	Basic Salary	Daily Rate
AML/Financial Crime Assistant	£30,000 - £40,000	£180 - £250
AML/Financial Crime Analyst/Associate	£45,000 - £60,000	£200 - £350
AML/Financial Crime Senior Officer/Supervisor	£55,000 - £70,000	£300 - £450
AML/Financial Crime Manager	£75,000 - £90,000	£400 - £600
DMLRO	£85,000 - £100,000	£500+
MLRO (SM17 registered roles)	£110,000+	£700+

KYC/Onboarding	Basic Salary	Daily Rate
KYC Analyst/Assistant	£30,000 - £40,000	£180 - £250
Senior KYC Analyst/Officer	£45,000 - £60,000	£260 - £350
QA/QC Officer	£55,000 - £70,000	£330 - £420
KYC Manager/Supervisor	£70,000 - £85,000	£450 - £650
Head of KYC/Onboarding	£85,000 - £120,000	£650+

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*I've been in contact with Natalie for a number of years and she's always shown a great deal of professionalism by regularly taking time out to speak with me. The fact that Natalie has helped me secure a role during the current pandemic shows the amazing service I've received! At a time when things were very difficult for me I went from interview to starting my new role within a week! Thank you for your amazing support!*

**S Zafar**

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*I had a great experience with Compliance Professionals, as the name states it was a very professional and reliable service. The team were amazing at making me feel comfortable and really listening to my needs and wants. Even once employment was secured they called to make sure that everything was going well on my first day. I would definitely recommend them.*

**S Gomes**

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*I was in contact with Compliance Professionals over several months and was placed by Natalie in July. She was very thorough and insightful in preparing me for each interview. I would definitely recommend Natalie and Compliance Professionals.*

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**E Crowther**

# YOUR RECRUITMENT PARTNER



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