

PRESS RELEASE

15 May 2023

Sexual harassment whistleblower reports in financial services firms more than triple in past year

- **Workplace harassment cases creep up following pandemic**

The number of whistle-blower reports made to the Financial Conduct Authority regarding sexual harassment more than tripled in the past year from three in 2020-21 to 10* in 2021-22, says Fox & Partners, the employment and partnership law specialists.

The increase comes as employees are spending more time in the office (following the end of social distancing) and socialising with colleagues outside of working hours. Traditionally, sexual harassment allegations have been associated with social events, such as Summer or Christmas parties, where alcohol is often consumed.

Fox & Partners says the fact that sexual harassment reports are beginning to rise again highlights the importance for financial services firms of having appropriate systems and controls in place. Not only will these help to minimise the risk of sexual harassment occurring in the first place but will also ensure any complaints are dealt with promptly, properly and thoroughly.

The FCA has taken an increasingly hard-line approach to sexual harassment, including using the Senior Managers and Certification Regime (SMCR) to hold individuals to account. Behaviour such as sexual harassment is considered when assessing whether managers are deemed 'fit and proper' to do their jobs. Serious breaches of conduct may result in fines or even a ban from working in financial services. This approach from the regulator may also encourage employees to feel confident in speaking up where they are subject to or witness inappropriate conduct.

Catriona Watt, Partner at Fox & Partners, says it is important that senior management within financial services firms make it clear that sexual harassment will not be tolerated and that this message comes from the top. Messaging must be strengthened with fair and comprehensive processes for dealing with sexual harassment claims.

Catriona Watt, Partner at Fox & Partners says: "Sexual harassment reports are beginning to edge up as financial services employees spend more time in the office."

“The CBI scandal shows just how damaging allegations in this area can be to an organisation and how a poor workplace culture where misconduct can thrive can lead to severe problems.”

“When it comes to tackling the issue of sexual harassment, it's vital that companies have in place proper systems and processes to identify and properly investigate harassment claims. Effective procedural safeguards that protect accusers, clear guidance on dealing with alleged perpetrators fairly, and reporting properly to stakeholders at all stages of the process are essential.”

*Year-end September 30th 2022

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Press Contact

Catriona Watt

Partner

Fox & Partners

D: +44 20 7618 2887

M: +44 7912 731 883