Today’s financial marketers should ignore the power of the archive at their peril. Anna Carless, marketing director for Smarsh, argues that archiving technology is a must have for marketers in the financial services industry. In her report Anna outlines how savvy marketers can get ahead of social media and customer communications regulations and use archiving to help meet growing compliance scrutiny and add significant value to their bottom lines. Read on to learn more.
Just as parents recognised the power of phone trackers for their offspring’s mobiles, businesses have begun to embrace the wonder of social media.

UK firms as a whole have realised it enables better business, and allow the use of channels like LinkedIn (72%), Twitter (60%) and mobile text/SMS messaging (56%) for business communication.

Whether a firm allows or prohibits business communications using a specific channel, it should have a policy governing its use.

Asset management firms are blazing a digital trail with Woodford Investment Management\(^1\) a great example of one firm opting for social media as means of engagement. Instead of committing any budget to traditional advertising, the enlightened start-up decided to use social channels to educate and inform clients about their offering and investment approach.

In recent years, the use of social media has transcended well beyond the perimeters of the marketing and communication teams. Customer service teams use social media on a day-to-day basis. In fact, according to a recent investigation\(^2\) conducted by digital firm e-consultancy fourteen out of sixteen UK retail banks operate a separate customer service channel from their main Twitter account.

As encouraging as all this is, the adoption of social media still varies greatly from one company to another.

\(^1\) Source: Harnessing the power of social media by Sophia Grene, 14th Feb 2016
\(^2\) Source: e-consultancy report by Christopher Ratcliffe, 29th Sept 2014
Whichever stage a firm resides in, it is more than likely that marketing teams remain the pioneers, well versed in integrating social media management solutions – such as Hootsuite- into the work place. Management systems like Hootsuite enable businesses to take ownership of social media properties and provide a centralised account provision along with a multilayered permission system for publishing.

But it is the truly savvy marketers, who are adding archiving technology to their toolkits or using it alongside a management system such as Hootsuite. And only these firms can be confident they are meeting their regulatory compliance obligations head on.

Source: Key Components of a Successful and Compliant Social Media Strategy by Hootsuite™ and Smarsh®

There are many firms that are at ‘The Social Advocate’ stage of social media maturity, with individual operators, often in silos with limited budget. Yet some (a few) will have reached the dizzy heights of being termed a ‘Social Organisation’ with an integrated social media strategy aligned to business objectives, and ROI based budget to support its use.

Marketers in the financial services sector will already be familiar with the key directives stipulated by the Financial Conduct Authority (FCA) in its FG15/4 social media and customer communications guidelines. But they could be forgiven for perhaps being less well versed in the Markets in Financial Instruments (MiFID) II and the recordkeeping requirements outlined as part of this.

Regulation Round up
Staying compliant is not optional

Amongst the myriad of revised obligations set out by the European Commission’s MiFID II, there are clear rules governing a firms’ supervision and retention of electronic communications and telephone calls.
FCA FG15/4

The finalised guidance, published in March 2015, by the UK regulator was intended as a reference tool to help manage financial promotions in a social media context. One of the biggest misconceptions was that social media platforms themselves could be used to retain the social media communications in order to meet with the new regulations. In fact, quite the opposite is true.

The guidance specifically states

“Firms should not rely on digital media channels to maintain records, as they will not have control over this.”

Other salient points from the guidance included:

In the course of business - the final guidance clarified that for a communication to be considered ‘in the course of business,’ it requires a commercial interest on the part of the communicator, thus any social media activity that does not have a commercial interest is outside the scope of regulation. This was significant as it put some boundaries in place for business versus personal use of social media.

Approval and recordkeeping – firms were reminded of their obligations to have an adequate system in place to retain their social media communications and to have senior person approval of significant ones. The guidance also called for firms to assess themselves how long they must retain significant records, keeping in mind that they will need to be able to demonstrate compliance should they be asked to provide an audit trail.

It’s worth exploring these guidelines and setting the record straight on what financial services marketers need to be aware of. For a fuller picture, check out this Smarsh blog article.
MiFID II regulations are more exacting than the original MiFID I rules. 2014/65/EU Article 16 (7) stipulates that by January 2018 firms need to be in a position to retain their entire gambit of electronic communications (including fixed and mobile phone calls) that include social media, instant and text message services, and calls made over a PC or phone using enterprise social platforms such as Skype for business.

All data must be recorded and available for retrieval for 5 years with some countries requiring a 7 year retention period, depending on the national regulator. Despite the advice regarding recordkeeping constituting only a small part of the overall directive, it is a game changer for those involved in the buying and selling of investment stocks.

For further details on MiFID II recordkeeping requirements, download the ‘Preparing for MiFID II & MiFIR Recordkeeping’ white paper.
As daunting as the regulations – past and imminent – may appear, staying compliant is not the challenge it once was for financial firms. Technology has evolved to such a state where recordkeeping requirements can be met seamlessly and can even add substantive value to organisations.

Marketers can rest assured that the technology can be added to their ever expanding toolkit with minimal disruption to their day-to-day roles. Not only this, but it can enable them to proactively meet growing compliance scrutiny. Comprehensive archiving technology, such as that which we at Smarsh offer, can seamlessly be added alongside a social media management tool such as Hootsuite or used on its own, without such a tool.

Some of the key business benefits a robust archiving solution can provide include:

**A flexible team-based review structure**
Ideally archiving should support the way a compliance team works, and allow specific supervision roles to be assigned. The ability to create queues allows individuals to see the messages they’re responsible for reviewing daily and their progress in the queue, so they can prioritise to get the job done.

**Forensically sound audit trail**
An audit trail captures data on every visual inspection of a social media post in the archive. All archived social media activities must be available for production on-demand, and show a full history of social media posts, corresponding compliance reviews and remediation actions taken. Logging activity is critical in the event of litigation, regulatory exam, or an e-discovery event.

**Comprehensive reporting**
The ability to run reports from data contained in the social media archive is invaluable to businesses. Reports can help businesses understand where further analysis is needed for improved risk mitigation.

**Retention policies**
Businesses can look for a tool that allows them to determine how long they need to retain information before deleting it. There is no need to store all this social data forever and a good supplier will help ensure that the retention periods you set are in accordance with your industry regulations.
The right social media archiving solution will

- **Ease the burden** of monitoring business content posted to social media accounts or websites.
- **Automatically flag** potentially risky content so you don’t have to waste time reviewing irrelevant communication.
- Help you quickly **take action and remediate** policy violations.
- **Enforce** your firm’s established social media compliance policies.
- **Provide an audit trail** of all actions taken, including any corrective actions taken in response to posts that violate policy.
- **Help you identify trends** and improve your supervision efforts through advanced reporting tools.
- **Implement retention policies** so content is stored for as long as needed.
- **Apply legal holds** to support legal investigations and other discovery events.
- **Enable your marketing, human resources, IT and legal teams to view and review your firm’s social media content** when needed.
Smarsh delivers cloud-based archiving solutions for the information-driven enterprise. Its centralised platform provides a unified compliance and e-discovery workflow across the entire range of digital communications, including email, public and enterprise social media, websites, instant messaging and mobile messaging. Founded in 2001, Smarsh helps more than 20,000 organisations meet regulatory compliance, e-discovery and record retention requirements.