TSB
chooses Active Risk Manager to establish its risk and control framework

New bank supports customer focus with swift implementation of streamlined risk management

When TSB returned to the high street in 2013 it faced a huge opportunity and a massive challenge. A well known brand, TSB employs around 8000 Partners and is bringing more competition by providing straightforward banking services with a high level of customer service through a variety of channels. A key area for any financial institution in meeting regulatory requirements and minimising capital is its risk and control environment. TSB was keen to develop a solution and implement a system proportionate to its size and scale with flexibility to adapt in a changing environment.

After a tender process, Active Risk Manager (ARM) was selected for its simplicity, flexibility and value for money. TSB particularly liked ARM’s risk domain model which meant that it could be implemented quickly, as many of the standard configurations were already built, and matched the bank’s requirements.

Jean Ford, Senior Manager, Operational Risk and Oversight, at TSB explained; “TSB was built to bring more competition to UK banking which gave us the immediate opportunity to simplify and streamline a number of risk management processes, making them proportionate for TSB and the configurability of ARM enables us to adapt these in a constantly changing environment.”

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Risk Management built into the Control Framework

Used throughout the businesses and in control functions, ARM facilitates a consistent and comprehensive way of managing, mitigating, controlling and reporting risk whilst promoting clear accountability for the various components under management.

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Ford comments; “ARM has enabled us to implement a standardised approach to risk management aligned to regulatory requirements. Everyone is trained on the same processes, using the same product and there is just one version of the truth in the single repository for data. By simplifying what data we capture, we are saving time and now managing risks that are appropriate to TSB”.

Focusing on the Risks that really matter

The biggest benefit from implementing ARM has been the Risk Performance Manager (RPM), ARM’s powerful reporting tool which is used extensively to prepare all regular and ad hoc risk reporting for use throughout the organisation. The effort required to reproduce risk information in an informative and meaningful way has been significantly reduced, thanks to the functionality within ARM.

Additionally, the filtering features of ARM allow all users to interrogate and extract data at the click of a button which is very useful for day to day ad hoc activities.

“Using ARM has given the business overall greater visibility of risks and we have continually adapted to the changing needs of our new Bank. This has enabled TSB to focus on what really matters – bringing more competition to UK banking - and to provide an effective control environment so we can help more customers borrow well.”

Future-proofed Risk Management

Looking to the future, TSB has been acquired by Spanish banking group Banco Sabadell. The flexibility ARM provides leaves TSB well placed to adapt its approach as and when needed.

After using ARM for a year, Ford reflects on the progress so far; “ARM has given us a robust risk management system and the ability to develop our own risk management procedures, enabling us to focus on what is important for our business and our customers. ARM’s risk domain model has enabled us to be up and running with a live system in a relatively short space of time and there is still a lot of untapped functionality available in ARM for use to support continual improvement and enhancement of our risk management.”

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