

FSCS Podcast - Episode 20 Women in finance

Caroline Rainbird 00:02

Welcome to Protect your money with FSCS, the podcast from the Financial Services Compensation Scheme. I'm Caroline Rainbird, FSCS Chief Executive, and today we have a special episode for you to celebrate International Women's Day. Championing women has been a topic close to my heart. Since I joined FSCS, nearly four years ago, it's been a priority to focus on increasing the representation of women in senior roles, as well as creating a supportive culture that nurtures our pipeline of future female leaders. I think you're going to enjoy listening to this episode where two of my FSCS colleagues, Fiona and Cathryn discuss gender diversity, the Women in Finance Charter and their own personal experiences of being women in finance over the years. Now, I'll hand over to your host, Jess.

Jess Spiers 00:52

Thanks, Caroline. Welcome, everyone. I'm your host, Jess Spiers. So, we usually talk about how FSCS can protect your money on the podcast. But today, as Caroline said, we've got something a little bit different for you. And we're celebrating International Women's Day by talking all about women in finance. So, I'm joined today by our Chief Financial Officer, Fiona Kidy, and one of our non-executive Board members, Cathryn Riley. Welcome both.

Cathryn Riley 01:17

Thank you very much. I'm delighted to be here.

Fiona Kidy 01:20

Thank you, Jess, good to be here.

Jess Spiers 01:22

Great to have you both here. And as always, we will be asking Fiona and Cathryn our usual question at the end of the podcast: so we're all about protecting your money at FSCS, but which toy would have got them both breaking open their piggy banks as a child?

Okay, so I would really love to start by asking you both a little bit about your careers in the finance industry. So I'm kind of assuming that things look pretty different now to how they did when you began working in financial services, just in terms of how women are seen and represented. Would you be able to tell us about your personal experiences of what it's been like to work in the industry over the years? Fiona, could you kick us off?

Fiona Kidy 02:07

Sure. So things have changed a lot since I first started working. Because when I first started working, there were very few women in senior positions. I'm glad to say that has changed. But obviously, there's still always more work to do. But it was very interesting. It was a very different time when I started working, for example, you know, when I first started doing my accountancy articles, when you went to work, women weren't allowed to wear trousers, we used to have to wear skirts and had to wear tights.

I remember there was once a female colleague asked to go home and fix her hair, those sorts of things, which of course, nowadays, you just think, how could those have happened? But they did. And I'm really glad to say that doesn't happen anymore - or hopefully it doesn't.

Jess Spiers 02:48

I'm sitting here rolling my eyes Fiona, in the background, because it's actually for me, it's shocking to hear that that was ever acceptable practice in the workplace. So Cathryn, how about you? I know you're on the FSCS Board, you've also had a long career in the insurance and financial services sector, and you've had lots of executive roles at Aviva Plc, I believe. What has your experience been of gender equality, or lack of, in your career?

Cathryn Riley 03:13

Yeah, Jess, it's similar to what Fiona said, obviously. And it's very different. Now, fortunately, although we still have some work to do, but not quite to the scale of that, really. But I've certainly had opportunities. But I've also felt as though I've been overlooked because I was a woman. And I think often in the past, success or promotion came about as a result of individual people supporting me as opposed to it being a systemic process that happens now with the nomination committees and all the good HR and people management things that exist today in organisations.

Similar to Fiona, I remember when I was first promoted to Director of General Insurance, which was kind of running all the branch network. And those days the branch network was what I call full fat, as you know, claims and underwriting and accounts and you know, everything in sales, everything in there certainly were important. And the branch manager, a bit like the bank manager, worked their way up every single job in the branch and they became the branch manager. And they were important in their local area, and so forth. And so when I was promoted kind of out the blue, to be the director overseeing all these branches, the branch managers, who were all male, were completely outraged. And several of them threatened to resign because this was just not acceptable. So I let it be known that I would accept their resignation, and that I would be appointing others in their place.

We worked it out in the end, it was a bumpy start. But it was very typical, I think, of the kind of reaction at the time, and since then, of people thinking that women have not got the experience or the capabilities or the tenure, or other things to do jobs. So as we go through these, I think we've all got lots of those stories.

Jess Spiers 04:58

Yeah, that's right Cathryn. I've probably got a few of my own. I've been around a little bit less time than you guys, but yeah, certainly had my own share of what I would probably call unconscious bias if I was being kind. But we obviously have come a long way. And I think it's probably worth mentioning here that FSCS is a proud signatory of the Women In Finance Charter. So that promotes gender diversity in financial services.

And Fiona, I know it's a topic very close to your heart supporting women, promoting women. Could you give us a little bit of background on how the Women In Finance Charter came about? And then I'm going to ask you both what your thoughts are on whether we still need the charter or not?

Fiona Kidy 05:36

Absolutely. In 2015, the government asked Dame Jayne-Anne Gadhia, formerly the CEO of Virgin Money to lead a review into the representation of women in senior management roles and financial services, with a focus on the talent pipeline at the executive population below Board level. The review found that in 2015, women made up only 14% of executive committees in the financial services sector. In response to the recommendations in that review, HM Treasury launched the Women in Finance Charter, and there are now over 400 signatories of the Women In Finance Charter, including FSCS, as you said. We delivered some of our charter commitments ahead of time, I'm proud to be part of our executive team that is 75% female.

Cathryn Riley 06:18

As a member of the Financial Services Compensation Scheme Board, it would be remiss of me not to mention that this board is now 67%, female, which clearly is terrific progress. And I'd have to say I'm delighted to be associated with a company that's made such great strides in gender diversity. And that's not only at the Board. FSCS recently reversed the gender pay gap for the 2021/22 financial year. And it's now 1.3% in favour of women, compared to 15.4% in favour of men nationally. So that really is pretty stand out. And in my experience, it is unusual to have that degree of female representation on a Board. And I think it does make a difference.

Jess Spiers 07:01

Yeah, that's right, Cathryn. So bearing in mind the progress that FSCS and lots of other organisations have made in terms of gender diversity. Fiona, do you think that we as an industry still need the Women in Finance Charter?

Fiona Kidy 07:15

In an ideal world, we wouldn't need one. But I think because of where we're at, we probably do still, I think it helps us keep ensuring that we're making progress. On the other hand, you know, blindly following a charter without fully thinking it through isn't helpful. It just turns into a box ticking exercise. But we are making progress as an industry. There are many female CEOs in the industry now: there's Abby Thomas, who is the CEO at the Financial Ombudsman Service, Caroline Siarkiewicz at the Money & Pensions Service, and Liz Field at PIMFA, for example. You just didn't see that in the past. So again, good progress.

But then you hear things like the sexist comments about Amanda Blanc, the CEO of Aviva, and the Government's Women in Finance Champion, received at Aviva's annual meeting in 2022, where people said she was "not the man for the job", and that she should be "wearing trousers".

Cathryn Riley 08:07

It's probably worth me saying that I know Amanda, she in fact, used to work for me, and I'm delighted to have promoted her in the past, some years ago. But since then, obviously, she's done some very key roles across the industry and is a hugely experienced woman and Executive across insurance and financial services. And I think we all agree that not only were the comments, outrageous, frankly, in any circumstances, but particularly obnoxious for somebody who is a role model and has such a fantastic track record of success and leadership across the industry.

And I think it's important that as the Chair did in that situation, that that was called out and dealt with appropriately at the time, because that is unacceptable, regardless of who you are, and whatever level you are in the organisation.

Fiona Kidy 08:55

And it's shocking that this is still happening. Clearly there is more work to be done. And diversity, in its wider sense is a top priority at FSCS. We know we need a diverse team to best serve our diverse customers. You know, our customer base is diverse, a financial firm that you've used, going bust can happen to anyone, regardless of their background, and we're here for everybody who needs us. And our service is completely free if you need to come to us direct.

Jess Spiers 09:21

Yeah, that's right. And I think it's worth mentioning that FSCS currently ranks 12th in the Inclusive Top 50 UK Employers 2021/22 list, and it's also worth mentioning that we feature in The Times Top 50 Employees for Women 2021 list. So if we return to gender specifically and the question of whether or not we still need the Women in Finance Charter, Cathryn, what are your thoughts on that?

Cathryn Riley 09:45

Yeah, I do think we still need the charter - as we've said we've made progress but there's still a long way to go as we've also heard. I'd like to, well a couple of things, I was only reading earlier today actually about a Kearney, UN piece of research on women, which is broader than financial services, but particularly focuses on the impact of the Covid pandemic on women, and where there's been a higher job loss globally, disproportionate impact on women, plus greater resignations with 1.3 times more likely for women to have stepped out of the workplace, and also the increase in what I'd say sort of unpaid activities that women are doing, such as care and so forth. And the impact of hybrid working where women are often excluded, not necessarily consciously, but excluded from the visibility that's often needed to senior management and therefore limiting performance opportunities.

And so I think on top of there being the continued need for the charter, I think the circumstances of the pandemic, and I guess now, global recessions and so forth, often does take its toll in terms of women in business, and whether they continue their careers, for example, and how that continues.

And one of the really important things I think that the charter does is help with the 'talent pipeline', which is so important, because there needs to be a sustainable flow of women in the workplace and through the organisation right up to the top levels. We can't expect women to magically appear on Boards, they need to be supported in their progress, get the right experience, so that they can flourish and be successful at the top. So I think the charter is one of the things and it is only one of the things, including the culture in organisations, as well as all the other things that we need to continue to have to make sure that the progress we've made, is sustained and indeed improved.

Fiona Kidy 11:39

Absolutely, Cathryn. And I totally agree. I'm passionate about supporting women achieving their potential. Whatever level women are at, if we want them to be able to advance in their careers, we

must support them at every stage, including when they have children or other caring responsibilities.

At FSCS, we have a flexible working policy that allows people to balance their work and home commitments. We have a smarter working policy, and we offer dependents leave, we also work hard to build an open culture at FSCS where people feel able to share their concerns, whatever they may be. I think that's incredibly important because if you don't know what's going on in a person's life, you can't support them. And when you do, obviously, it's great for the individuals, but it also helps the organisation.

Menopause is another potential barrier to success at work, some women have had to stop working as a result of their menopause symptoms. And of course, it's such a shame to lose such valuable and experienced staff. And sometimes, you know, if those women had received the right support, it may have meant that they didn't have to stop working or leave their jobs or halt their career progression. We've now signed up to the Wellbeing of Women Menopause Workplace Pledge and we've opened up the conversation about the menopause to try and remove some of the taboos still surrounding it.

Jess Spiers 12:53

Yeah, that's right, Fiona and I attended some of the sessions we've done to learn more about menopause, I have to say I was a bit in the dark about it. And I just feel so much more empowered with knowledge now I know more about what to expect when it does happen. And I do feel that FSCS has genuinely created the kind of culture where I could be honest about any struggles I was having with that. So I think that's really valuable.

And actually, FSCS does champion women at all levels, not just at the most senior levels, as you mentioned, with flexible working, part time working for those with caring responsibilities. Another example that I've actually taken part in is the RISE Women's Empowerment Programme that FSCS runs with Emerge Development Consultancy. And that's a course that's designed to support women to achieve their full potential, whatever level of business they work at. I actually did that course last year and it was so empowering. And it really genuinely has helped me to progress in my career.

Fiona Kidy 13:43

It is a fantastic course and everybody who's taken it, as always said how good it is. And another thing we also have at FSCS is the 'Women at FSCS Network' that I lead. It's open to women at any level of FSCS and meets regularly. And we're there to keep gender equality on the agenda and its

members help arrange educational sessions for all staff. We encourage people to share their stories and help colleagues learn from their experiences. And a lot of the events we have are for both men and women, because all these issues affect everybody.

Jess Spiers 14:14

That's right. And I've heard some really good things about that group, Fiona. Now we've kind of spoken a lot about the importance of equality for women in the workplace. I'd love to hear from both of you why it's so important that businesses have an equal representation of women. So what are the benefits of having women in finance or in businesses? And what skills do they bring do you think?

Cathryn Riley 14:36

For me, I think the importance of women and equality in business is just reflective of society as a whole. And also, I think reflective of our customer base, many of whom actually are often a majority of women who make some of the purchasing decisions. So I think the second point I think, is organisations are missing out on the talent pool. We know there's a war on talent at the moment. If you are not fishing in the broader pond and recognising the talents that women bring, then you are frankly disadvantaging your organisation.

And in addition, I think you're missing an opportunity to have some different thinking, embracing new ideas, people bringing in different thinking. And my experience is that organisations who don't change, who don't embrace learning new ideas, different ways of working, different thinking, are the ones that fail. And in terms of skills, I think women and men often do think differently about things which brings that diversity. I think women are very adaptable to working with teams and working with other people. But equally, I think it's important to say that actually, men and women have those same skills, and there may not be a difference, it's more the fact that we are as good as a man in many respects.

Fiona Kidy 15:51

And I would echo a lot of what Cathryn has just said. Again, the total population of the world is 50% women so having more women in organisations is just reflective of society as a whole. I think they bring a different perspective, due to different life experiences and different viewpoints. So that allows new approaches, new idea generation, as Cathryn mentioned.

And then also, I think there is research that shows diversity has an impact in terms of the types of risks an organisation will take, they have shown, you know, that having women on teams enhances collaboration, sometimes women have stronger skills in reading non-verbal cues, and

maybe bringing empathy to the table too. So again, as Cathryn said, these are all skills that men have too, but I think we probably express them all slightly differently, and that diversity is a good thing to have.

Jess Spiers 16:45

Okay, so do you think then that there might be a danger that we could go too far the other way? So what if we ended up with a 60/40 or 70/30 split in favour of women in the financial services industry? Would that be positive progress or are we in danger of creating a kind of new women's version of the old boys club? What do you think about that?

Fiona Kidy 17:07

It's a really tough question. I think we should be aiming for 50/50. I know it's a bit of a cop out and I'm not really answering the question. But I do think, again, it's one of those things where you have to be careful. And honestly, organisations have to do what is right, they have to be picking the right people for the right roles, regardless. But as I said, 50/50 would be good.

Cathryn Riley 17:28

From my perspective, it would be nice to get to that situation, and then tackle that issue. As I've already said, the FSCS Board is ahead of the 50/50 so I think it all depends, really. But in terms of your point about the old boys club, I mean, I think the old boys club is hopefully a dying situation across any industry. And most modern men would object to that as much as a woman would. But I don't think if we did have a slight skew to women, I don't actually think that the old boys network would work in the same way, just because I think it's a behavioural situation often of the past, and times have changed. That's not how things are done anymore, one hopes, in the majority of cases.

And as Fiona says, actually, what we're striving for here is equality, is 50/50 men and women, equality for men in situations as well. So I don't think there's a danger in going the other way. I think we're a long way from that. And I don't think you'll have necessarily the same dangers, albeit, there will be other issues, of course, because any group that dominates creates pros and cons that you have to manage. But I'm certainly not worrying about that one in my Board position at the moment.

Fiona Kidy 18:39

But also, it's important to say that championing women doesn't mean not supporting men, and FSCS has a range of measures in place that support men too. For example, we offer 20 weeks of paternity leave at full pay, so fathers don't have to miss out on that special time with their new baby. And it's taken up by pretty much all the men in our organisation. And we've had some lovely

stories from them about how much this has helped them bond with their child and support their partner during those very challenging and very special first months. We've also had a number of menopause discussions at FSCS. And these have been open to everyone, not just women, and many men took part and asked questions so that they could best support their colleagues and partners.

Cathryn Riley 19:22

It's worth me reiterating the point made about when we advocate for equality, that needs men's input too. Shouldn't just be about the voice of females or else we lose that diversity, that challenge, that thinking. And it's not about one gender over another. It's not about winning this race. It's about creating a new culture, an environment whereby everyone can flourish.

As we said, there's still some way to go. I mentioned the gender pay gap earlier. But equally, shocking is the gender pensions gap, where it's estimated to be more than twice the size of the gender pay gap. Research that FSCS carried out, for example, found out many issues and factors relating to gender inequality and pensions where 68% of women, so they have at least one pension product compared to 78% of men. And women are less likely to know the type of pension products that they actually hold. And, therefore, some of the benefits and some of the things that they have to think about as they go through and come up to retirement and so forth, they are less ready.

And NOW: Pensions states that 3 million women are missing out on workplace pensions as they don't qualify for auto enrolment. And their July 19 report revealed that there are 50% more women than men heading towards retirement without any private pension savings. That's a real issue for society, not just organisations. And I think the more we can do in terms of educating women, about financial matters, as well as talking about women in finance, but actually helping them around finance, the better.

Fiona Kidy 21:00

That is shocking. And we ran an event with Sam Gould from NOW: Pensions about the gender pay and pensions gap and what businesses are doing to tackle it, and it was a really useful session.

Jess Spiers 21:10

Well, we've covered a lot today, it's been a really interesting discussion. And I've just got a closing question, I'd like to ask you both. If you could give your 20-year-old self one piece of advice, knowing everything that you know now, what would it be? Fiona, you first.

Fiona Kidy 21:26

I guess when you're starting out at 20, you don't realise how long your career is, and say it's 40 years, that gives you a lot of time to take some risks and to do things that you might not necessarily have thought you wanted to do. And who knows where those decisions will take you.

Cathryn Riley 21:42

From my perspective, I think I believe that women have a tendency to think that they'll be recognised for their achievements without having to ask or expect. And that's not always the case. So, I think I would encourage people to expect the same opportunities when they come to take them. Don't think, ooh, I'm not quite ready or someone else's better. Stand out, call out what's not acceptable, take opportunities, and be confident because you will grow into roles.

And I think certainly that confidence piece and standing up and grabbing hold of your career opportunities, and other opportunities in life, let's face it, the more experience you have, regardless of your gender, the more experience you have more life experience, the better you'll be the more successful and ready and prepared for whatever life throws you and probably have a bit more fun at the same time. And that's an important point: make sure you have some fun along the way.

Jess Spiers 22:36

Great advice. Both of you, thank you. Thank you for such a thought-provoking conversation today. I'm just going to ask you one more thing then, which is what we ask all our guests on the podcast. We're all about keeping your money safe at FSCS but what toy would have got you breaking open your piggy bank as a child?

Fiona Kidy 22:51

Lego.

Jess Spiers 22:53

You're not the first person to say Lego Fiona, it's a classic answer, it really is.

Cathryn Riley 22:57

Interesting because it's often associated with little boys Lego, but I used to like Lego as well. But my one would have been Spirograph, which I don't even know if it exists anymore. But I used to love that Spirograph, the ability to create all those designs and so forth from new. So yes, Spirograph for me.

Jess Spiers 23:16

Well, you'll be pleased to know Cathryn, that my son for his last birthday, did in fact get a Spirograph. So, they are still going strong.

Cathryn Riley 23:22

I am delighted to know that! Fantastic. Thank you.

Jess Spiers 23:25

Thank you so much to Fiona and Cathryn for joining us today and we hope that everyone listening has enjoyed the podcast. So, you can find all our podcasts on our website, that's www.fscs.org.uk and the usual places you find your other podcasts. Please do follow us wherever you listen to your podcast, so you never miss a new episode. Thank you for listening.