



An interview with Joe Duffy

Country Executive for BNY Mellon in Ireland
and Chair of FSI Executive Board. [▶](#)



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Joe Duffy is Head of Global Client Management, EMEA and Country Executive for BNY Mellon in Ireland. As Country Executive, Joe is BNY Mellon’s chief strategist, leader and senior representative in Ireland and is responsible for oversight of the company’s relationships with legislators, regulators, clients and other key stakeholders.

In February 2017, Joe succeeded Susan Dargan as Chair of Financial Services Ireland (FSI), an Ibec cross-sector FS industry association which represents banks, insurance companies, fund administrators and managers, and investment companies.

Let me begin by asking about your role with BNY Mellon and your responsibilities as Chair of Financial Services Ireland.

I moved to Bank of New York from JP Morgan in October 2006. Then in July 2007, Bank of New York and Mellon Corporation merged to form BNY Mellon. My role has changed lots of times since then, which is great and part of what’s kept me working with the company. Currently, I run a team of senior client relationship managers across EMEA. My team ensures that our clients’ growth strategies align with BNY Mellon’s strategies. My team members are some of the most senior people in our firm and my role is to be available to them and be in front of our clients wherever they are across EMEA. I am also Country Executive for Ireland at BNY Mellon. We have offices in Cork, Dublin and Wexford, and we’ve been here 25-26 years through different iterations. We are typically known as a custodian and a funds administrator in Ireland as the majority of people who work for us are involved in that part of the business but we do a lot more than funds servicing. As a global bank, we are a bank for banks, asset owners and asset managers, pension funds and central banks.

In February 2018, I became chair of Financial Services Ireland where my role is to steer the board and ensure that the priorities of our member firms are represented. One tremendous benefit of FSI membership is that you don’t have to go it alone on any particular challenge or issue - you may have the voice of one but you have the power of many. Also, being part of Ibec, FSI provides a forum where firms can connect with different businesses and trade organisations and look, see and understand what is common to all industries operating in Ireland.

Looking at the lay of the land, what trends are you seeing in FS at the moment?

For an outsider, it is reasonably easy to join a whole group of different businesses together and call them financial services. But when you’re in the industry there are many different component parts: insurance, asset management, wholesale banking, retail banking, investment banking, etc.

For trends hitting right now, you have to segment a little to understand what is going on. What we’re seeing in the banking sector in EMEA, for example, is consolidation. It has been difficult for banks in the EU to consolidate when they’ve been focused on their business models, on what is core and non-core, turning non-performing loans into performing loans, selling assets off their balance sheets, understanding what they’re going to prioritise and focus on. But now that activity is largely over and the focus is turning to consolidation.

When you look at something like blockchain, everyone now can grasp what this technology can bring and the costs are better understood so people are beginning to focus more on the problems they are trying to solve rather than jumping in and then thinking, “why are we doing this?”

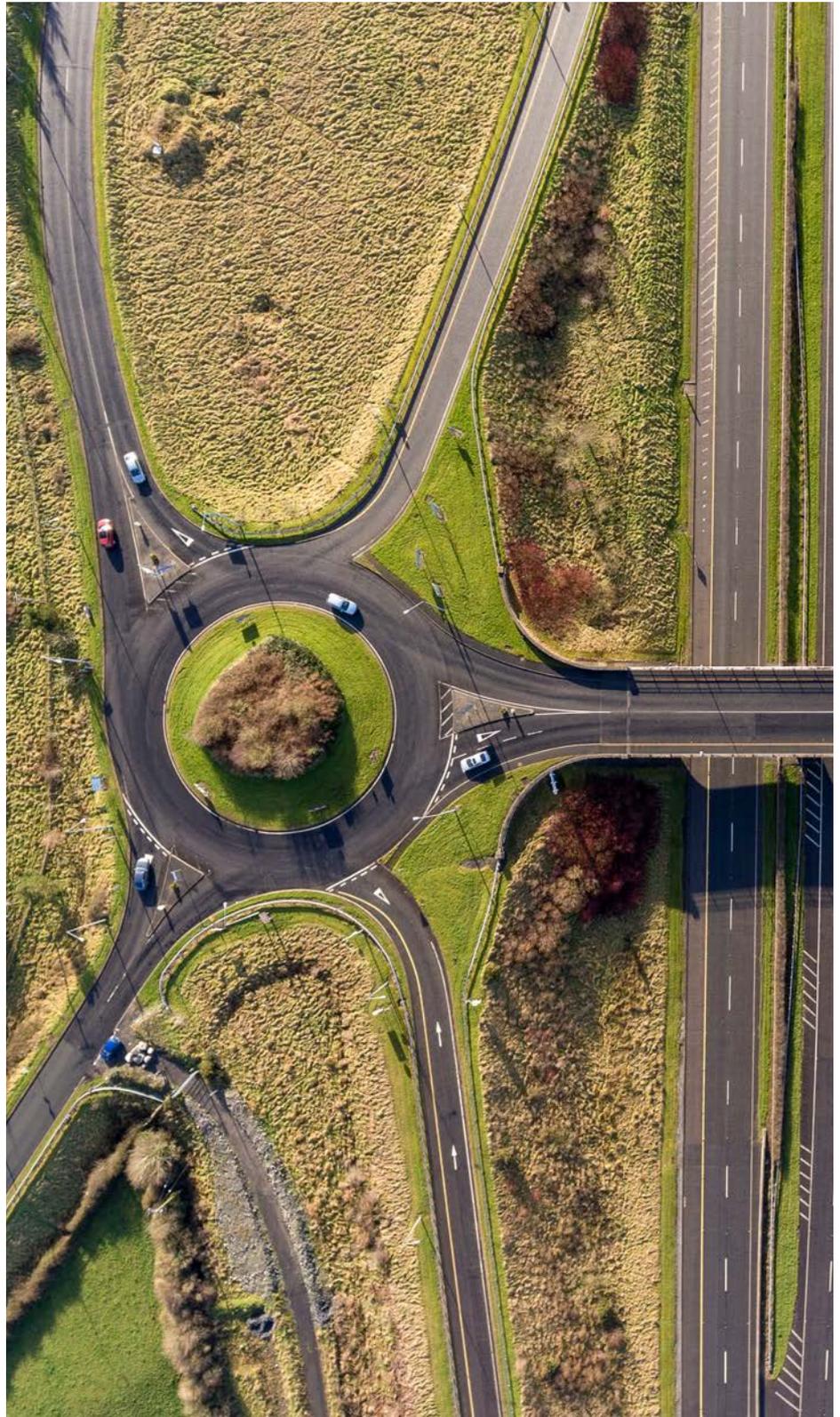
Similarly, I recently spent time with one of our clients who showed me what they are doing with Artificial Intelligence. They have made it slick and interactive, so that when you open a bank account, the digital offering to consumers really feels like you are dealing with a human but then they realised that actually to have the human would be cheaper. I'm not saying that organisations, especially organisations in FS, can't deploy new technologies in a way which sharpens their business model, makes them more resilient and helps them become much more efficient but you have to really think through the outcome you're trying to achieve, and then think about how you are setting yourself up to achieve it, before you get too caught up with "it's a new tech and we should deploy it".

Is it about scalability and that, over time, organisations will get their return on investment back but they have to bear with it in the meantime?

I don't think you can be really focused on your ROI and setting historic ROI measures on whether you deploy or invest. If that's the approach then you probably won't do anything new. Understanding the power of data and how to employ data, the lessons that are in data and how to consolidate data in single, consumable ways, that's becoming much better understood now across FS globally.

Do you think Ireland is well-positioned to leverage these technologies?

Ireland is a small open economy which lends itself to the challenges presented by data. We're used to data moving cross border and servicing an international community. Time-wise, we are perfectly positioned between east and west. The fact that you're in a central position means you're open when both your client sets are open - catching the end of the day for eastern clients and start of the day for western clients - so you're a natural bridge and that helps from a data perspective. The storage of data needs cooling energy,





but when you're in a climate that doesn't have large variations between hot and cold, that reduces the energy cost around data storage so we are perfectly positioned from that perspective. And if we don't have the talent at any given time, we're only an advertisement away from talent coming in - talent flows into Ireland all the time. We have the big technology, data, and data storage companies here. Everything is in our favour for a world that is becoming more data-driven.

You mention the many different component parts that make up financial services. Does the complexity make it difficult to standardise regulation?

Every financial services firm in the EU 27 and in EMEA is subject to regulation in some form to different degrees, typically depending on how much interaction they have with the public and in how they conduct business. So, regulation is constant but different depending on the type of activities you're engaged in - and rightly so.

To what extent will Brexit impact FSI and what will it mean for the future of financial services in Ireland?

The CBI has been busy licensing new firms who are going to conduct activity from Ireland and passport into the EU 27 post-Brexit. Some are UK firms, some are non-UK, and some weren't operating in the EU or in the UK prior to the Brexit decision being made. Nothing ever stops, it almost feels like you're changing a tyre on a moving car and you're trying to figure out how much activity is going on all around you.

The impact for FSI is that there should be a wider disbursement of member firms. Our membership is growing all the time and that is what any trade association wants - a growing, active and involved membership. The firms that are coming here are focusing on the EU rather than Ireland and they'll add greater diversity to FSI, when they join up. But what they'll also do, in this economy, is that they'll provide

different routes to employment, different learning opportunities, and different paths to participation in a global FS industry. It is all good from a FS industry perspective but it is not without challenges. Every firm coming here needs a compliance resource and a risk resource, an advisor resource. That puts pressure on resources but those stresses and strains tend to be short term as more resources become available through natural emergence, people returning to Ireland and people coming to Ireland who've never worked here before. This then has a broader effect because they then consume services like schools for example, which is another challenge, but these are good challenges to have. It is better to be in a growing economy than in one that is stagnant.

In terms of Ireland's future, do you have any comments on the IFS2020 Action Plan and what do you think should be the next priorities in developing Ireland's international FS sector?

When the IFS 2020 plan was conceived the focus was on jobs because at the time that was absolutely what was needed but what you'll see in IFS 2025 is a maturing of thinking - an understanding that jobs may not be the single measure of success and that creating value could be much more important into the future. Connectivity to different markets, accreditation in a global financial services index, how we're recognised as an FS centre, how we're treated globally, the quality of our regulatory environment, the quality of industry participants, the safeness and security of the industry that is conducted from here - all of these things are difficult to measure but having an ambition to make Ireland a go-to FS hub for cross border FS, both globally and in the EU, is both aspirational and is appropriate at this point in time.

If you look at the member firms of FSI, you see globally recognised brands that have been operating in Ireland for years. Similarly, all the top technology firms have Irish operations and there is an

understanding that agendas are getting closer and closer together. FSI's newly appointed CEO, Paul Sweetman, will focus on achieving greater alignment in this area between now and 2025.

When you look at FS centres around the world, there are really wonderful lessons to learn. You could look to Israel and say we could learn a lot in terms of how Ireland supports fintech and startup. In Israel, they have a single point of contact for entry into the marketplace and a single point of contact for any emerging firm that wants funding or wants and needs support. There is also strength in the Luxembourg model, there is a nimbleness of government and an understanding within government of just how important FS is to the economy. Then if you go to Singapore, you're not concerned about whether your broadband is going to work or not. We take so much technology infrastructure for granted.

The great thing about Ireland is that we have so much connectivity. We are perfectly positioned to take what is really good, copy and enhance it, and do better. We are already leaders in areas like aviation leasing and finance but when you're a leader, everyone else is looking at you, and trying to copy and capture the business you've got, so we have to be very focused on defending what we've got as well as growing.

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