



« KBL European Private Bankers is recording each mobile conversation with POST's Mobile Communication Recording solution »

**Eric Dognon**

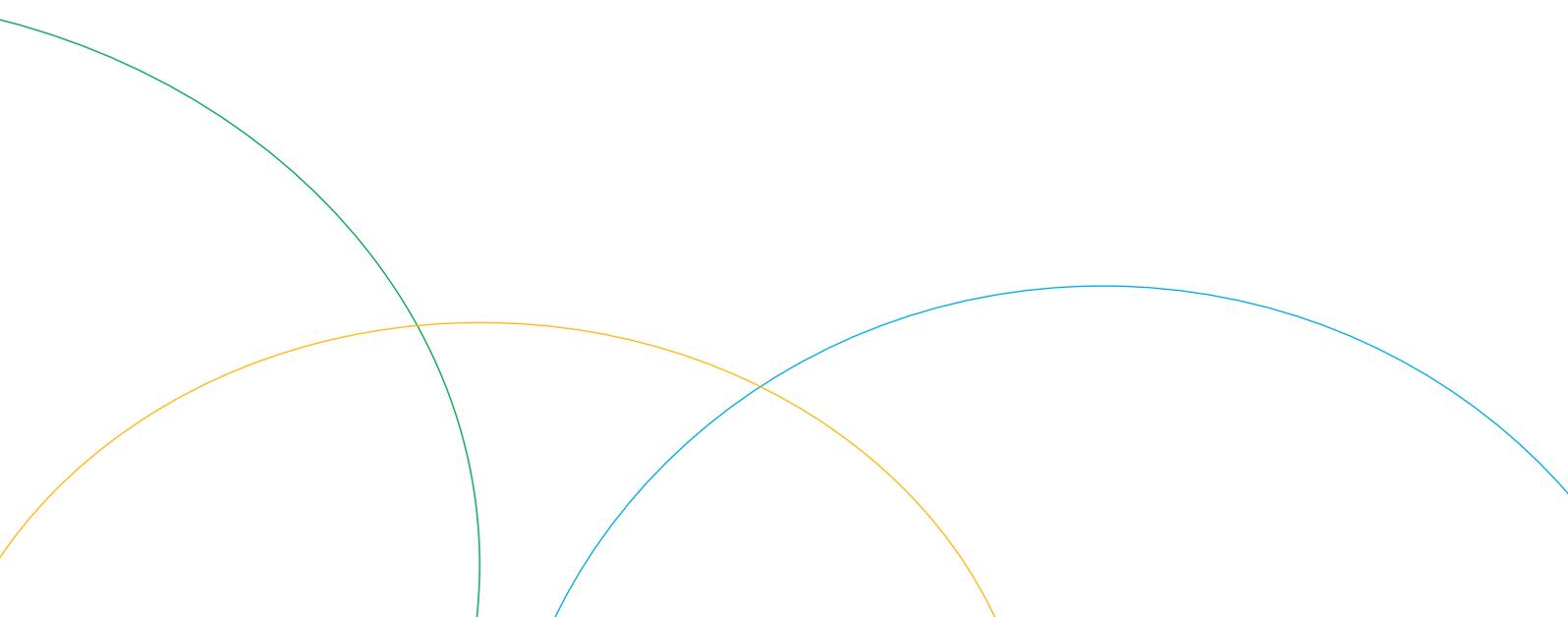
Head of Workplace, Mobility & Infrastructure Service  
KBL European Private Bankers

# The interview

# Eric Dognon



To meet the requirement imposed by MIFID II to record, since 1 January 2018, all exchanges carried out between a private bank adviser and its client from a mobile, KBL has opted for the POST Luxembourg's Mobile Communication Recording solution. Through this solution, the private bank has the guarantee that all conversations are fully recorded and securely stored in a data centre in Luxembourg.



Whatever the communication channel may be, each exchange between a banker and its client, relating to investment advice or trade orders, must be recorded. For telephone calls made from a fixed telephone line or even for e-mail exchanges, the storing of exchanges has been in force for many years.

### **A new regulatory requirement**

Since the beginning of 2018, the MIFID II regulation obliges banks to record and store communications between the adviser and its client carried out from a mobile. "To be able to meet these new requirements, at the beginning of 2017 our group's compliance and risk department has turned to the IT teams in order to find a solution", explained Eric Dognon, Head of Workplace, Mobility & Infrastructure Service Delivery at KBL European Private Bankers.

KBL is a group of private banks in Europe, whose head office is in Luxembourg, present in the Netherlands, Belgium, Germany, the United Kingdom and Spain. Currently employing more than 2,000 employees, this major European asset management player is striving to expand its activity through new mergers and acquisitions.

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### **KBL invited to test the solution**

As part of the implementation of MIFID II, the IT team has had the task of finding on the market how to record all mobile communications made between the bank's client and its adviser and to listen back to them depending on the requests expressed by the auditors or the regulator. "Several criteria served to guide our choices", said Eric Dognon. "The first was that the chosen solution would be operational as of 1st January 2018, as the directive so requires. The second important element was to be sure that each communication made would be actually recorded, without exception".

KBL has therefore naturally turned to its mobile operator. POST Luxembourg, in 2017, confirmed to KBL that it was setting up a solution, with the aim for it to be operational

for the deadline imposed by MiFID II. "POST has proposed that we take part in setting up a proof of concept of the solution. We have been asked to test it as well as its administration interface in order to inform them of our suggestions for improvement", commented Eric Dognon. "We have established a specific environment for carrying out the tests by activating the recording on SIM cards which were not those used by employees in contact with clients. We have had the opportunity to test several specific cases such as call transfer or even the options which allow certain numbers to be placed on a blacklist or on a white list. If this is not a possibility which has ultimately been used by the bank, the solution allows that recording is not activated for certain contact numbers, for private communications for example".

### **Guaranteeing the recording of all exchanges**

POST had to guarantee KBL that all exchanges, without exception, could be recorded, with sufficient quality to enable playback. "For this to happen, the quality of the communication must be guaranteed. If the connection proves to be difficult, if the link does not enable optimal recording or if optimal recording cannot take place for one reason or another, the call will quite simply not be able to be made", continued the Head of the IT Department. POST, in order to guarantee optimal availability of the service, has entered into agreements with most worldwide operators in order to ensure optimal coverage. Only a few exotic regions, for which the operator has no partners, are not covered. The employee will therefore not be able to make calls from these zones. However, these zones are not those where our mainly European customers are located".

### **Encrypted and stored securely**

Currently, KBL is recording the exchanges of around 70 of its employees in Luxembourg, those who are in contact with customers for advising them or carrying out transactions. "During each call, two voice streams are generated. One goes to the person receiving the call, the other to the Mobile Communication Recording solution hosted in a data centre of the POST Group in Luxembourg", explained Eric Dognon. "The information at the heart of these communications is considered sensitive and confidential. Each conversation is encrypted. Only KBL, through a private key, is able to decrypt them. POST does not therefore have access to the data. We are the sole owners of this key that we can change when we decide. To listen back to the exchanges, we must download them onto our installations before being able to decrypt them", added the Head of the IT Department.



### Deployed from one day to the next

Deployment has been relatively simple. For users, everything has happened very transparently. The solution is activated from the SIM card. The relevant users, just like the customers, have been informed that their mobile conversations were going to be recorded. As of 1 January, the solution has been activated on the numbers defined. Each user has simply received an SMS notifying it that the solution was now active. "For the administration platform, accessible from POST's cloud, it has simply been necessary to define user profiles, among administrators, which may for example activate numbers, auditors and compliance/risk officers, who are entitled to conduct searches, download recordings and listen to them. Each profile can log in after a strong authentication and dual authorisation procedure through a Luxtrust token".

The search interface makes it possible, through some filters on the telephone number or even the period, to find conversations and download them. "With regard to the volume of conversations which can be recorded, it is useful to know quite specifically what you are looking for. If this is not the case, a search can take a lot of time", continued Eric Dognon. "Once found, the conversations are downloaded and decrypted."

### POST, guaranteeing peace of mind

The Mobile Communication Recording solution has been operational for KBL since 1 January 2018. "It offers the advantage of being entirely managed by POST Luxembourg, who provides the guarantee that all conversations are recorded", explained Eric Dognon. "For the IT department, this formula guarantees peace of mind. We can sleep soundly. Since its setup, no problem related to a search has been reported to us, which is a sign that everything is functioning optimally."



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