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Building trust through ethical culture – a guide for SME firms

Whistleblowing



Demonstrating ethical behaviours: handling whistleblowing well

Many firms will at some point experience a situation in which a member of staff raises a concern about something they have seen or heard at work.

Such concerns come in all shapes and sizes. Some will be relatively minor incidents of misconduct that can be easily resolved through normal company channels. Others may involve incidents of wrongdoing that are serious or pervasive enough to warrant special attention.

All UK regulated firms are expected to have procedures in place for handling such 'reportable concerns'. And a key part of those procedures will set out the way in which people in positions of responsibility should respond to someone raising a reportable concern. That 'response' needs to be structured, but it also needs to be understanding and responsive to the human side of the situation.

This is where your firm's ethical culture matters. It needs to be supportive and objective, and avoid resentment or challenge. The danger is that the message and the messenger become conflated and the person raising the concern feels they're being blamed for speaking up. Your firm may be full of good people, but its ethical culture needs to recognise that they can sometimes make bad decisions.

This guidance looks at steps that a manager or supervisor in a small firm can take when approached by someone wanting to raise a concern about something they have seen or heard at work. It is less about procedures and

more about the personal, human side of the firm's response. If after reading through these steps, you're not confident that people in your firm would respond in the way suggested, then you should take this as a signal that your firm's ethical culture is need of reform.



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12 Ways to get off to the right start with a whistleblower

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Here are 12 steps that will help the supervisor or manager get off to a good start with someone wanting to report a concern. They've been grouped into three key phases: remember, advise and reassure.

Remember

- Remember that the person in front of you blowing the whistle is going to be feeling nervous and cautious. Take this into account in how you engage with them, for example by being patient, responding with sensitivity and above all, listening respectfully.
- Remember that the person may not know exact or full details about the concern. They're not expected to provide you with any form of investigatory evidence. That's down to you and your firm to gather.
- Remember to take a record of what they have to say and share this with the person, so you agree upon a shared understanding of the concern.
- Remember not to let your feelings about the concern they're raising (the message) get confused with the person in front of you (the messenger). People who raise concerns like this can be amongst the most loyal of employees.

Advise

- Advise them to become familiar with their rights, under the firm's whistleblowing policy, as well as what the regulator and the wider legal framework provide.
- Advise them that they are entitled to seek independent advice, either through arrangements the firm has already put in place, or through an external source such as a whistleblowing charity.
- Advise them that their identity can be kept confidential if that's what they'd prefer, although in some circumstances, the law may require its disclosure.
- Advise them who will be looking into their concern and how they will go about doing so, as well as how long this could take.



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12 ways to get off to the right start with a whistleblower - continued

Reassure

- Reassure them that they will not suffer detriment for having raised this concern, unless it is later shown that the information they're providing was false to their knowledge.
- Reassure them that if they suffer any form of detriment as a result of having raised this concern, then they should report this to you as soon as possible.
- Reassure them that their concern will be recorded in the firm's management systems and that the appropriate resource and expertise allocated to its investigation.
- Reassure them that they can expect to be told the outcome of the investigation into the concern they've raised, but also that sometimes legal restrictions might limit this.

Get these steps right and you'll be off to a good start in responding to the person raising a concern. To build on these steps and to learn more about whistleblowing, look at the supporting resource on the Chartered Insurance Institute's website.



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