

GUIDE

A Financial Adviser's Guide to Archiving Text Messages



What strategies have you adopted to ensure secure, efficient, compliant use of text messaging applications at your firm, especially in the hybrid work environment? Financial advisers looking to enable mobile communications must do so as part of a comprehensive mobile compliance strategy to ensure smooth operations and reduce risk.

Mobility is everywhere, all at once, all the time

It's crucial to understand the changing dynamics of customer communication. While email remains a vital tool, customers are inundated with both business and promotional emails, leading to slower response times. Text and instant messaging applications offer a way to quickly capture customer attention and get more immediate responses, ultimately driving business growth.

By embracing modern communication channels, such as text messaging and instant messaging applications like WhatsApp, financial advisers can engage customers on their preferred channels, thereby enhancing customer satisfaction.

Best practices for archiving text messages

Regulators aren't letting up on enforcement actions and penalties for recordkeeping violations. In this guide, you'll learn five best practices financial advisers should put into action to ensure they are prepared to meet regulatory requirements:

1. Define policies and procedures

Establish comprehensive policies and procedures governing mobile communications to align with requirements established by the SEC and other regulatory bodies. These policies should be regularly reviewed and updated.

2. Train frequently and consistently

Conduct frequent, ongoing training and attestations for employees on mobile communication protocols. Training should occur at least quarterly to keep staff updated on compliance requirements for all allowed communication methods while maintaining an open-door policy for reporting inadvertent violations.

3. Be proactive

We've already seen that [being proactive is paying off for firms](#) that remediate regulatory risks before regulators come knocking. Advisers should implement proactive strategies to identify and manage key communication channels, whether employees are on corporate-owned devices or bring-your-own-device (BYOD) policies.

4. Understand regulatory obligations

Thoroughly understand and address regulatory obligations by staying informed about risk alerts, enforcement actions and guidance to avoid common digital communication violations. To stay on top of obligations, advisers should monitor SEC and FINRA guidance closely as it is refined and updated.

5. Understand technology capabilities

Business-related text messages must be archived. Assess the ability of technology and tools to capture and archive various communication channels in compliance with recordkeeping requirements. Regularly review and update the archiving process to include newer applications, ensuring consistent sampling of flagged messages and updating lexicons to flag newer forms of communication, such as images or emojis.

Final thought

The evolving landscape of digital communications presents both challenges and opportunities. By establishing strong policies and procedures, providing clear guidance, and properly archiving text messages, financial advisers can reduce their risk of regulatory fines and reputational damage, empower collaboration, and improve customer satisfaction.



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