

The rockstar of RegTech

CUBE Founder and CEO Ben Richmond on the world of RegTech, the drive to create the world's leading regulatory platform and the odd spot of fly fishing.

Headquartered in London, CUBE is a global regulatory technology (RegTech) provider that empowers financial institutions to meet cross-border compliance challenges head on. Founded in 2011 by Ben Richmond, CUBE was bootstrapped from day one, funded not by investors or seed rounds but rather by a product that had instant market appeal. Today, CUBE's platform spans 180 countries and is on the cusp of joining a very special club of companies who go on to not only lead but define their industry.

I had the opportunity to meet Ben Richmond at the Paris Fintech Forum (PFF20) to find out more about his vision for the future of regulatory compliance, how he recognised the need for a platform like CUBE and his mission to machine learn the world's regulatory content.

[Darie] I started by first asking Ben to tell us in his own words, what exactly does CUBE do?

We operate in the world of RegTech and are focussed on what we call regulatory intelligence, which is where we help firms understand their regulatory obligations and where and how they impact their business. Essentially we connect the regulatory obligations specific to them, to their internal controls, procedures and policies so they can understand if they are

doing what they need to do to comply with those regulations. We keep everything fully up to date on a 24/7 basis, so as the regulations change, we make that change available to the customer. Effectively, we're able to help them understand the impact of any regulatory change and what action they need to take and any blind spots they may have - the savings on operating costs and exposure are huge!

Can you tell us more about how the platform actually works?

Our customers access our SaaS Digital Regulation Platform where we do two things:

Firstly, we collect all of the data that exists across the Web that relates to regulation, we do that in 180 countries and 60 languages. This can be data from the regulators, government bodies and the various associations, all of which is fed through to our platform. The next step is to normalise all the differing data into a single data model, allowing us to deal with the big data aspect of the world of regulation. We semantically work out the relationships across the data and we understand what the different regulatory obligations relate to, allowing our customers to leverage that new intelligence.

Secondly, the platform allows us to learn about the customer. What we can learn about them through the Web, what they can tell us about themselves, what we can learn from their data. Again, we normalise our view of the customer and all of their data, this means that when we marry up our regulatory data universe with the customer data universe, we can connect them to all of their regulatory obligations, and specifically those that are relevant to their business.

"It gives them a complete view of the world of regulation as it impacts them."

CUBE can actually connect to their controls and identify where they have blind spots, where they haven't got adequate controls and where they might have over coverage of their controls. So through the CUBE dashboard, they have access to analytics and heatmaps which they can use to traverse the world of regulation as it relates to their business, making sure that they're ahead of the

curve on fixing any problems that might come up rather than learning about them after they've occurred.

What can you tell us about your vision to start CUBE?

The vision that I had for CUBE came about post the financial crisis.

It became very clear to me that the regulatory framework, how banks and the financial services industry as a whole were regulated, had to dramatically change because the crisis came about really as a result of not having the right controls put upon these firms to begin with.

I liken it to the 2000 millennium bug issue. The difference there is that everybody rallied for what was going to be this huge impending catastrophe and the amount of work that was done to make sure aeroplanes didn't drop out of the sky was staggering. Then when we actually got there, it was a non-event.

The financial crash was the other end of the extreme. Nobody really saw it coming and when it happened, it was truly devastating with millions losing their homes and jobs. Now we're trying to do the remediation work that should have been done to begin with.

"When I had the vision for CUBE, I saw it as an opportunity to scale a truly global software firm that could be highly disruptive in the market."

It was quite apparent to me that change was going to happen and I thought "Okay, the world of regulation is going to change in every sense and the world of regulation is entirely predicated upon one thing, content, and content is something that I knew a lot about."

It didn't take long to come up with the concept of CUBE from that point on, which is, "if we can aggregate all of that content on mass and make sense of it, that's going to have to be useful in this new regulatory era that we're going into"

You mention content, can you explain what this means in terms of how CUBE makes use of it?

Content generally means unstructured data, that's the general terminology that we apply to it. The world of regulation is entirely held up in documents, word files, pdf's, webpages, excel and so on.

The problem is all that unstructured data, that content, has no consistent structure or meaning which can be well understood at a machine level. The problem is exacerbated further when you go from one regulator to the next (and there's thousands of them), from different countries, languages and so on. There is no standard and there is no consistency whatsoever – they all produce regulation in different ways. Fundamentally, CUBE is leveraging AI to address the complexities of the regulatory world to make it easier for our customers to comply.

Paving the way for uniform regulations

For CUBE, we are specifically talking about content as it appears on the world wide web. We use all sorts of AI techniques to turn unstructured data into intelligent data that can be consumed by people and machines in a way that doesn't require lawyers and huge compliance teams to sit there and read through manuals, books, and legal documents – trying to interpret what the regulators' requirements are.

"If you think about it, it is a completely nonsensical thing that in this day and age we still have to do that."

If we're going to regulate the financial services world to avoid another financial crisis, there must be a smarter way to do that, so it is incredibly transformative what we are doing. In a way, I feel that is our mission, in the future generations will look back with bemusement at how we do things now and say "can you believe that people used to have to read and learn about these regulations? They didn't just systematically happen as part of the fabric of what we do". That's fundamentally what we're trying to change and it is a chasm from where

we are now and where we need to be.

Fintech's lesser known brother

It's fair to say RegTech is in a big growth stage at the minute with financial firms especially investing heavily in the potential that it offers. How are the regulators interacting with the technology and where do you see RegTech going?

RegTech is a hundred billion dollar market. It's huge because banks and others spend billions a year on it and the level of cost and fines that occur in this space is phenomenal. Where do I think the regulators and the government bodies are? I think as we technologise this market more and more, two things will happen.

Firstly, by virtue of the technology being implemented, standards will start to be created, because of things like the data models that are being established and how technology manages regulation, it will create standards in how banks and other firms start to consume it.

Secondly, as a consequence, the regulators and others will need to consider how they monitor, observe and measure what these firms are doing, and again by virtue, they will be considering the technology in use and those standards that are being set.

That's where I think the two worlds will come together and that supervisory requirement of the regulator to the firm will be the middle ground for RegTech to make its play. Regulators are certainly starting to become much more aware of the world of RegTech and what it means for the industry.

The Wild West

As far as the industry is going, is there

consensus on the standards that are being created? Or is it a free for all where everyone is trying to be the first out of the gate with their own solution?

I would say it is more the latter because there is so much opportunity in RegTech and so many firms have come into this space. There have been a thousand start-ups in RegTech in the last few years alone. Which is significant, it's like the rise of Fintech right?

So if you've had that many firms come into the market, you're going to get high fragmentation. You're going to get lots of firms trying to solve different problems in different ways and that will continue to a point. That being said, there'll certainly be leading propositions, technology solutions that will push ahead. We're seeing this now, certainly from a CUBE perspective, and firms like ours will start to become standards in themselves. It's like years ago when everyone ran an IBM mainframe, IBM wasn't the only one to the party but they became the standard and I see similar things happening within the RegTech world.

Ben Richmond, speaking on Regulatory Complexities at [Paris Fintech Forum 2020](#).

Where does CUBE sit in the middle of all this and what can we expect going forward?

We're in a very interesting place, actually, and one that is rife with opportunity because as a RegTech firm we established in 2011 so we're quite mature and differentiated from a lot of our competitors. I believe our vision too sets us apart. When I started the firm, the core concept of CUBE was all about machine automation at scale. So where AI has become the height of trendiness over the last few years, we were doing that nine years ago by looking at how we machine read and understand the regulatory web. Another unique factor for CUBE is that we've been bootstrapped from the get-go, we've generated revenues from year one and were able to grow the business and fund development of our tech in a way that most start-ups are not able to.

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“Our ambition is to have CUBE set the standard for regulatory intelligence across the globe, that’s what we want to achieve.”

Whereas a lot of RegTechs are backed at the seed stage, as are Fintechs, it makes for a very different dynamic at CUBE. We’re looking to really define and standardise what regulatory intelligence is in the market we’re in. We’re playing the long game here, the management team are all aligned to that and my focus is about what we do globally in the market.

We’re in the fortunate position where we can control our own destiny in that regard and everything we do has centricity around delivering the best possible capabilities in terms of best platform and best outcome for our customers. It’s about relentless focus on our sector, what we do, the customers we serve and building the best innovation and the best product that can be built.

We are really the only credible enterprise RegTech provider in our space of regulatory intelligence that has the capability to execute at scale and the next generation technology. For that reason, we’ve been very successful and privileged to be able to work with the biggest banks in the world to deploy CUBE as a strategic platform. That’s given us a unique advantage right now in terms of how we have scaled as a business. We’ve been very successful with the customers that we’ve won and those that we continue to win. We’ve executed well and that means that we’re not a startup, we’re a scale up firm and we hold a unique position in between the big legacy players and the new start-ups.

Looking to the future

We are now working at the board level with some of the biggest banks in the world, where we deliver our capability in every country they operate. We will continue to further those relationships while finding new and innovative ways to really help our customers transform their regulatory compliance.

You can liken it to Google in a way. Google created the search engine but as a result, there’s so many more things that Google has now been able to do by

leveraging that data and the learnings from it. It's the same for us, we've created the regulatory intelligence that didn't exist before and now there's so many more things we can do in helping our customers by leveraging that intelligence. That's really what excites and energises us, and keeps us on our toes as far as being at the forefront of this fast moving sector.

"We are going to continue to deliver well, meet customer expectations and exceed them where we can in our execution."

The B word

With the likely upheaval that is set to ensue as a result of the UK's exit from the European Union, what will be the impact on regulatory frameworks, especially with things like passporting rights being up for negotiation in forthcoming trade talks?

In regard to the U.K. and obviously Brexit and all the changes we are likely to see as a result, how do we view that? I think it's very simple to answer. It's one thing, isn't it? It will create more regulatory complexity.

Whichever way you slice it or dice it, both in the UK and EU, there will need to be considerations on how they now regulate going forward.

This will create more complexities and there will be more interrelated initiatives and acts and regulations, as well as conflicting acts and regulations. It's our job to try to make sense of all of that. So when the customer logs on and says "What do I need to care about today?" we can say, "We considered the thousand different decisions that need to be made and the million different

data points and here's what you need to consider".

"Putting aside any personal views, Brexit isn't necessarily a bad thing from a RegTech perspective."

Life before CUBE

Have you always had this drive to run your own business?

I think that comes back to my childhood. I always loved the idea of being able to create a product and be able to sell it, while somebody at the other end is happy with it and in the meantime make a profit. I think that was just how I was from a young age.

To give you an example, I was eight years old and I started to do different things to make some pocket money and by nine years old, I had a couple of my friends working for me in these little businesses I set up.

I used to be a keen fisherman (and I still am) and one of my challenges was that I loved to go fly fishing but I didn't have the money for it. I realised that if I turned my hobby into a business, I could not only cover my costs, but I could potentially make some money on top of it – it was a true win-win.

I was quite good at fly fishing so I started to sell the fish I caught in the local village. Then I thought "Well, if I catch more, I could potentially sell more and make a profit". So I started catching more and canvassing the hotels and the restaurants and started selling to them as well". Then I thought "I need to go wholesale here, I'll take it to the fishmongers". Before I knew it, I had back orders on fish and I couldn't keep up with demand. In the end, I was paying my friends to go and deliver for me so I could fish more to meet supply! Not sure you could get away with that today but back then we certainly had that freedom for entrepreneurship.

Anyway, that is one of a number of examples of different businesses I ran before I was ten. Growing up in Cornwall and having the freedom to pursue my interests definitely instilled something in me to this day – you have to be

passionate about whatever you do!

Not bad for a Cornish lad

I knew that I was going to outgrow Cornwall. I knew that I wanted to go and build a really big world beating company. I wanted to make a difference and change something in some way.

“It wasn’t just about the money, it was about creating something that was substantial and making an impact in some way”

As soon as I finished school, I packed my bags and with a few quid in my back pocket, I went from the countryside of Cornwall to North London and set about on a journey to be successful and build something that matters.

What did you do once you moved to London?

I got a job very much at the bottom of the ladder, if you like, in a firm called MISYS. I didn’t really know much about tech at the time, but I managed to get into the dispatch and QA department and then really focused on learning all that I could about the world of software and technology.

I was only seventeen and I would sit there night after night, just learning everything I could and within a year or so, there wasn’t a lot I didn’t know about the software we were shipping to customers. So, from my days in Cornwall, I knew I was good at selling and with the knowledge I had gained about the software I somehow managed to talk my way into a sales position and became one of the top sales guys by twenty one.

Then I thought “This is great, I’m making lots of money and have a wonderful career, I’m now on the corporate ladder but that’s not what I came here for. I came to London to build something and make an impact”. Further to that MISYS was very much about the world of structured data, whereas, I saw a huge opportunity in unstructured data – content which at the time hadn’t really become a thing. So I decided to leave and set up my own firm to focus on that.

Quitting the 9 to 5

I set up my first content company, The Content Group, in 1998 when I was twenty one. I did that for a number of years, building content companies that were doing well, scaling up to about 150 people – but again, I wasn't doing something on the scale I wanted, It wasn't making the impact I wanted to make.

The minute I had the vision around CUBE and saw that opportunity, I thought, "This is it, this is the opportunity I have been looking for" and went for it.

Family Time is Quality Time

What does life look like when you are not working? Do you still go fishing?

Honestly, I work incredibly hard, you soon realise when you get very large demanding customers (the biggest banks in the world in our case) and rightly demanding because they have very high standards, is that you only work harder.

So what I do to relax outside of my work is spend time with my family, my wife and kids and our dog, Buddy. Whatever time I can get with them is my down time and if I get the very occasional opportunity to do a spot of fishing, I still love to do that but now I cook what I catch!

Based on a vision of the future of regulatory compliance, Ben founded CUBE in 2011. Recognised as a customer-oriented, results-driven business leader, his focus is on the progression and growth of CUBE. He began his career with MISYS and has worked in technology, helping organisations to leverage and manage content (unstructured data) for more than 20 years. He has successfully grown a number of technology and services businesses as part of The Content Group, which he founded in 1998, and has been involved in setting global standards for a variety of content-related initiatives. Ben is CEO of CUBE and a board member of The International RegTech Association.

[Vote for CUBE at RegTech Insights Awards 2020](#), where they have been shortlisted for "Best AI Solution for Regulatory Compliance" and "Best Solution for Records Retention"

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