

”We’re drowning in documentation”

The consequences of financial regulation on working conditions

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“Listen to the real experts”

There is a strong sense of loyalty among financial sector employees to both towards customers and employers. A survey conducted by Finansförbundet in autumn 2025 showed that seven out of ten respondents found it difficult to complete tasks related to regulatory compliance within regular working hours. Instead of leaving tasks unfinished or performing them inadequately, 73 per cent of respondents regularly work outside normal hours to complete compliance tasks.

Finansförbundet does not accept workloads that leave financial sector employees without sufficient time for recovery. These conditions lead to ill health and risk destabilizing organisations in the long term. At the same time, we recognise that measures to simplify regulations should not lower sustainability requirements, weaken consumer protection or limit their societal ambition.

In order to improve working conditions and the sustainability of organisations, both employers and policymakers should consult the real experts - financial sector employees.

Camilla Linder
Finansförbundet's president
Finansförbundet



Introduction

In recent years, new regulations have led to significant increases in the workload of financial sector employees. Regulatory compliance has increasingly become a central part of day-to-day work, which has had a significant effect on working conditions.

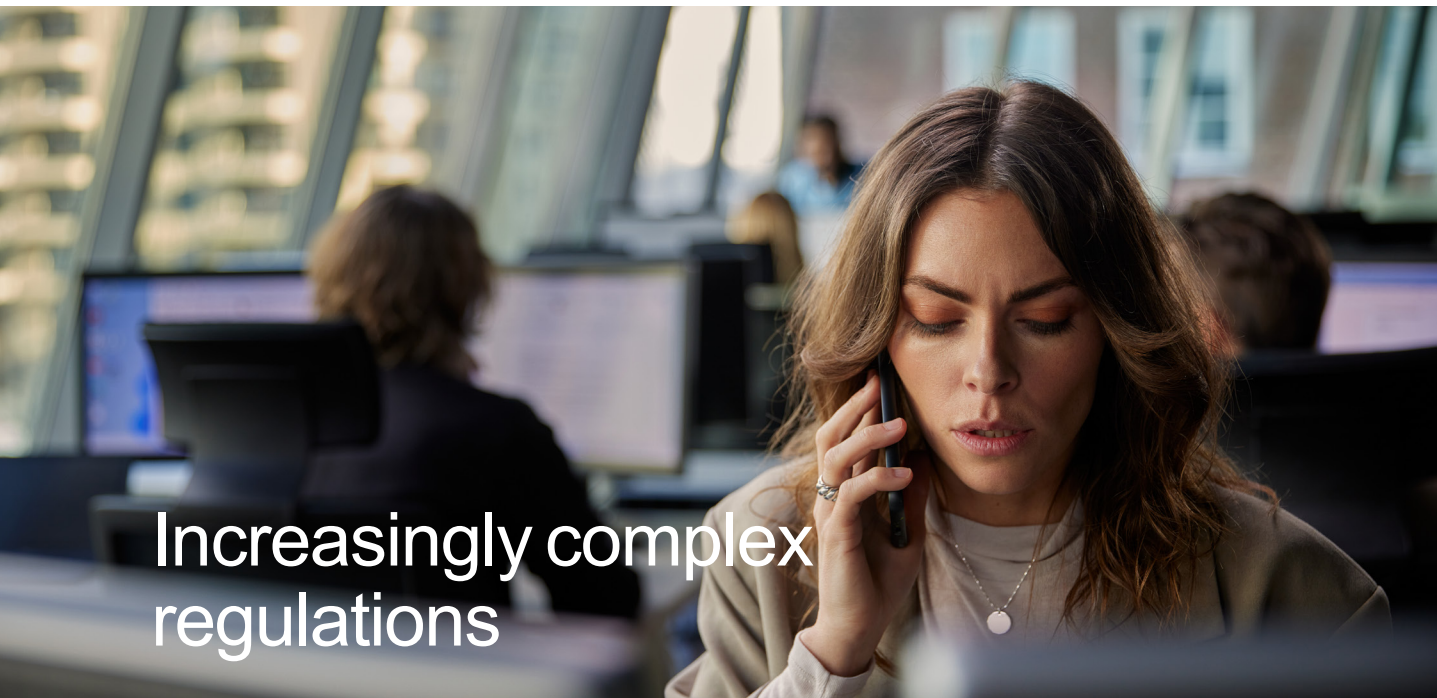
This report examines the effect of increased regulation on working conditions among employees in the financial sector and makes recommendations for employers and decision-makers. By improving employees' ability to comply, the impact of regulatory frameworks will be more widespread and effective.

About the report

In spring 2025, a preliminary study was conducted, which comprised seven interviews with members employed in workplaces around the country. The interviews focused on the effect of regulatory compliance on working conditions. The results of this study formed the basis of a survey sent to all our members.

On 18 September, our survey was sent to 24,438 members of whom 1,748 responded. This amounted to a response rate of 7.2 percent. Analysis of the respondents' gender, age, and professional roles showed that the survey should be considered representative of our membership as a whole.

68 percent of respondents were women and 32 percent men. The largest age category represented was 50 to 59. Among respondents, 40 percent work as private or corporate advisors, 13 percent held IT, cyber or development roles and 9 percent held managerial positions.

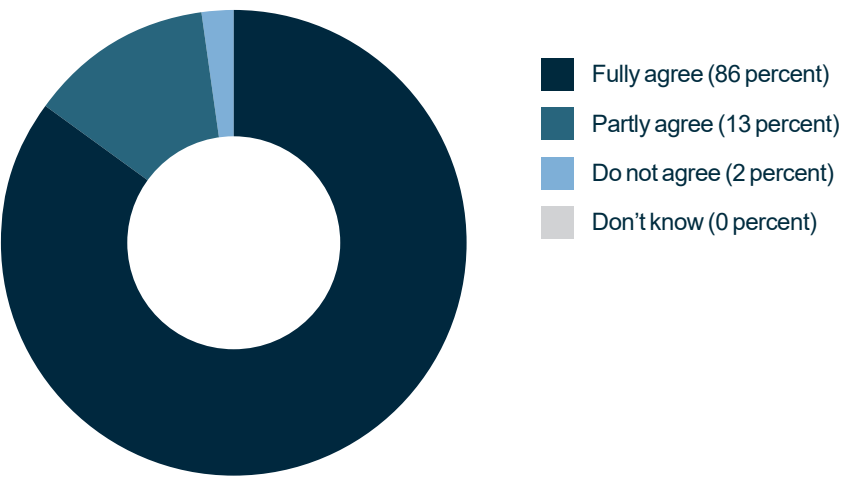


Increasingly complex regulations

Regulation within the financial sector has undergone extensive development in recent years and has become increasingly complex. This development is a response, among other things, to previous financial crises, technological advances, as well as insufficient consumer protection and competition within financial markets. Regulations are often developed by the EU for application to all Member States or implemented at a national level.

86 percent of respondents said that they are required to comply with a large number of regulatory requirements.

My professional role requires me to comply with a large number of regulatory requirements.



The increased level of regulation affects roles in the financial sector, such as advisors, customer service staff, compliance specialists and managers. These regulations include:

- Stricter measures to combat money laundering and financing terrorism.
- New security measures to prevent fraud, including customer authentication.
- Mandatory information for customers.
- Expanded requirements for documentation and administrative work.
- Obligations to supervisory authorities including the Swedish Financial Supervisory Authority (Finansinspektionen) and the Swedish Tax Agency (Skatteverket).
- The development of IT solutions for workflows, system support and processes.
- Increased competence requirements and internal training in applicable regulatory frameworks.

“As a general adviser, I’m expected to help customers with mortgages, savings, pensions and insurance. The amount of regulations that I have to keep track of is overwhelming.”

Quote from the survey

Advisory roles have become increasingly complex. Both private and corporate advisors are required to have an in-depth understanding of financial services, the interpretation of legal requirements, correct documentation procedure, customer risk assessments and the suitability of products – often under stressful day-to-day working conditions.

Anti-money laundering regulations

In our survey, 62 percent of respondents said that anti-money laundering regulations caused particularly high workloads. 51 percent cited GDPR regulations and 39 percent MiFID II.

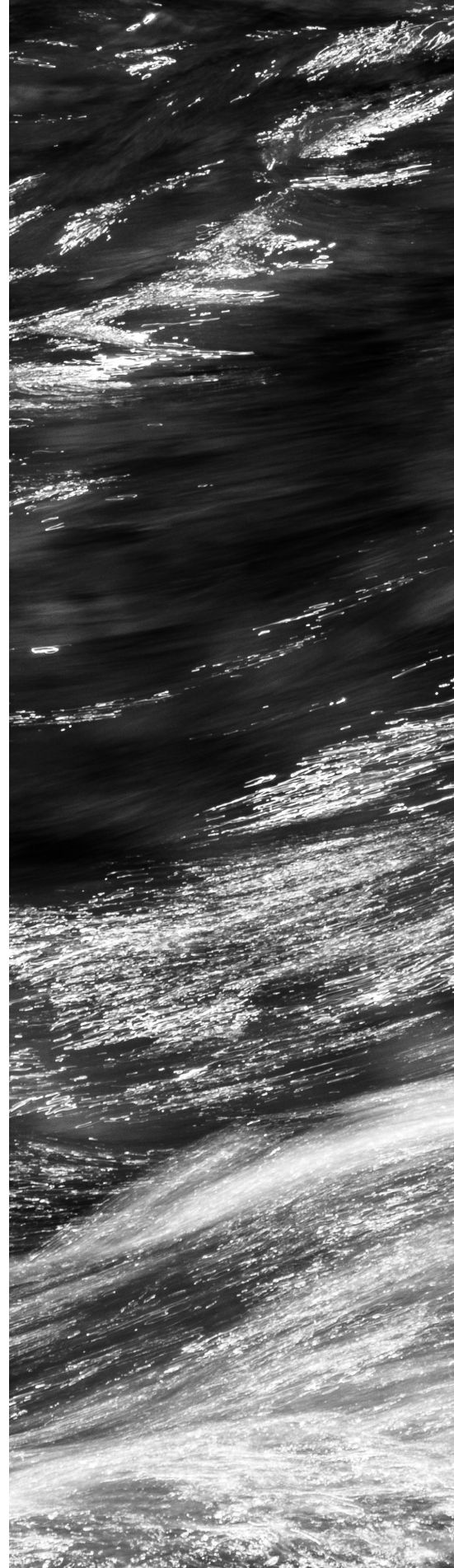
The rapid growth of regulations makes high demands on our members time and expertise. 66 percent partly agreed that they have good opportunities to familiarize themselves with regulations. 21 percent fully agreed, while 12 percent said that they did not agree at all.

“With new information coming all the time, you don’t have time to absorb everything.”

Quote from the survey

“I work as hard as I possibly can to comply with all existing regulations but I honestly believe that the human brain isn’t capable of knowing all the rules. It’s very likely that I’m missing a lot which should be included.”

Quote from the survey



Interpreting regulations and conflicting requirements

In many cases, individual employees have difficulty understanding how to interpret regulations and apply them in practice. 28 percent said that they experienced uncertainty to a high or very high degree, while 45 percent partly experienced difficulties. Only 27 percent reported low or very low degrees of uncertainty.

Many respondents experience difficulties caused by regulatory frameworks conflicting or overlapping with one another. 63 percent said that they experience this problem to a high or very high degree. Approximately one third of employees working with regulatory compliance experience this to a high degree.

In free-text responses, several respondents expressed uncertainty regarding trade-offs between different regulatory frameworks.

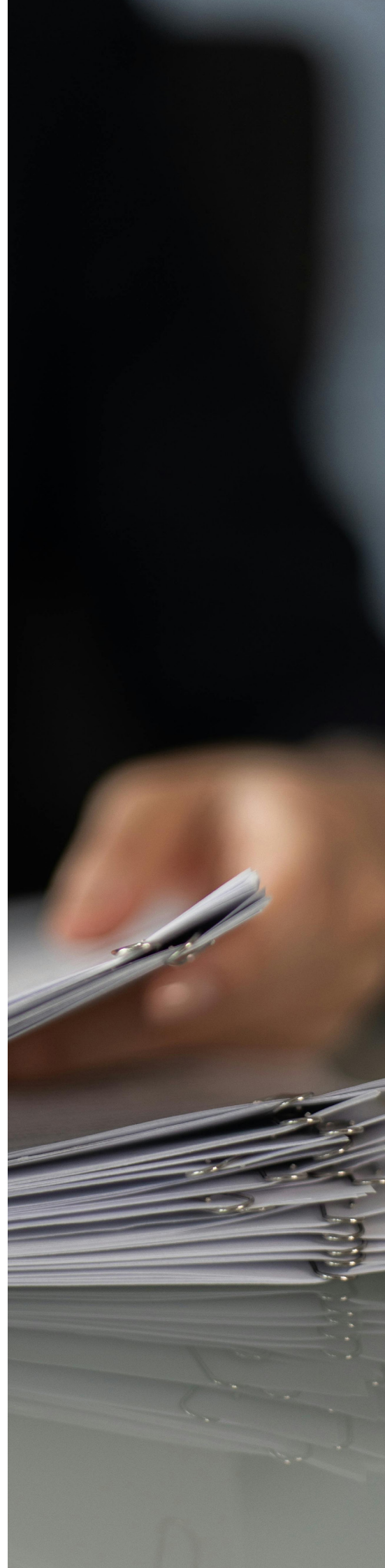
“The Payment Services Act, anti-money laundering legislation, confidentiality legislation/GDPR and PSD2, as well as regulations concerning bank secrecy, are not always aligned. In some cases, they conflict with one another.”

Quote from the survey

Several respondents emphasised the need for more guidance on the interpretation of regulations from organisations including the Swedish Financial Supervisory Authority (Finansinspektionen). Approximately one third of respondents who work with regulatory compliance expressed a high need for increased guidance from supervisory authorities.

“In the work I do, we’ve had to redo things several times because the SFSA wasn’t satisfied. It would be better if they offered more support and provided clearer guidance.”

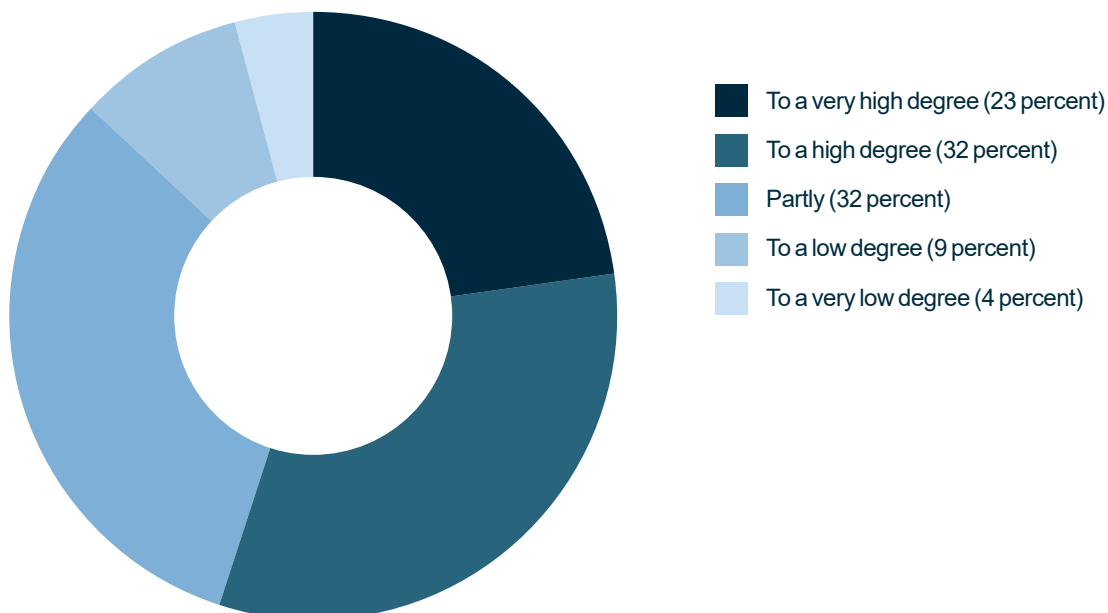
Quote from the survey



The effect of regulatory compliance on customer service

Financial sector employees in direct contact with customers often find that regulatory compliance adversely affects their ability to provide good customer service. Among respondents in customer-facing roles, 87 percent said that compliance makes it difficult to provide good service to some extent. 55 percent experienced this to a high or very high degree.

... adverse effect of regulatory compliance on customer service



Key regulatory frameworks that affect financial sector employees

PSD (Payment Services Directive) – implemented in Sweden through the Payment Services Act (2010:751). This regulatory framework has increased requirements for customer authentication, third-party access (open banking) and strengthened consumer protection for payment services.

MiFID (Markets in Financial Instruments Directive) – implemented through the Securities Market Act (2007:528). MiFID regulates, among other things, how investment advice may be provided, which information requirements apply in relation to customers, and how commissions and conflicts of interest should be managed.

MCD (Mortgage Credit Directive) – implemented through the Act 2016:1024 regarding activities related to housing credits. This legislation concerns suitability assessments of credit provision, disclosure obligations to customers and competence requirements for mortgage advisors.

AMLD (Anti-Money Laundering Directive) – Act 2017:630 concerns money laundering and the financing of terrorism. It introduced extensive requirements for customer due diligence, risk assessment and reporting obligations to the Financial Intelligence Unit. It also imposed internal monitoring and training requirements. It will be supplemented by AMLR (new Anti-Money Laundering Regulation).

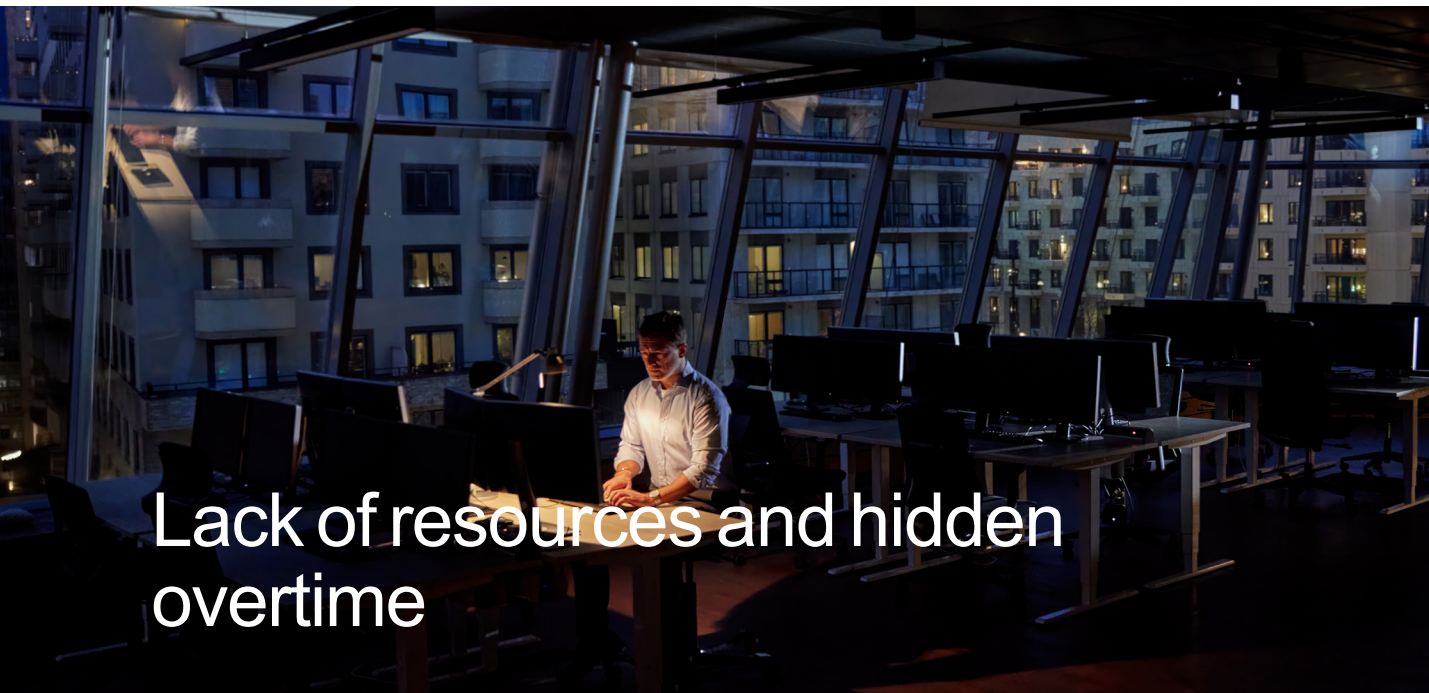
GDPR (General Data Protection Regulation) – EU regulation concerning the processing and storage of personal data, including customer databases, digital communication and system management.

DORA (Digital Operational Resilience Act) – EU regulation concerning how financial entities prevent, manage and recover from IT incidents and cyberattacks. It includes requirements for ICT risk management, incident reporting, operational resilience testing and monitoring third-party service providers.

IDD (Insurance Distribution Directive) – implemented through amendments to the Insurance Distribution Act (2005:405). Among other things, it regulates how insurance-related products may be sold and as well as providing guidelines for insurance distributors.

SFDR (Sustainable Finance Disclosure Regulation) – EU regulation that requires participants in financial markets to provide standardised, transparent information on how sustainability risks are considered in investment decisions. It also regulates the marketing of environmental and socially-beneficial products, in order to facilitate comparison and counteract greenwashing.

CSRD (Corporate Sustainability Reporting Directive) – EU directive that requires companies to disclose standardised, comparable and reliable sustainability information in their reporting. It includes environmental, social, and governance (ESG) issues, in order to enhance transparency and counteract greenwashing.



Lack of resources and hidden overtime

Compliance and working hours

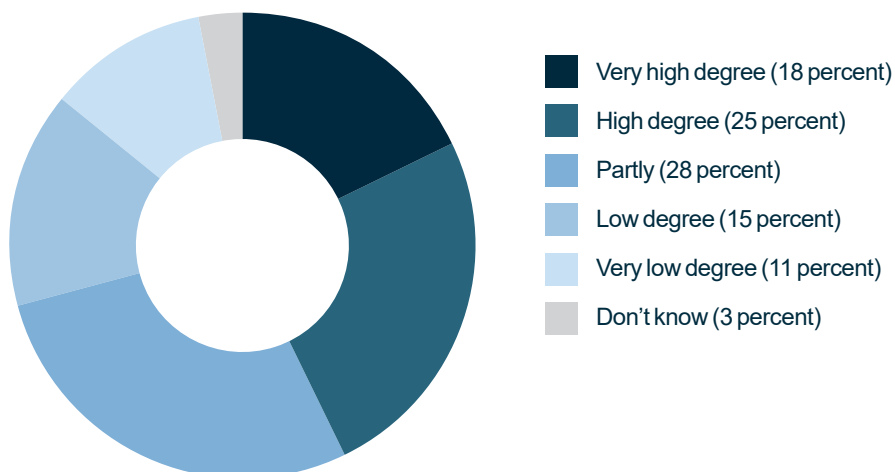
71 percent of respondents said they had difficulty carrying out regular tasks and compliance-related work in normal working hours. 43 percent experienced this to a high or very high degree.

Many respondents said that the increased demands of regulatory compliance are not met with adequate workplace resources.

“The administrative workload keeps increasing, in line with growing requirements and regulations. Despite this, staffing levels remain unchanged.”

Quote from the survey

... difficulties in managing my work tasks during regular working hours



What are considered regular working hours?

The Working Hours Act states that a working week is 40 hours, although employees in companies covered by our collective bargaining agreements may have shorter working hours. Some employees have trust-based working hours, which means that their time is calculated over an agreed period without overtime.

Regular work is expected to be confined within normal working hours, although employers have the right to require overtime or additional hours from part-time workers. Overtime may be required in unforeseen circumstances, such as system crashes, acute illness or exceptional events in financial markets.

In our survey, 73 percent said that they sometimes or often work overtime to comply with regulatory requirements. 20 percent said this is a regular occurrence. No differences were observed between male and female respondents or between managers and their staff.

Increased workload related to regulatory compliance has not resulted in the deprioritisation of other tasks. Many respondents said that business targets remain the same or have expanded, despite the increase in workload.

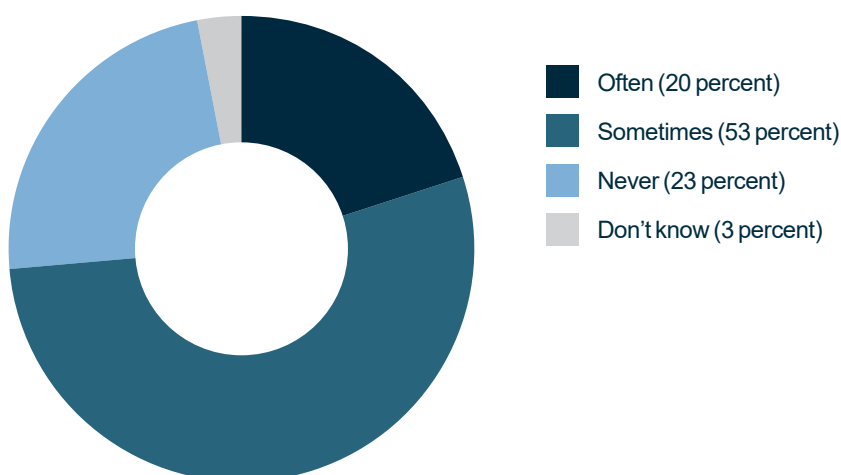
“Administrative tasks related to regulatory compliance, as well as demands for proactivity and fast processing from customers are increasing simultaneously. The time to carry out this work has not changed.”

Quote from the survey

“It’s crazy how documentation requirements have grown in recent years and how much time it takes. At the same time, the bank is constantly increasing sales requirements.”

Quote from the survey

I work overtime in order to complete documentation in accordance with regulatory requirements.



“My employers accept that regulatory compliance takes time. However, they don’t want it to make any impact on business.”

Quote from the survey

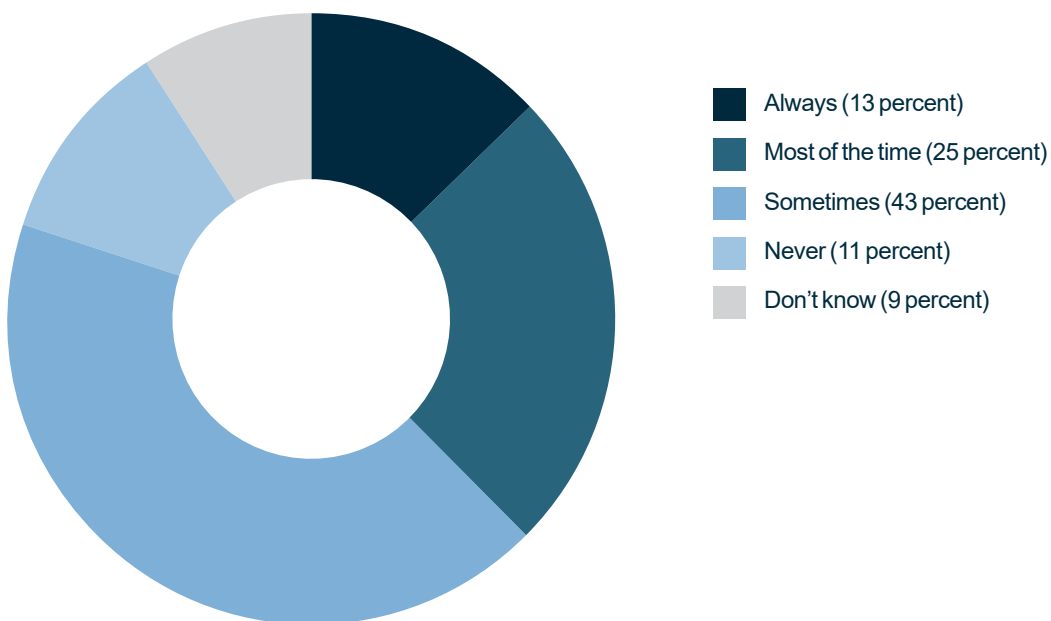
Hidden overtime

54 percent of respondents who work overtime to keep up with regulatory requirements said their manager is seldom or never aware of it. This so-called hidden overtime isn't approved by employers and, therefore, no compensation is paid.

“We’re not paid to work overtime at all. Sometimes, the workload is so heavy that you finish work off outside office hours.”

Quote from the survey

My manager knows that I work overtime to maintain regulatory compliance.



It appears that in some workplaces a culture of silence exists about unpaid overtime. A fifth of respondents said that they feel uncomfortable talking about it with anyone at their workplace. In these cases, unpaid overtime seems to be viewed as a personal shortcoming, rather than an organizational problem.

In free-text responses, respondents said they were reluctant to talk about unpaid overtime with managers due to shame about falling behind colleagues and accusations of inefficiency or poor working methods. Some also felt that discussing overtime with their managers wouldn't lead to improvements.

“Invisible overtime is a constant that’s never discussed. In the past, we’ve been told that we aren’t working properly.”

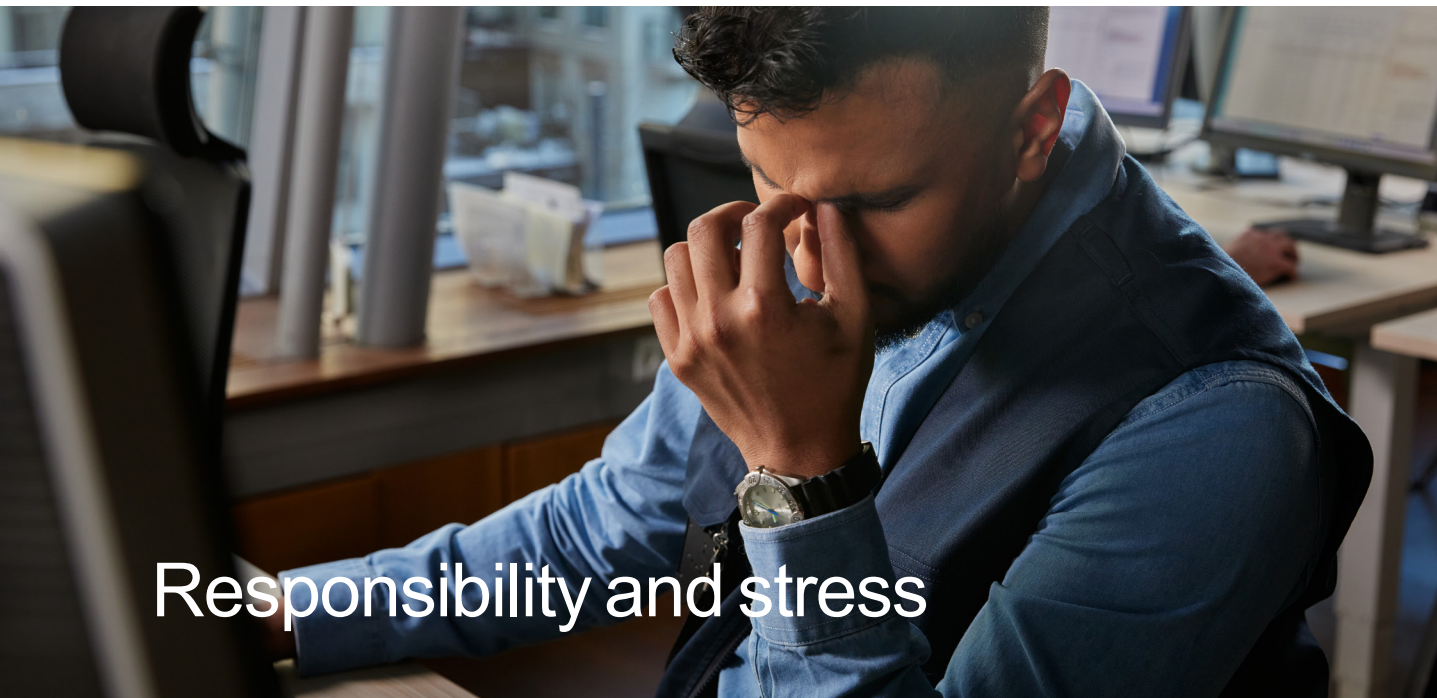
Quote from the survey

“It feels shameful to talk about overtime, as it makes it look like you’re not keeping up. Nevertheless, all my colleagues work evenings and weekends.”

Quote from the survey



In our survey, men were more inclined to discuss overtime than women. Men felt more comfortable talking about it with managers, while women preferred discussion with their colleagues.



Responsibility and stress

Fear of making mistakes

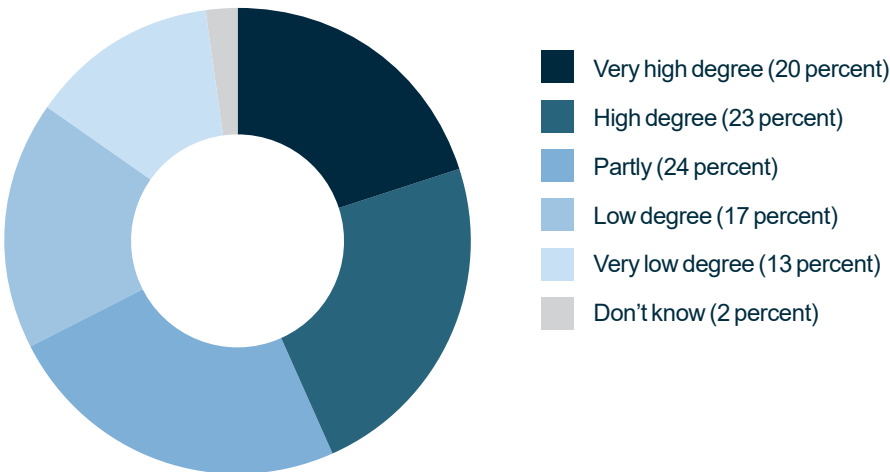
Anxiety about being personally liable for compliance contributes to negative working conditions. 67 percent of respondents expressed a fear of making mistakes and being held personally responsible. 43 percent experienced this to a high or very high degree. Anxiety was highest among respondents working as advisors, of whom 6 out of 10 said they experienced stress to a high or very high level.

Our survey indicates that responsibility for regulatory compliance is put on individual employees to a large extent.

“We’re reminded, at regular intervals, that we’re personally responsible if we make too many mistakes. We’re not allowed to work with some advisory services”

Quote from the survey

Fear felt by respondents of making mistakes and being held personally responsible



Regulatory compliance and personal liability

The fear of being held responsible appears to be well founded. Many respondents said that they received little or no support from employers if mistakes were made . 23 percent of respondents stated that they are held personally responsible if something goes wrong. 47 percent said that responsibility is shared between them and their employers.

“The bank takes no responsibility if I’ve made a mistake, it’s seen as my fault and I should have known better.”

Quote from the survey

The consequences for financial sector employees

Being held personally responsible, in this context, may lead to a reprimand, a warning or withdrawal of our members’ Swedsec licenses. Reprimands are logged on the Swedsec website and can be accessed by prospective employers. Serious violations may lead to the loss of an employee’s Swedsec license, which disbars them from certain roles in the financial sector.

Failure to comply with anti-money laundering regulations may lead to employees being fined or imprisoned. Internal bank audits may also raise concerns about the conduct of employees and result in legal consequences, such as reassignment or dismissal.



Leadership

Our survey shows that effective leadership within organisations has a significant effect on how personal responsibility is experienced. Employees who have present and supportive managers experience less anxiety, while stress is higher among those who feel unsupported.

“Good leadership means that I don’t feel anxious about being hung out to dry if I make a mistake. My manager’s approach isn’t defensive, it’s proactive.”

Quote from the survey

“Fortunately, in my team, no one is singled out or blamed when something goes wrong. Instead, we try to identify solutions that will avoid making the same mistakes again.”

Quote from the survey



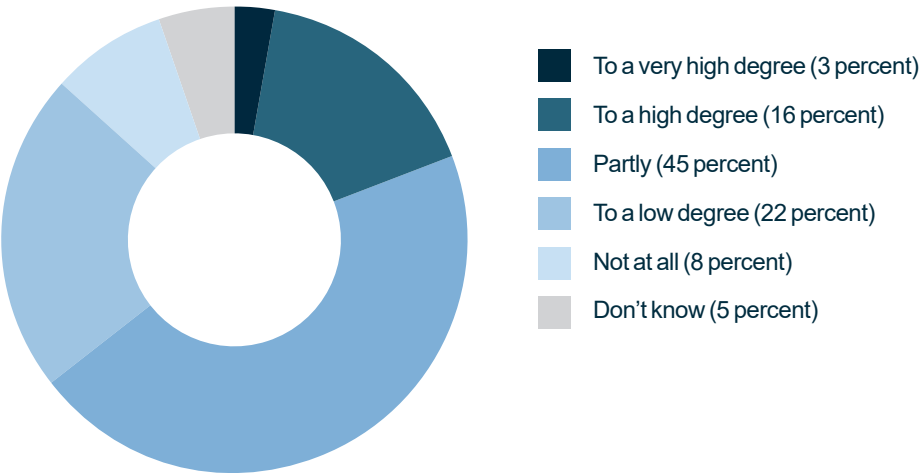


System support

Regulatory compliance work is often carried out by purpose-built digital systems that report on or document customer meetings, for example. Inadequate systems increase workloads and create unnecessary stress.

75 percent of respondents said that the digital systems they work with to aid regulatory compliance are to a low degree or only partly adequate.

The workplace's digital systems are well designed for the work tasks linked to regulatory requirements.



In free-text responses, our survey revealed that system support often fails to cope with real-world complexities, which increases workloads.

“The systems are often very rigid and are only designed to fulfil basic regulatory requirements. This means that they can’t adapt to reality.”

Quote from the survey

In other cases, employees are not given sufficient time to learn legal compliance systems. Newly-introduced systems are sometimes implemented without adequate time for testing and training. Therefore, efficiency gains are not fully realised in day-to-day operations.

“When we’re given a new system, there are no training programs. You’re expected to learn while the customer is sitting in front of you.”

Quote from the survey

Despite these challenges, respondents were confident that digital tools could contribute to regulatory compliance, if correctly implemented. However, the development and implementation of compliance systems should be tailored to real-world conditions, with input from the employees who will use them.

“We need significantly better system support in order to focus on customer interaction, where the risks are greatest. Right now, we handle almost all customers in essentially the same way, regardless of the business risks.”

Quote from the survey



A quarter of respondents who work in compliance said that the system support they use does not function at all. A third of those working in business support, advisory services, business development and asset management said that their system support only functions at a low level.



Conclusions

Our survey shows that increasing regulations are not being met with sufficient resources. Stressful working conditions and unpaid overtime are commonplace occurrences for a large share of our members, particularly in bank branches.

While targets for sales and customer meetings remain the same or increase, the time and resources allowed for legal compliance are rarely adequate. Unpaid overtime appears to have become normalised in many workplaces, without frameworks to raise the issue collectively.

Current regulations are often difficult to interpret and contradictory, while existing system support is insufficient or inadequate. Training is frequently ineffective in reflecting operational realities.

A shift of responsibility has taken place, in which the individual employee is to a large extent left alone in the application of regulations, and is also made to bear the blame if something goes wrong. Specialists and, in some cases, even managers shift the responsibility—and thus the risk—onto customer-facing employees.

Our Key Findings

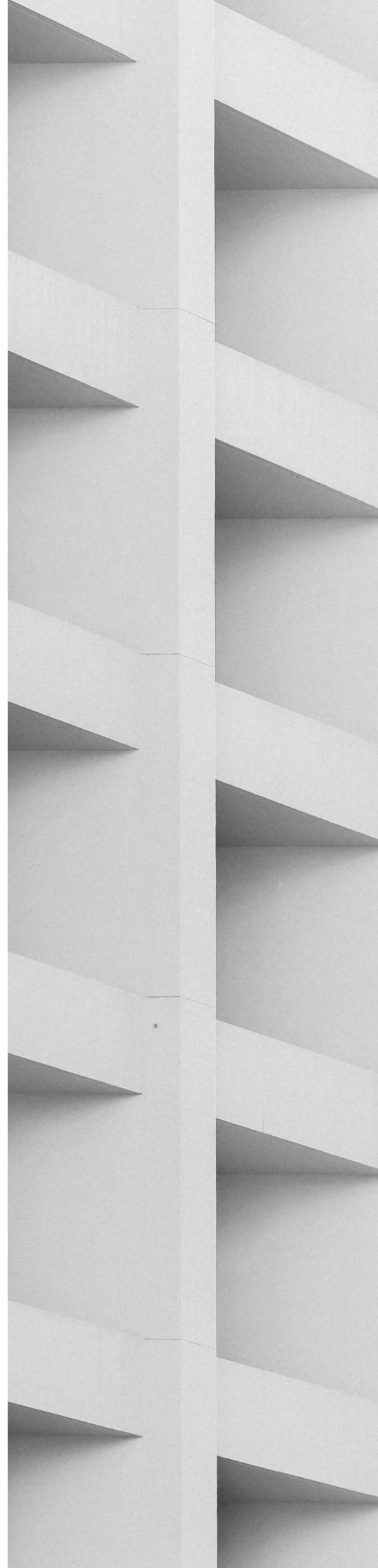
- 1. Greater complexity** – the regulatory frameworks that financial sector employees are expected to comply with have become both more wide ranging and complex in recent years.
- 2. Lack of resources** – business objectives have become unrealistic in relation to staffing levels. This has led to unpaid overtime and stress.
- 3. Responsibility** – employers often expect individual employees to interpret regulatory frameworks and be personally liable for errors.
- 4. System support** – many digital tools are inadequate for real-world conditions.

Our recommendations for employers

- **Value the work required** – regulatory compliance takes significant time and expertise from financial sector employees. This work should be regarded by employers as equally important as customer liaison and meeting business targets.
- **Break the culture of silence** – recurring overtime work should be reported and treated as a lack of resources by employers, rather than a shortcoming of individual employees.
- **Make time for training and peer learning** – training programs should be tailored to real-world, high-pressure situations. Time should be allocated for employees to share knowledge and made collaborative rather than individual assessments.
- **Take collective responsibility** – our survey identifies a clear need for improved coordination between customer-facing staff and internal support services. Employers should ensure effective collaboration and a fair distribution of risk.
- **Improve system support** – user-friendly, integrated solutions reduce employee workloads. Collaboration between system developers and employees is required to develop effective tools.

Working conditions and workload should be taken into account as regulation within the financial sector grows more complex.

Authorities, including the Swedish Financial Supervisory Authority (Finansinspektionen), should assume greater responsibility for providing guidance. This is particularly important in balancing conflicting regulatory frameworks. Regulatory guidance will allow employees to handle complex cases and facilitate compliance.



Our recommendations for decision-makers in Sweden and the EU

- **Canvas opinion from employees** – ensure that financial sector employees and union representatives are consulted at every stage of the legislative process.
- **Offer clear guidance** – the Swedish Financial Supervisory Authority (Finansinspektionen) and other relevant authorities should provide mandates and adequate resources for the interpretation and application of regulations.
- **Simplify and harmonise regulatory frameworks** – eliminate overlapping and contradictory requirements. Legislation concerning financial stability, consumer protection and sustainability should be unambiguous, without compromising its objectives.



Finansförbundet

is Sweden's largest trade union organisation in the banking and finance sector. We organise everyone working in the financial industry, regardless of educational background or position.

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