

REGTECH MASTERY SERIES • PART 2: CHOOSING A VENDOR

RegTech Selection Checklist

Sixteen critical questions to validate compliance technology, side by side for up to three vendors.

Relationship over transaction. Use this checklist to look beyond the polished sales demo. Your licence rests on the integrity of your tools, so tick an item only when the vendor has *shown* you evidence, not simply told you.

#	Question to validate	Vendor A	Vendor B	Vendor C
	Vendor name			
TRANSPARENCY — <i>Can you explain this system's logic to a regulator?</i>				
1	Explainability — Does it use plain language for flags and alerts?	☐	☐	☐
2	Model documentation — Are the logic and its limitations clearly documented?	☐	☐	☐
3	Audit trail — Is there a full log of user and system actions?	☐	☐	☐
4	Data privacy & residency — Are residency and protection commitments clear for every jurisdiction you operate in?	☐	☐	☐
5	Honest metrics — Will the vendor share actual false-positive rates?	☐	☐	☐
ACCOUNTABILITY — <i>Who owns the risk when the system fails?</i>				
6	SLA & support — Are uptime and response times guaranteed in writing?	☐	☐	☐
7	Data portability — Can you extract your data easily if you switch vendors?	☐	☐	☐
8	Regulatory updates — Are rule and list updates for regulatory change included and timely?	☐	☐	☐
9	Access control — Are role-based permissions granular enough for your teams?	☐	☐	☐
10	Breach plan — Is there a documented incident-response plan?	☐	☐	☐
PARTNERSHIP — <i>Will they support you through difficult implementations?</i>				
11	Implementation — Is dedicated training provided for your team?	☐	☐	☐
12	References — Can you speak to peers of a similar size and profile?	☐	☐	☐
13	Roadmap — Are planned features aligned with your needs?	☐	☐	☐
14	APIs & integrations — Does it fit your current technology stack?	☐	☐	☐
15	Scalability — Can it handle ten times your current volume?	☐	☐	☐
16	Viability — Are the vendor's finances stable enough for long-term use?	☐	☐	☐

Demo reality check

Sales demos are built to impress. These three checks show you the product on a normal Tuesday.

Demo reality check

- Test with “messy” real-world data, not the vendor’s sample set.
- Ask to see the system override process.
- Request access to the technical support team.

Red flags

- “Black box” AI with no explanation.
- No API documentation available.
- No clear data exit strategy.

Green flags

- Sandbox environment provided.
- ISO 27001 / SOC 2 (or equivalent) certified.
- Transparent about limitations.

Score sheet

One point for each item you ticked in the checklist.

Category	Vendor A	Vendor B	Vendor C	Max
Transparency (questions 1–5)	☐	☐	☐	5
Accountability (questions 6–10)	☐	☐	☐	5
Partnership (questions 11–16)	☐	☐	☐	6
Vetting readiness total	☐	☐	☐	16

HOW TO READ THE SCORE

A high total does not cancel out a red flag. Treat every unticked item in **Transparency** or **Accountability** as an open question the vendor must answer in writing before you proceed.

NOTES AND FOLLOW-UPS

THE BOTTOM LINE

If a vendor talks more about “disruption” than compliance safety, walk away. When things go wrong, it is **your** licence on the line, not the software company’s.

Not sure you are ready to buy? Start with the **RegTech Readiness Scorecard** (Part 1 of this series).