Settlements Officer interview questions

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What to expect

Settlements Officer interviews tend to focus on your ability to process trades accurately under time pressure, your familiarity with Australian settlement systems, and how you handle discrepancies and counterparties. You should be ready to talk through your process step by step and show you understand the regulatory environment.

- **Process:** Questions that ask you to walk through a settlement from start to finish, or explain how you handle a specific task like reconciliation.
- **Technical:** Questions about systems such as CHESS, SWIFT or RITS, and the checks you perform when confirming trades.
- **Behavioural:** Questions that ask for a real example of a time you solved a problem, met a deadline or worked with a difficult counterparty.
- **Scenario:** Hypothetical situations where a trade fails, a discrepancy arises, or a deadline is at risk, to see how you think on your feet.
- **Compliance and risk:** Questions about your understanding of ASIC, APRA or AML/CTF obligations and how you apply them in daily work.

Interviews usually start with a brief introduction and a run through your resume, then move to a mix of technical and behavioural questions. You may be asked to complete a short practical exercise, such as reviewing a mock settlement instruction or reconciling a small set of trades. The interview often ends with time for your questions, so prepare a couple about the team's systems or upcoming projects.

1. Walk me through how you process a settlement instruction from receipt to confirmation.

Why they ask

This tests your understanding of the end-to-end settlement cycle and whether you can follow a structured process without missing steps.

How to structure your answer

Use a step-by-step walk-through: start with receiving the instruction, then verifying details, then confirming with the counterparty, then instructing the relevant system, and finally reconciling and recording the settlement.

Example answer

“When I receive a settlement instruction, I first check that all the key details are present: the trade date, settlement date, security identifier, quantity, price and counterparty. I then compare these against the original trade capture in our system to make sure there are no mismatches. Next, I confirm the details with the counterparty, often via SWIFT or email, and match their confirmation to ours. If everything lines up, I input the instruction into CHESS for Australian equities or the relevant system for other products. Once the settlement is processed, I reconcile the cash and securities movements against our records and flag any discrepancies for investigation. Finally, I mark the settlement as complete and file the records for audit.”

2. What checks do you perform when confirming trade details with a counterparty?

Why they ask

This probes your attention to detail and your knowledge of the common causes of failed trades.

How to structure your answer

Explain the specific checks in a logical order, covering both the trade economics and the settlement logistics.

Example answer

“I start by checking the trade economics: the security, the quantity, the price and the currency. Then I look at the settlement details: the settlement date, the counterparty's account details, and any standing settlement instructions. I also check for corporate actions that might affect the trade, such as a dividend or a stock split. If anything looks different from our records, I don't just accept the counterparty's version; I go back to the original trade capture and, if needed, to the broker to resolve it. I also make sure the payment details are correct to avoid a failed cash movement.”

3. Tell me about a time you identified and resolved a settlement discrepancy.

Why they ask

This is a behavioural question that shows how you investigate problems and work with others to fix them.

How to structure your answer

Use STAR: describe the situation, the task you had, the action you took step by step, and the result. Focus on what you did personally.

Example answer

“In a previous role, we had a trade where the counterparty confirmed a different settlement amount than our records showed. The settlement was due that day, so I needed to resolve it quickly. I first checked our trade capture and the original broker instruction, and I found that our system had the wrong exchange rate applied. I contacted the counterparty to explain the error and provided the correct calculation. I then worked with our technology team to correct the rate in the system so it wouldn't happen again. We settled on time and the counterparty appreciated the clear communication. After that, I added a check to my daily routine to verify exchange rates on cross-currency trades.”

4. You receive a settlement instruction that doesn't match the counterparty's confirmation. What do you do?

Why they ask

This scenario tests your judgement under pressure and whether you know when to escalate.

How to structure your answer

Show a calm, methodical approach: assess the discrepancy, check your own records, communicate with the counterparty, escalate if needed, and ensure the trade settles correctly or is safely delayed.

Example answer

“First, I would not process the instruction until the mismatch is resolved. I would compare the two sets of details line by line to pinpoint exactly what is different, whether it's the amount, the settlement date, or the account. I would then check our internal records to see which version is correct. If the error is on our side, I would correct it and inform the counterparty. If it's on their side, I would call or email them to point out the difference and ask for a corrected confirmation. If the settlement deadline is approaching and we can't agree, I would escalate to my supervisor and consider whether a partial settlement or a delay is appropriate. Throughout, I would keep a clear record of the communication.”

5. How do you ensure you meet regulatory obligations like ASIC's RG 271 or AML/CTF requirements in your daily work?

Why they ask

This checks that you understand the compliance framework and can apply it practically, not just recite rules.

How to structure your answer

Explain your understanding of the key obligations, then give examples of how you apply them in your role, such as record-keeping, reporting, and knowing your counterparty.

Example answer

"I see compliance as part of every task, not a separate checklist. For RG 271, I know that if something goes wrong, we need to report it to ASIC within the required timeframe, so I keep detailed records of any incident and escalate immediately. For AML/CTF, I follow our KYC procedures when onboarding a new counterparty and I watch for unusual settlement patterns, like a sudden change in a client's normal trade size or destination. I also complete my annual training and keep up to date with any changes to the rules. In practice, this means I double-check that all parties are verified and that I can trace every settlement back to a legitimate instruction."

6. Describe a time you had to communicate a delay or issue to a broker or custodian.

Why they ask

This assesses your written and verbal communication skills, which are critical when a settlement is at risk.

How to structure your answer

Use STAR, emphasising how you kept the counterparty informed and maintained the relationship.

Example answer

"I once had a settlement that was going to miss the cut-off because our system was down for maintenance longer than expected. I knew the counterparty would be waiting, so as soon as I realised the delay, I called the broker directly to let them know. I explained the reason, gave a realistic new time for settlement, and offered to send written confirmation. I then followed up with an email summarising the call and kept them updated when the system came back online. The trade settled later the same day and the broker appreciated the proactive communication. After that, I made sure to check the maintenance schedule each morning so I could warn counterparties in advance if needed."