Change Management – The Price Of Getting It Wrong

UK Professional Services Edition — Why Trust Is A Change-Managed Asset, Not A Given

A Charterhouse Consultants white paper by Bridget Convey, May 2026.

Executive Summary

This paper makes one claim, applied to UK and global professional services specifically. In a business built entirely on trust, an uncontrolled change, one person moving from a confidential advisory role into a commercial one, without a properly governed barrier between the two, can cost more than any failed IT project ever could. In January 2023, revelations emerged that a PwC Australia partner had leaked confidential Australian government tax reform plans to colleagues, who then used that information to pitch new business to multinational clients. The direct financial gain was estimated at around 2.5 million dollars. The cost of not having governed that change in role and information access properly was far larger: PwC Australia's government consulting business was sold for one dollar in a distressed sale, the firm's overall revenue fell 26 percent, 12 partners were forced out including the chief executive, and internal surveys recorded firm pride collapsing from 76 percent to 61 percent of staff in a single year. This paper argues that in professional services, change management is not primarily about technology rollouts. It is about governing the movement of people, information, and roles with the same rigour a bank applies to a core system migration.

The Premise: The Gap Is The Danger, Not The Change Itself

Professional services firms change constantly. Partners move between public and private sector work, between advisory and delivery roles, between confidential government engagements and commercial client work. Each of these movements is a change event with real governance requirements: information barriers, conflict checks, and clear rules about what knowledge can travel with a person and what cannot. The PwC Australia case shows what happens when that governance is assumed rather than actively managed. The partner at the centre of the scandal, Peter Collins, had been engaged by the Australian Treasury specifically to advise on multinational tax avoidance rules, under an explicit confidentiality agreement. He then shared that confidential information with colleagues in PwC's own commercial tax practice, who used it to help multinational clients get ahead of rules still being designed to stop exactly the kind of avoidance those clients were engaged in. This is not a story about one bad actor. Independent review found the firm's leadership was aware of concerns raised as early as 2018 and failed to take adequate action for years.

This is the mechanism this paper is built on, applied to a sector where the product being sold is trust itself. A firm that governs the change points, role transitions, information access, conflict management, with the same discipline it applies to client delivery protects the asset its entire business model depends on. A firm that treats those transitions as an administrative formality is one confidentiality breach away from the kind of value destruction PwC Australia experienced.

What PwC Australia's Collapse In Trust Actually Cost

The financial consequences were severe and are now fully disclosed. PwC Australia's government consulting arm, once worth hundreds of millions in contracted revenue, was sold to private equity firm Allegro Funds for one dollar, a distressed sale PwC's own later legal filings described as representing the total loss of value in that business. Firm-wide revenue fell 26 percent, a drop of 820 million Australian dollars, in the year following the scandal's peak. Partner pay was cut by 13 percent. Staff turnover rose to 32 percent, up from 19 percent the year before. Internally, the proportion of staff reporting a sense of pride in working for the firm fell from 76 percent to 61 percent, a collapse in the exact intangible asset, trust and reputation, that a professional services firm has the least ability to rebuild quickly and the most to lose from losing at all.

The governance failure sat squarely in change management terms. PwC Australia's own commissioned review found the firm's Governance Board was almost entirely guided by management's own account of events, and was not adequately challenged by independent oversight. Reputational and risk leadership roles were held by executives who were themselves implicated. The firm had, in effect, no functioning change control around the movement of a partner from a position of privileged government access into ordinary commercial practice, and no escalation mechanism robust enough to surface and act on internal concerns raised years before the scandal became public. The fix, once forced, was extensive: PwC Australia now publishes audited financial statements, has appointed independent outside directors to its board, and created a new Risk and Ethics Leader role, all governance infrastructure that, had it existed before 2018, would very plausibly have prevented the entire episode.

The Evidence: Reputational Risk Is Now A Measurable, Modelled Cost

Two things distinguish professional services risk from the risk profile in most other sectors covered in this series: the speed at which reputational damage compounds, and the increasing use of AI-enabled monitoring as part of the governance response.

Reputation Moves Faster Than Any Recovery Plan

The PwC case shows reputational damage compounding across stakeholder groups simultaneously and immediately: public and private sector clients froze contracts within weeks, global clients including major technology firms distanced themselves publicly, and a parliamentary committee in Australia stated explicitly that it did not see how the firm could recover its reputation while continuing to withhold the full findings of its own internal investigations. Unlike a system outage, which is visible, bounded, and repairable on a known timeline, a trust failure of this kind has no fixed recovery date. Two years after the scandal broke, PwC was still managing fallout through ongoing legal disputes with former partners over what caused the damage and who is liable for it.

AI Is Now Expected To Be Part Of The Governance Answer

Firms rebuilding governance after events like this are increasingly building AI-enabled monitoring directly into change control: automated conflict-of-interest screening at the point a person moves role or engagement, AI-assisted review of correspondence and document access patterns to flag unusual information flows, and continuous monitoring rather than periodic manual review of information barriers. This is a meaningful shift from how professional services firms managed change governance even five years ago. The lesson from PwC Australia is not that AI would have caught the specific leak on its own. It is that a firm with genuinely modern, continuously monitored change governance around role transitions and information access has a materially better chance of surfacing a problem in 2018, when it could still have been contained internally, rather than in 2023, when it could not.

UK Professional Services In Three Horizons: The Gap Closes Or It Does Not?

Two Years: 2026 To 2028

What happens everywhere: regulators in multiple jurisdictions, including the UK, actively reassess whether audit and consulting services should be more formally separated, directly in response to the PwC pattern.

- Thrive path. Firms build genuine, independently governed information barriers around any engagement involving privileged government or regulatory access, with AI-assisted monitoring as standard practice rather than a post-scandal remediation measure.
- Die path. Firms continue treating conflict and confidentiality management as a policy document rather than an actively monitored change control process, and the next Collins-shaped breach is discovered by a journalist rather than by the firm's own governance.

Five Years: 2028 To 2031

What happens everywhere: client procurement processes for major professional services engagements begin formally assessing a firm's governance maturity, not just its technical capability, as a condition of appointment.

- Thrive path. Firms that invested early in change governance around role transitions and information flow use that maturity as a genuine differentiator in competitive tenders, turning a cost centre into a commercial advantage.
- Die path. Firms that treated governance investment as a one-off, post-scandal fix rather than sustained infrastructure fall behind on exactly the criteria increasingly sophisticated clients are now screening for.

Ten Years: 2031 To 2036

What happens everywhere: the structural separation between audit, tax advisory, and commercial consulting, already under active regulatory review, becomes settled practice across major markets.

- Thrive path. Firms that built genuine internal change governance ahead of regulatory mandate adapt to structural separation smoothly, having already operated as if the barriers were real for years.
- Die path. Firms that only ever complied with the letter of information barrier requirements, rather than genuinely governing change in role and access, face a harder, more expensive, and more publicly scrutinised transition once separation becomes mandatory rather than voluntary.

What I Am Recommending To Professional Services Boards And Partners

- Treat every partner or senior staff transition between confidential and commercial engagements as a formal change event, with documented sign-off, not an administrative HR record.
- Build AI-assisted, continuous monitoring of information access and conflict patterns into standard governance now, rather than waiting for a regulator or a scandal to make it mandatory.
- Fund reputational governance, including genuinely independent board oversight, at the same priority level as delivery capability and business development, since PwC Australia's own case shows the return on that investment is existential, not incremental.

Conclusion

PwC Australia did not lose 820 million dollars in revenue and its entire government consulting business because of a technology failure or a market downturn. It lost them because a single, ordinary kind of change, a partner moving from a confidential advisory role into commercial practice, was never properly governed, and warning signs raised years in advance were not acted on. For a sector whose entire commercial value rests on being trusted with confidential information, that is not a peripheral risk. It is the central one. Sustainable growth in professional services depends on treating the movement of people, roles, and information with the same seriousness other sectors in this series apply to system migrations and corporate acquisitions, because in this sector, trust is the system being migrated, and it does not come back online simply because the fine has been paid.

Sources: PwC Australia "Review of Tax Confidentiality Breaches and Related Questions" statement of facts, Bloomberg Tax, Accounting Times, Al Jazeera, Fox News, Queensland Law Society Proctor, Accountancy Age, Daily Mail/PressReader. All figures current as of mid-2026, verified at time of writing. This is a first draft prepared for internal discussion.