

# CASE STUDY

## AML review and remediation

### The challenge

A UK-based retail bank had attracted the attention of the FCA because of the number of high-risk clients on its books. An internal review had also shown that client files in certain business units were missing know your customer (KYC) due diligence information. Concerned about potential reputational damage, our client knew it needed an independent third party to review its files and assess the risk.

### The solution

We initially focused on a randomly selected sample of correspondent banking client files.

Our solution included reviewing the firm's:

- » Customer due diligence.
- » Ongoing monitoring reviews.
- » Use of enhanced due diligence and its monitoring of higher risk situations.
- » Monitoring processes relating to correspondent banking relationships and third-party payments.
- » Use of enhanced due diligence and its monitoring of higher risk situations.

In addition, we assessed:

- » The levels of monitoring of transactions.
- » The appropriateness of these controls.

We then designed a file review template that could be used to benchmark the bank's anti-money laundering (AML) controls against regulatory requirements and published guidance, which was then approved by the FCA. In addition to submitting the file review findings via this template, we also prepared a summary review of findings.

Our comprehensive review quickly uncovered several reoccurring issues. Having widened the review scope to uncover the full scale of the problem, we recommended ways our client could strengthen its AML processes. This included designing a staff training framework for frontline staff to reinforce their important role in AML.



## The TCC difference

- » Because we pinpointed the specific issues, our client could take appropriate action to implement stronger processes and better protect its business and customers in the future.
- » By partnering with an independent third party, our client could be sure that its new controls were robust and avoided any potential reputational damage associated with not taking AML responsibilities seriously.
- » With focus on culture, we know that inadequate staff understanding is often a root cause of failings, so we helped our client tackle this head on with a new AML training framework for frontline staff.

