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## **Case Study: Lessons Learnt from latest enforcement actions**

You have recently taken on the role of Head of Financial Crime at Gamma Bank, London, UK. In your first days, you review an internal review which identified a large number of transaction monitoring cases with the following common elements:

- Customer was a corporate entity;
- KYC/CDD information was deficient in terms of clarity on nature of business and purpose of the account;
- Transaction monitoring alerts were generated due to high volume of transactions;
- Account analysis established turnover amounts that were significantly higher than what was reflected in the KYC/CDD; and
- Cases were closed with an assessment of no risk based upon responses from relationship managers with the representation that the activity was aligned to the relationship managers' expectations for the type of business.

Further information reviewed established that previously similar types of cases had been assessed as follows:

- No requests for information had been sent to relationship managers;
- Cases were closed with SAR filings based solely on unknown source of funds and unknown purpose of funds.

The change in case assessments had occurred after a training had been delivered to investigative teams on raising requests for information to relationship managers.

Participants to discuss:

- In your new role, do you have concerns with quality of case assessment in one or both of the scenarios?
- Under the first scenario, what, if any, control gaps require remediation?
- Under the second scenario, what would be your concern(s) and how could that be addressed?