

# Using tech to curb financial crime



## It's among a Chief Compliance Officer's worst nightmares

A bank's financial crimes unit discovers that a commercial banking client is laundering money. The bank quickly cuts off the lawbreaker and notifies the US Treasury.

Case solved, right?

Not so fast. Days later the same wrongdoer pops up on the firm's list of new asset management clients under a different name. Call it compliance whack-a-mole. The high-stakes game of hide-and-seek spotlights many of the current weaknesses in fighting financial crime.

Firms used to deter lawbreakers by hiring more anti-crime staff. But that approach is no longer sustainable. Here's why:

- **Cost.** At firms of all sizes, budgets for crime fighting and prevention have steadily risen. Firms scramble to keep up with the latest ruse. Operations such as anti-fraud, customer onboarding, anti-money laundering and know-your-customer aren't cheap. Firms have learned the hard way that throwing bodies at the problem isn't scalable.
- **Inefficiency.** Many current methods for combating financial crime are manual and time consuming. Staff commonly need to fill out documents and regularly update them. Also, many surveillance methods flag a high number of false positives. Each one needs to be reviewed.
- **Fragmentation.** As firms move more operations and customer services onto the web, they face a wider variety of risks across a broader front. Many firms have scattered their crime fighting among different regions, businesses, customer groups and product lines.

To make matters worse, firms have stored paper documents in different locations, and electronic documents in different databases. They've also written templates in different formats. These firms lack an automated, concise and complete overview of their operations and security risks.

## Actions you can take to fight back

Hiring more staff isn't your only option, especially as crime-fighting tools have become more sophisticated. Some firms are using technology more aggressively to cut costs, boost efficiency and improve the quality of surveillance and prevention. By ramping up automation, firms can shift employees to the higher-value work of analysis and investigation and deliver better outcomes for firms, employees and regulators.

The gains from technology range across the entire front of financial crime prevention. For example, firms have automated **customer onboarding** by tapping third-party data sources and using verification tools. They've also activated bots that comb the internet for negative news. They can gather details about customers without having to query or disturb them.

Automation strengthens **surveillance**. Technology can help to sharply reduce the number of false positives, freeing up employees to track down fraudsters. The same software can make examinations much more efficient, and can present "household" data scattered across a firm in a single dashboard that can be easily updated in the cloud.

Modern platforms like this help to streamline the management of anti-fraud projects. The result: A firm gains an interactive window onto its security. By viewing centralized data, crime fighters can find patterns that they would otherwise miss. They can also make more detailed and accurate risk assessments.

A firm can't expect advanced technology to permanently fix all security weaknesses. There will always be criminals with a knack for dodging surveillance or for slithering through even the tightest barriers—real or virtual.

Yet digital tech offers an agile, centralized tool kit for cutting costs, boosting efficiency and staying a step ahead of lawbreakers.



## Find out more about Ready Assess

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