

Case Study: Digitisation Support

Designing Financial Crime Compliance
Programme for Africa-Focused
Digital Product



FINTRAIL

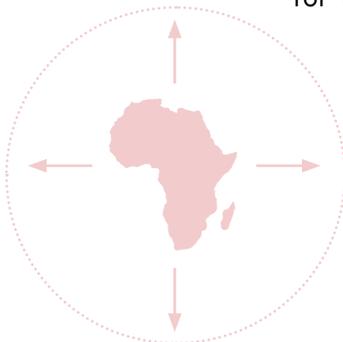
The Context:

Conventional banks are increasingly focused on digitising their product offerings in an effort to address gaps in the market, attract and retain digital-savvy customers, and compete with innovative FinTech rivals. These new products pose their own challenges in terms of compliance and financial crime, and digitisation projects must consider the unique FinCrime threats they will face, how digitisation changes the risk profile of the business, as well as effective and tailored ways to address them. Incumbent financial institutions can leverage their existing expertise and systems, while finding a way to meet the agility and low-friction customer experience of their digital competitors.



The Challenge:

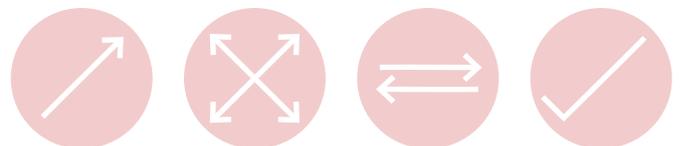
FINTRAIL partnered with the UK-incorporated subsidiary of a leading African banking group with over 6 million customers. They wanted assistance designing the financial crime programme for a new digital product for the African diaspora. They wanted a fully compliant and risk-adverse programme that also ensured great customer experience, access for a broad client base, and processes that were easy to implement and run across a small team.



Why FINTRAIL?

The client approached FINTRAIL to take advantage of our unique expertise in the digital finance space, and our results-orientated, tech-driven approach:

- FINTRAIL's DNA is based around the work we do with some of the world's leading FinTechs, both new start-ups and established market leaders. This knowledge and experience means we are uniquely placed to support legacy institutions and broader regulated sectors with their transformation objectives.
- We're able to bridge the spheres of conventional banking and FinTech, and incorporate the strengths of each in our projects.
- We have conducted numerous digitisation projects for incumbent banks and regulated institutions, balancing the design of agile processes and smooth customer experience with regulatory obligations and group policy, and managing diverse stakeholders' expectations.
- We enable organisations to thrive while managing their financial crime risk and meeting their regulatory requirements, by considering our customers' commercial and regulatory needs.
- We promote a holistic understanding of financial crime, to prevent silos and reflect the complexity and overlapping way many risks manifest in practice, reducing operational inefficiency and potential for error.
- We understand product development processes and help product and compliance teams establish effective interaction, resolving issues before they impact transformation.
- We leverage technology and are fully aware of new compliance innovations and products that can benefit our customers.



The Solution:

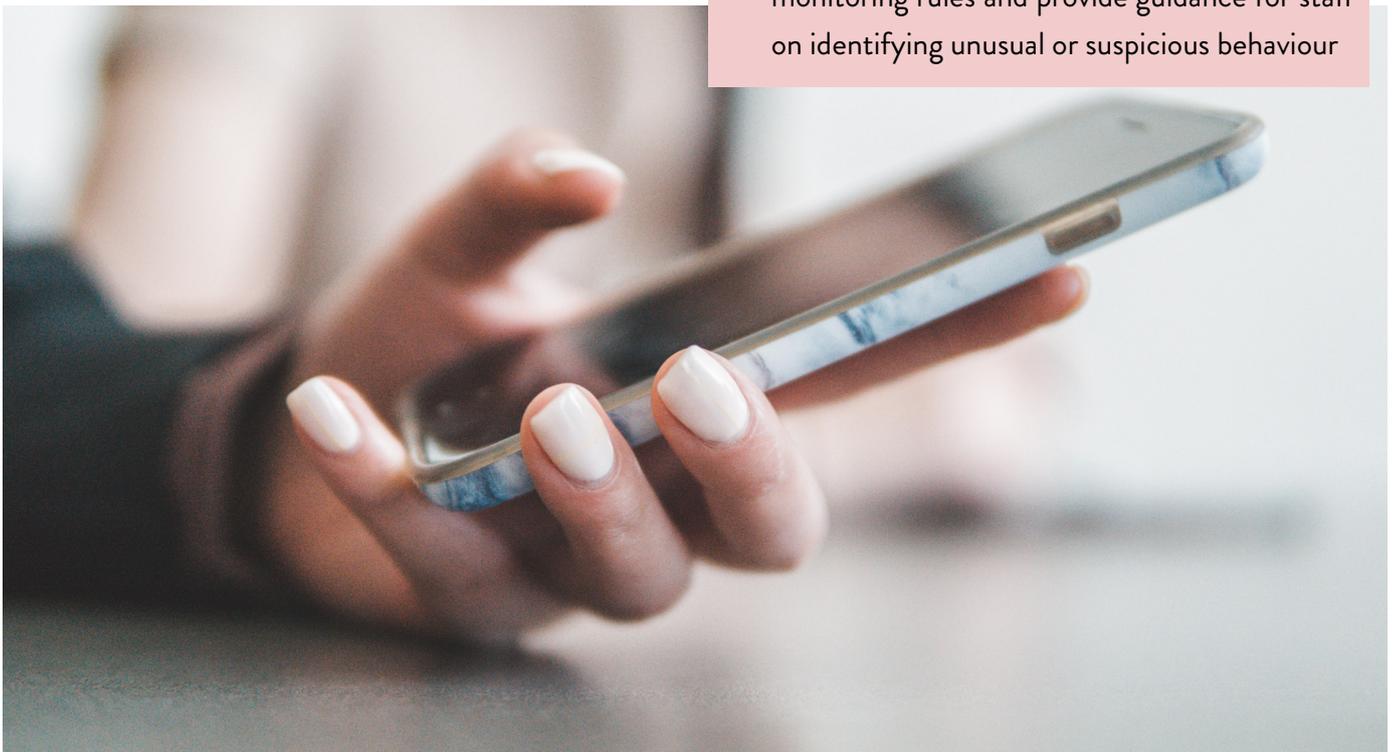
FINTRAIL helped the client design the following elements of their financial crime programme:

- Anti-Financial Crime Policy and Procedures
- Risk Appetite Statement
- Product Risk Assessment
- Customer Risk Assessment Model
- Customer Due Diligence Programme
- Screening Programme
- Transaction Monitoring Rule Set
- Training and Guidance

FINTRAIL analysed the specific risks to which the client's product was vulnerable given the services offered and its geographical coverage and consumer base, and then developed tailored controls covering governance, customer onboarding, and ongoing monitoring. The aim was to ensure the control framework was not only compliant with the relevant regulations and group policy, but also effectively reduced FinCrime risks while meeting the product team's vision for superior customer experience.

Our key insights included:

- Challenging conventional wisdom around onboarding and KYC processes, to identify effective ways to truly confirm a customer's identity digitally and assess their risk (e.g. removing data points that provide little useful information or which can be easily falsified, such as address, and instead using geolocation and a P2P identity validation network that draws on live real-world data)
- Promoting the use of technology and data to maximise efficiencies and provide crucial insights (e.g. designing a scoring model for network connections across the client base that indicate fraud risks or links to known high-risk actors)
- Designing a nuanced, bespoke programme for the client's specific customer base, to avoid generalisations based on geographic risk and successfully identify true high-risk indicators within the client population by focusing on behaviour rather than static ID data points
- Understanding the profile of the target customer base and how such customers are likely to use the product, to suggest meaningful monitoring rules and provide guidance for staff on identifying unusual or suspicious behaviour



Get in touch

If you are interested in speaking to the FINTRAIL team about how we can assist you with a digitisation programme or help build or scale a FinCrime programme, please get in touch with one of our team or at www.fintrail.co.uk

A photograph of a man with dark skin and curly hair, wearing a dark blue t-shirt and light-colored trousers, sitting on a light-colored sofa. He is looking at a laptop on a white, curved coffee table. The room has a modern aesthetic with a patterned rug, a black backpack, and a smartphone on the floor. The image is overlaid with a semi-transparent pink and white geometric pattern.

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