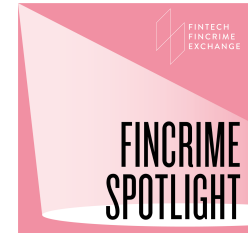


## FinCrime Spotlight Season 1

# Dinu Popa - MarketFinance

Transcript



### **Gemma Rogers 0:05**

Welcome to the first season of FinCrime spotlight, which looks to understand the person and the stories behind the FinTech FinCrime compliance officers who are building and shaping the future of financial services. I'm Gemma Rogers the co-founder of FINTRAIL, and I'll be sitting down with members of the FinTech FinCrime Exchange (FFE), a global community of FinTech, anti-financial crime professionals who are leading the fight against financial crime at the most innovative technology companies. We will seek to understand their journeys to where they are now, what has defined their career and how the changing face of financial services and the crimes the industry is exposed to challenges them both personally and professionally. If you've ever wondered how the world of financial services is evolving, and what that means for the financial crime professional, this is the series for you.

Today I'm delighted to be joined by Dinu Popa the AML and financial crime lead at MarketFinance one of the most innovative fintechs, offering finance and business loans, and we're going to be uncovering what it takes to be an effective compliance officer in a digital age.

Welcome, Dinu. Thanks so much for joining. Before I kick off with some questions, I was hoping you could give a brief overview of MarketFinance and the kind of services that it offers.

### **Dinu Popa 1:24**

Hi, Gemma, thank you very much for the invitation. I'm very happy to be here. MarketFinance is a 2011 founded FinTech. We founded FinTech before it was a thing. We're very, very proud of that. We offer invoice finance, we offer business loans to date, we've funded around 2.9 billion pounds worth of invoices and business loans. We're making it quick and easy to get funding. We connect entrepreneurs with investors. And our most prized asset is the very fast and efficient platform that we've built, and the risk models that we have just trying to get entrepreneurs to get on with their growing business instead of having to worry about cash flow.

### **Gemma Rogers 2:12**

That's awesome. I love that overview. It sounds really inspirational. And I, I love the passion with which you talked about all of that. Just to kind of kick us off, like, having a look at your academic background was really interesting to me. And I saw that you've done a master's in criminology and criminal justice, how useful has this academic background been in terms of shaping your career?

**Dinu Popa 2:36**

I recall with pleasure doing the Cardiff University masters in criminology, it was, it was such an achievement at the time, and it still is to this, to this day. I spent a lot of time deciding on what I wanted to do with my post grad studies and I think picking this particular academic path has been a blessing for me, Cardiff University has one of the strongest School of Social Sciences in Europe. We had coordinators of the calibre of Mike Levi who is one of the founding fathers of modern criminology. And I think before thinking about the knowledge that it has given me to do my role better, I think what it has given me is the confidence to tackle problems correctly. It has helped me a lot with profiling potential offenders and improving my work with different stakeholders, such as police, banks or intermediaries. What this degree has given me is an understanding of their role in preventing crime and this gives me the ability to ask the right questions, which is invaluable. Also thinking about the academic tenure and the real value that it has given me is it has shown me the importance of data and research. It's all about healthy quantitative and qualitative data analysis, which sometimes brings unexpected results. My academic background has also shown me how tempting and dangerous superficial conclusions are. I saw how easy it is to fall victim to your own biases and come up with comfortable solutions and I've learned that these are not efficient, and they do not address the illness they only address the symptoms, if at all. So the value of data combined with experience and skills is immense. And I've noticed this firsthand while doing my job, both at MarketFinance and at Santander where I used to work before. It was all about putting everything in a pot, asking the right questions, turning the right knobs, and extracting the right conclusions that allowed you to take the right solutions, not just the temporary ones.

**Gemma Rogers 4:59**

Yeah, I think that's great. There are a couple of points in there that I really liked. So one of them was talking about the confidence that your academic background gave you and I think it's great to get like, different perspectives, particularly in kind of financial services in the anti-financial crime world, because bringing in like a new perspective and having the confidence to try a new technique, or a new style of data analysis or something like that, as you say, could really produce some unexpected and really interesting and valuable results. So I think that's great. I think the other point that I really enjoyed was talking about the biases that everyone can be subject to when, when making conclusions and assessing information. I'm a little bit obsessed with this notion of confirmation bias and trying to kind of avoid that when you're doing analytical work and thinking of tools and techniques to avoid falling into those, into those traps. And it's, it's something that yeah, we've definitely tried to instil in some of the clients that we've worked with at FINTRAIL, but it's something that's really been instilled in me throughout my career as well. So those were a couple of points that really resonated with me in terms of what, what you were saying there.

**Dinu Popa 6:12**

Yeah, no, I think it's, I think it's very important to both understand how strong you are academically and skill wise and judgement wise, but at the same time, have this dose of humility when faced with data, with correct data, data must be respected. The results that you're getting

to the questions that you're answering, they simply must dictate the way you go forward. And I feel that this acknowledgement is pretty much half of winning half of the battle. The other half is just putting this information into practice and designing sustainably and ethically the solutions that you want to bring in the business that you work in.

### **Gemma Rogers 7:02**

Yeah, that's a great point now, in and around a master's degree, I also spent time working in the Romanian government, which sounds really interesting and tell us a bit more about your time. What was the most exciting project that you worked on?

### **Dinu Popa 7:17**

I think exciting is a very good word. I will always fondly remember this period of time. It was truly a unique experience. What I clearly remember is having lots of resources, but a lot of red tape, which was a little bit frustrating at the time, that period of time, I think it was late 2000s, early 2000 and 10s. It marked the beginning of government digitization, being part of that movement was incredibly fortunate as our policies shaped the modern digital state. So it was the evolution from pieces of paper with little stamps on them, to databases, to online interactions of the citizens with a government, like paying your taxes, like applying for your driving licence, like applying for any other sort of government issued document. I had the fortune to work for both the Ministry of Transport and the Ministry of Communications and Information Security. And although my mission was similar, these two ministries could not have been more different. I think the transition from securing physical highways to digital ones was very interesting. Although it was a bit of a cold shock. We were very compartmentalised, primarily because of the Ministry of Communications and Information Security we had at the forefront of our activity we had information security, and we were working with a lot of confidential data. And it was early days, there wasn't so much stress on systems because everything was new, so I will always fondly remember, remember those times. In terms of the most exciting project, I have to say that it would have been making the first introduction between citizens and government. It was incredibly hard to break decade long habits where people were just used to going to a physical place somewhere in their city, with a stack of documents just trying to accomplish something like sell a house or get a new driving licence, breaking this habit was incredibly difficult and earning the citizens trust was not easy at all. We were betting on the younger generations, the generations were close, the generation that was closer to the digital reality and we relied on them to teach and excite their parents and grandparents to use digital services. And as a whole looking back at it, this was the birth of GovTech and being part of it was a rewarding and humbling experience.

### **Gemma Rogers 10:09**

That sounds awesome. And so exciting to be involved with something like that right from the beginning. You talked there a lot about trust and building that trust with consumers of the services that you are providing. And actually, I think that's like a, that's a theme that can play quite well into the anti-financial crime space where if you're running a business banking offering, or a retail banking offering, you need to make sure that your customers trust you. Because

they're giving, they're sort of depositing your money with you. Equally. If you're offering business loans, you want to make sure that you will get the money when stated and that you can, you know, pay that back when needed or you can call in for help as and when needed. So what are some of the things and techniques that you use to try and build the citizens' trust?

**Dinu Popa 10:56**

Our first port of call was data and I was very fortunate because the environment where I was working in was more technocrat, rather than being political. So we were relying more on independent studies, we were talking to experts, we were trying to see, as we were the first ones to introduce massive databases, we had both the input and the output of that data, which we considered to be very, very useful at the time. And I think one trend that emerged during that time was the requirement to acknowledge that we are starting from a position of deficit. So we're starting from a position where people are inherently pessimistic about their interaction with the government. So we just decided that we shouldn't look at this challenge as though we have a blank slate and all of a sudden, everything that we say to people, people are going to trust and people are going to start cooperating and people are going to start using these services. We spent a lot of time engaging with communities, and acknowledging the fact that we've had shortcomings before that the system was not perfect but that we were trying to put things right one at a time and collecting their input and entering that into our systems generated the, the outcomes that we wanted so the the areas that we were supposed to focus on. So the way that we focused on trust was just making sure that everybody was included, it wasn't a unilateral system where we were just presenting at the end of a sprint, for example. This is the system that we've put in place, this is how to use it, please go ahead and use it. We stepped away from that model, and we engaged with different communities and constituents and senate representatives and Parliament representatives just to be able to collect information, information from their own areas that they represent, what were the pressure points and then we acted on those.

**Gemma Rogers 13:14**

Brilliant. That sounds, it sounds great. So, but then after the government, you moved into the private sector and more specifically went into sort of this financial crime space, the anti-financial crime space, I should say, what led to that move?

**Dinu Popa 13:28**

I think this is a two fold question. The first part is about the move into the private sector in itself, which is sometimes a very scary prospect if you're coming from the public space. And the second one is picking financial crime as the discipline that I wanted to build my career in. I think the private sector was attractive to me because it moved faster. I can find a million ways to say this, but the very, very truth of the core of it is what I missed in the public sector was the speed because everything was slow. But it wasn't slow because of the people or because we didn't want to move fast, it's just that there are so many constraints in place, especially when you're spending public funds, that everything is inevitably slower in the long run. On the second part of the question, why financial crime? I think for me, it was the complexity and the perpetual focus

that attracted me. I think financial crime is an ever evolving threat, which is absolutely unforgiving if you don't keep up, and I think this challenge, well, I know this challenge excites me a lot. I also focused on my strengths on a personal and professional level, like complex problem solving and the confidence to make decisions without duress, which is something that I had to learn while working in the public sector, and, of course, having been exposed to the very core of PEP decisions and way of thinking also helped a lot in shaping my objectivity and minimising that bias that we earlier spoke about. So, choosing FinCrime was half critical thinking and half what the heart wanted. I think the latter also helped me retain interest and made me work hard to keep up with the fraud scene as well. I enjoy very much solving the challenges of delivering the fraud function as well. And I have to say that one of my guilty pleasures is just to indulge in a complicated fraud case. I think it's just one of my, one of my weaknesses, just being able to look at the case work and being able to follow the evidence and being able to make a conclusion and catch someone is very exciting I have to say.

**Gemma Rogers 16:01**

Yeah, I completely concur with that. I've definitely been known to kind of get a little bit too much in the weeds of some of the investigations sometimes. But I think when you have a passion for the subject, like it's really hard to avoid doing that, as you say, so. Yeah, absolutely. And then, sort of in a similar vein, you moved from what I would call more traditional banking into technology and into the FinTech world. So what prompted that move? And what do you think is the biggest challenge in that space?

**Dinu Popa 16:29**

Deciding to make the move from one space to another space is inherently an uninformed decision, you never know what you're going to find. It's, you have little clues and you have those little conversations with people that are already working in the space. You're trying to puzzle them all together and make sense of this new journey that you're embarking on. For me, the move from banking to technology was, as I've learned, is that FinTech is the best of both worlds. Tech and banking. When I was working in banking, supporting things that could have been done better was the easy part, especially in a larger institution where something goes wrong, or you see deficiencies in policy, for example, the challenging part was implementing change, especially in a traditionally conservative environment. So, I think you can say, I'm a professional speed junkie, I just like when things move fast. I like when things get done quick and in the right way. So I think moving from banking to technology was kind of satisfying that need for speed that I have. FinTech is about efficiency, it is about speed and adaptability and you need to learn quickly how to swim, almost instantly, you're thrown into the deep end and you need to find a way out. It may be a deal breaker for some, but I personally enjoy the task immensely. And I also feel that my move from banking to FinTech was also a lifestyle choice. I can genuinely see that the incline of my FinTech journey is much steeper, but it's significantly more rewarding. And in terms of challenges, what was my biggest one? I think it still is. It's building a fraud and FinCrime infrastructure, which is designed almost exclusively for change. The traditional way of building this infrastructure is to build it for perpetuity. And then you can just add a few things here and there as things evolve, but you need to have a completely different vision when you're

working in FinTech. It needs to be built exclusively around change. It's a positive challenge, though. I'm learning every day. The myths are true FinTech years are like dog years, the one to seven ratio is very, very accurate. Sometimes I go to work, and I feel like it's my first week. And sometimes I go to work. And I feel like I've been there for 10 years. So very, It's a very interesting feeling, I should say.

**Gemma Rogers 19:19**

I completely agree. I love working with the FinTech community, because as you say, you are learning all the time. And yeah, I love the dog years analogy. But I think also that point around perpetuity, like building things for perpetuity, and in more traditional organisations versus building things for change is really, really critical. I really like that perspective, I guess, on that thought process, really. So yeah, I think some, some great points there. What excites you most about your current role?

**Dinu Popa 19:53**

Very good question. And I have to admit, I'm at a crossroads here because on one hand there is my role and there is the, the functions that I'm trying to tend to. But at the same time, I have to believe in what the business does as well. And I think it's a critical, critical thing, especially for a FinCrime function or for a compliance function. So, I have to say that first and foremost, what excites me most is our mission, the MarketFinance mission. Our entire team is dedicated to helping SMEs to pursue their ambitions. And I have to say that seeing their success stories is inspiring. Some of our clients, they started in a shed and in a friend's garage, or in a small one bedroom flat, but they all had great ideas and being there as these ideas turn into successful ventures is something that still inspires me. Even after 2.9 billion worth of invoices and business loans. In my role, particularly, I think I'm most excited about the opportunity for innovation. And this is again, tied into the speed theme that we were talking about earlier. I genuinely feel that the only limits are my own, I have all the other resources that can help me to deliver innovation. For example, I've got a great risk, I've got a great operations team. I've got a great engineering team, I've got supportive leadership. All that you need to do is just to make it happen and if, if your ideas are good, they will happen. Because showcasing value in FinTech is just about being that person that spots a problem or foresees a problem and builds a solution for it before it even happens. Moving on to a personal note I think a sensitive part for me is helping victims of fraud and impersonation. This is something that I will never ever give up doing. I've dealt with thousands of such cases and it's clear to see their devastating impact on normal life. For example, right now, in this, during this pandemic, we're experiencing a very abrupt shift from what we consider to be normal, for a victim of impersonation, even in normal times this is something that they know little about and just waking up in the in the in the eye of the storm when everything just spins around you and you see that you're racking up debt that you've never taken and you losing access to your hard earned and hard saved finances is absolutely devastating. And I use all my knowledge to give advice as best I can and try to speed up the healing process. I also focus a lot on my colleagues trying to keep them safe. I do training with them on personal fraud prevention, and I'm always available if they become victims of fraud in

their personal lives. And surprisingly, I have a lot of people that come to me and just ask me for advice. Helping them is, is truly something I enjoy very, very much.

#### **Gemma Rogers 23:24**

Yeah, I think it's a brilliant point. And I know you've been a huge supporter of the FFE and our community there, which has been brilliant, and it's another kind of string to your bow in terms of that outreach and help that you provide to the community. Yeah, as you say, the devastating impact that these fraud scams can have on people's lives is truly horrifying. And yeah, at a time when we're facing a pandemic, and lots of people are in even further economic distress, the thing might already have been to then get defrauded on top of that, it's frankly heartbreaking. And I think remembering kind of the human cost behind a lot of these crimes is definitely something that kind of keeps me going and keeps me very motivated to continue working in this space. So since you've been at MarketFinance, how has financial crime prevention evolved?

#### **Dinu Popa 24:17**

That's a very good question, because I have to think about where we were, at the time when I joined. And we were on this incredibly inspiring journey with a lot of investors and with a lot of clients and we had to make quick decisions and we had to learn from our mistakes. I think a good summary, for the for the theme of the response to this question is a thought by a Canadian author, Ronald right, who said, each time history repeats itself, the price goes up and this is something that really stuck with me because the the very evolution of FinCrime in general is about learning from history. And it's about learning from the cases that you've seen and the cases that you've uncovered. And the interactions that you had with victims and the interactions that you had with suspects. A lot of the FinCrime and fraud methods have the same, MO at their core. I think it's the disguises and the technologies that change. So keeping up with this history lesson, and trying to extract all the information from it and running an autopsy on every case that you look at is what evolves FinCrime prevention in the long run. So to give you an example, what, what I like to do is run an exercise where I just shut myself in a room for a couple of hours, and I completely ignore rules, common sense and just good human nature all together. And I try to defraud my own company using everything that I know to do. So think of it as a mini heist, I draw the plans, I prepare the contingencies. And I relentlessly hammer all potential weaknesses. And if I'm theoretically successful, so can anyone else be and that's when I take that knowledge and try to build preventive action. And getting results on this is so satisfying. We managed to prevent some big fraud waves, for which I'm very grateful to my team. When we've launched the new loans product, we've had very serious threats, which were coming our way and just being able to run these exercises and trying to identify the weaknesses in our patterns has been immensely immensely beneficial to us, and I think I need to mention, our FinCrime prevention also evolved with an industry first partnership with Barclays. We were, I think, one of the first FinTechs to run such an in depth and thoroughly weaved partnership with a giant like Barclays. And here what I've learned is that it's all about balance, and drawing from my previous corporate experience, but never forgetting about our FinTech identity and values. It's very tempting to try and meet the expectations of your partners by becoming them. But this is not what this is about. It's, it's about rising up and above the scrutiny of such an exigent partner.

And I think this has been a key achievement for us and it was a very inspiring moment to fully retain our identity, but still successfully partner with, a, with someone like Barclays.

**Gemma Rogers 28:05**

And that, that's also I think, and like you say a real, a real achievement. And I think a real kind of vote of confidence in the way that you built and structured your financial crime team, which is, which is awesome to hear. I also love this mini heist idea, I'd kind of love to expand that and maybe talk at a later date about how we could how we could do something similar for our community, because I think everyone would learn something if we all put our heads together and try to, as you say, hammer those potential weaknesses in various systems. And the great thing about that is, it's not just a fun exercise. It's hugely important in defining those preventative controls, which are I think are often the really tricky ones to design. Because you can quickly get into the space of unknown unknowns and you don't really know what you're trying to tackle. So looking at vulnerabilities and thinking about how they're exploited is a really good crucial way of keeping up to do that.

**Dinu Popa 29:03**

Yeah, absolutely. I think that's a great idea. And it has worked for me flawlessly, for as long as I have done it, and I would be more than happy to share it with the FFE community.

**Gemma Rogers 29:14**

Awesome. Well we'll pick that up in the future for sure. Just to talk a little bit more about MarketFinance, what's the single biggest change that was made there? And what impact did that have on FinCrime operations?

**Dinu Popa 29:28**

That's a very good question. And I think, again, it's one of those that has to be a little bit two fold. I don't think there has been one single big change. I think it was a combination of, of small and big that brought us to a very good place from a compliance perspective from a FinCrime perspective. So the first big change that I have to mention is simplicity. And let me explain that it's, it's about the way that you approach policy. It's about the way that you communicate with your key stakeholders and your leadership team, for example, in the way that you work with your partners. The AML FinCrime fraud compliance functions, although they're highly specialised, they need to have a simple, understandable and approachable presence in every business. Simplifying without losing complexity is not an easy task. But it's a very rewarding one. So it's about building policy that is clear and efficient and doesn't drag on for pages and pages and pages and pages. It's about addressing the real threats and calling them out by their name. And in the end, although trying to make things appear more complex is very tempting because you have the human desire to focus on every single little detail and focus on every single little aspect. When you look at a function like compliance and FinCrime, it's all about trimming those to what's most important. And I found that to be extremely useful in my job, just stepping into a task with a simplicity purpose, trying to simplify it, trying to make it understandable, trying to make it digestible. The other 50% is innovation. And this is about the



extra mile. This is about the above and beyond. Because having a good grip on what you do is, I don't think it's enough. It just means that you're doing your job, which is very good but there isn't really much space for progression if you only do the things that you're supposed to do. And useful innovation is, is where progress is found. For example, we were one of the first ones to safely introduce dark web scanning in our counter fraud and FinCrime methods. And this was a very, very information heavy task. Because before implementing something like this, I had to learn everything that I could about dark web browsing about where to look about how information flows, what to look for, how to efficiently use this information, how to stop myself if I think that I'm going a little bit too far out of my safety zone and out of my comfort zone. And finding that first solid nugget of intelligence was, I have to admit a very exhilarating, but very frightening moment. And I remember it clear as day, it was maybe a few months back. We found a user on a fraud forum on the dark web, saying that they found our online submission portal for loans and they wanted to try to submit an application, they were looking for requirements from KYC to bank statements they were asking around if people could help with a bank account where this would be paid into. And just discovering that discussion was absolutely mind blowing and although it was very frightening I think it was a testament of the fact that we've taken the right decision. And this was that little piece of data that surprisingly confirmed that this crazy idea of professionally using the dark web to find things that would make your functions better, actually works. So this was the, this was the surprising outcome of good research, I think.

**Gemma Rogers 33:49**

Yeah, that sounds, yeah, like you say, equally terrifying and exciting. We like to finish each of these interviews with a FINTRAIL five. So I will start the beginning of five sentences and if you could finish them. So first question, if I wasn't a FinCrime lead at MarketFinance, I would be...

**Dinu Popa 34:12**

A journalist. And I think I would be a journalist because I have my undergrad is in journalism. And my father was a journalist. And it was something that I always wanted to do.

**Gemma Rogers 34:25**

Right. Great. Very Interesting. And yeah, I think a good crossover, lots of like analysis and investigation involved in being a journalist, so I can definitely see those parallels. Second question. My colleagues at MarketFinance would describe me as...

**Dinu Popa 34:42**

Probably always teaching someone something. I'm always in a teaching session, or I'm always in the learning session.

**Gemma Rogers 34:48**

Brilliant. I'm sure they're very grateful to have you for that as well. Third question, the last book I read and would highly recommend is...

**Dinu Popa 34:56**

Guns, Germs and Steel by Jared Diamond. It's, it's an incredible book about the fate of human societies and how we evolved as a species and how we developed into what we are today.

**Gemma Rogers 35:14**

Wow. Okay, that, I'm glad you explained that because it didn't immediately sound like that from the title. But yeah, that sounds like a good, good read. And then fourth question, the last TV show I binge watched was...

**Dinu Popa 35:29**

Chernobyl, Chernobyl. It was absolutely fascinating. And I managed to correlate the story, as it was, as it happened with what my grandparents used to tell me. We grew up in Eastern Europe, which was very, very close to where it happened. And that show was absolutely incredible. And if you haven't watched it, please watch it. It's a piece of history.

**Gemma Rogers 35:56**

Yeah, I agree. I thought it was a very, very powerful show. So yeah, highly recommend. And then, final question. If someone wanted to start a career in anti-financial crime or FinTech, what should they do?

**Dinu Popa 36:09**

Never stop learning. The moment that you stop, and you get comfortable, and you think that everything is ticking along. That is the moment when something will, something will happen, and something will catch you unprepared. It just never stops, you must always, always, always keep learning.

**Gemma Rogers 36:29**

Yeah, absolutely. I again, couldn't agree more. So I think that's a good note on which to end today. But before we do that, I want to say a big thank you to Dinu for joining us today. I really enjoyed our chat. And I really enjoyed hearing some of those different perspectives that you brought to a lot of those questions. So thank you. Thank you very much indeed.

**Dinu Popa 36:50**

Thank you very, very much for having me. It was a pleasure.

**Gemma Rogers 37:04**

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