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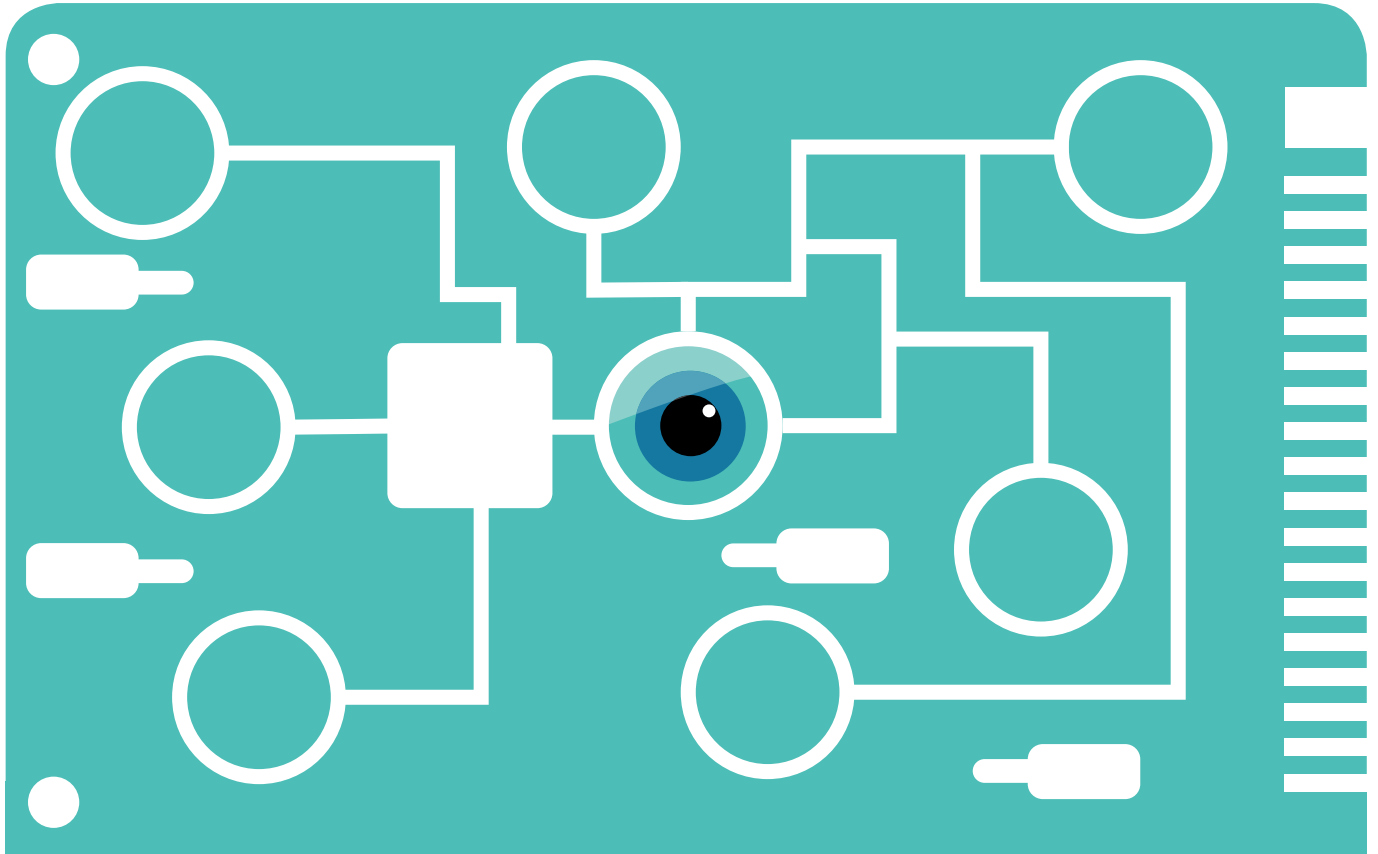
Creating a single customer view of risk for Financial Crime Risk Management

Harmonising disparate data models and departmental needs into one solution to create a truly effective Financial Crime Risk Management (FCRM) platform has long been the desire of a range of financial services organisations.

Can Sentinel from Synectics offer a cost effective solution to FCRM that delivers on the promise of 'Platformification' and create a truly single customer view of risk?



A need for faster, agile, organisation wide systems



Thanks to increased reporting on social media, the 24/7 rolling news cycle, and increased regulator demands, customers and investors of financial services companies are increasingly becoming aware of those organisations that repeatedly fall foul of fraud, financial crime, cyber breach or legal disputes with regulators.

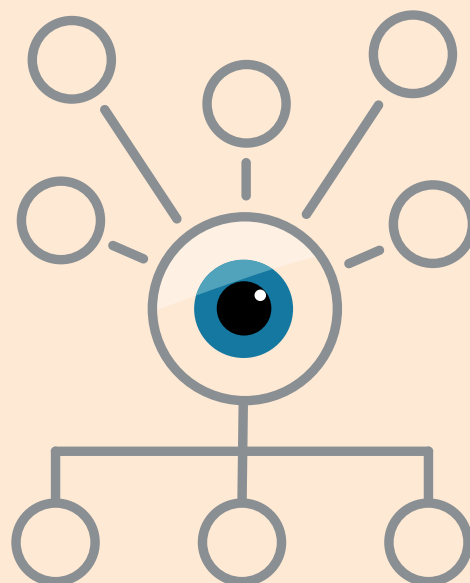
Such is the problem that regulators, such as the UK's Financial Conduct Authority (FCA) in its 2019/20 business plan, are increasingly requiring financial services organisations to show that their FCRM intelligence is **capable of being shared across their organisations**. They are also starting to call out the need for these systems to go beyond slow, cumbersome (and often ineffective) manual processes to become more automated. This is to aid the reduction in costly post-event remediation activities that often fail to recover funds once acts of financial crime have been perpetrated.

Ultimately threats from employee attacks, increasingly sophisticated anti money laundering (AML) tactics, the proliferation of fraud – allied to the added complication of a borderless banking environment – has meant that financial services organisations are increasingly realising that centralised FCRM platforms are becoming an essential component for the future protection of their organisation.

A move away from silo working

A truly centralised, enterprise-wide, platform approach to FCRM that offers a single customer view of risk can help to ensure a strategy that is capable of avoiding the pitfalls of working in silos. Additional benefits of this approach also enables:

- **Streamlining of processes**
- **Reduced costs**
- **Automation of routine tasks**
- **Reduction of regulatory risk**
- **Defend the entire organisation against a raft of evolving attacks**



Cost is seen as a barrier

The deployment of a truly enterprise wide FCRM platform is something that has largely eluded banks, insurers and other financial services companies to date.

Many organisations report having a multitude of different systems across departments (up to 30 in certain large banks) and different product lines that all have completely different data models and procedures.

Operating in this way means that organisations are not only missing the opportunity to share intelligence effectively across their organisation, but they are also duplicating tasks and increasing the risk of falling victim to a variety of costly criminal activities.

Many organisations point to the challenge and cost of aligning their FCRM solutions across the organisation. Lack of budget/investment, poor quality data, lack of common standards and inconsistent or relevant expertise in many areas are all things that seem to prevent addressing the issue.

Failing to invest misses the point and the opportunity

What senior decision makers are failing to realise by withholding investment is that they are missing the opportunity to develop an increasingly resilient enterprise through a more coherent and joined up approach to financial crime risk mitigation.

Investing in the deployment of an organisation-wide FCRM solution allows senior management to place much more effective controls across the extended organisation so that it can withstand the full range of fraud, financial crime and compliance risks, disruptions and requirements of today.

The financial cost of failing to act

A quick look at some recent examples of failing approaches to FCRM resulted in UK banks suffering significant financial costs:



£500 million
losses to fraud alone on 2018



**£500 million -
£1 billion fines**
for Breaches in AML regulations



A single customer view of risk

Some of the more granular benefits of deploying an organisation-wide FCRM platform also includes;

- Reducing false positives and the cost of fraud/AML investigations
- Less reliance on costly repetitive manual processes
- Reduction in costly remediation activities
- Increased speed of customer boarding
- Competent management of (and adherence to) regulatory controls
- Improved ability to bring new products to market faster
- Automatic treatment strategy risk alerts
- Improved customer experience

The benefits of having a more unified FCRM platform, and therefore a single customer view of risk, also means that **organisations can benefit from being more competitive** (thanks to the huge efficiency gains inherent in such an approach) as well as having an **enhanced brand value** and **more robust share price** as both customers and investors factor in the improved performance of the organisation and the reduced negative publicity from costly scandals or regulatory breaches.

Cloud based FCRM Platforms to bridge organisations and legacy systems

So the case for taking advantage of a better use of technology to improve FCRM and create a more coherent single customer and enterprise wide view of financial risk couldn't be clearer.

One of the things that has held many organisations back is the desire to marry old legacy systems with partially new, more agile, platforms. This tactic has not always yielded great results as projects have stalled due to the inability of old systems to supply the speed, accuracy, and agility to process and analyse the volume of online transactions now required. Allied to organisations also struggling to find the necessary expertise to effectively deploy and manage some of the more advanced analysis and automation techniques.

An approach that is now being more actively considered is to deploy a cloud based FCRM platform that can be accessed across the organisation without the need to deploy expensive, and hard to maintain, hardware. Additionally, this often mitigates the need to recruit automation and artificial intelligence (AI) expertise in-house - as cloud based vendors often supply this resource and functionality.



Exploiting wider networks

An additional point to consider is the power of exploiting wider networks when deploying FCRM platforms. The power of networks has to be one of the greatest advances in organisation effectiveness since the Internet enabled much wider and faster sharing of data.

FCRM platforms that can enable organisations to access wider networks means that those deploying a central FCRM platform can leverage business sector intelligence, as well as intelligence from other sectors alongside government data, to exponentially improve their ability to detect, predict and act on anomalies that threaten the organisation's assets.

An organisation that exploits this wider networked intelligence, such as using consortium data or shared government intelligence sources, has much greater ability to create a defensive posture that will deter the most audacious and ardent of financial criminals.

Examples of the value of this type of networked value are not difficult to come by with databases such as National SIRA and CIFAS demonstrating year after year their efficacy in helping to prevent and detect billions of pounds in attempted fraud for those companies with the foresight to get involved and invest in these communities.

A need for flexibility and multi layered functionality

Of course large financial services organisations have a multitude of requirements across the full panoply of financial crime risk mitigation, and so it becomes important for any FCRM platform to offer a pick and mix approach to the multi-layered functionality and data enrichment on offer – so as to avoid over engineering solutions or adding unnecessary cost in some areas of the organisation without depriving other departments with more complex needs.



Synectics' approach to this is to provide a cloud based multi-layered solution, *Sentinel*, that allows users to take advantage of the core Synectics API and allow the organisation, orchestration, and transformation a client's data, and then decide on a range of more specific 'app-based' functionality depending upon the needs of a particular part of the organisation.

These 'apps' can range from workflow management, case management, predictive analytics, organised crime network identification, and more.

Additionally the *Sentinel* platform will remain 'data agnostic' to allow users to enrich their configuration of the platform with a wide range of third party intelligence sources that can be leveraged by their entire organisation, to ensure that wider networked intelligence is built in to a client's service in a way that suits that client's particular need and strategy. This includes the use of structured and unstructured data.

Operating in real-time, batch or manual mode the cloud based *Sentinel* platform will offer the ability to truly harmonise the approach to FCRM while still allowing multiple teams within an organisation to configure their part of the system so that it meets their treatment strategy needs.

By unifying local, third party and shared collaborative intelligence sources into one data model, via a cloud based solution, *Sentinel* clients' will be able to cost effectively bring the vision of a centralised holistic FCRM solution that serves the needs of all parts of the organisation and creates a single customer view of risk to reality.

Step your financial crime strategy up a gear.

Call 0333 234 3418

Email info@synectics-solutions.com

Or visit www.synectics-solutions.com

About Synectics Solutions

For over 27 years, we have been providing leading edge data driven solutions to help organisations harness the power of data.

The systems we build and host for our clients are highly successful in creating more profitable customer relationships, reducing risk, combating financial crime, and enabling organisations to meet their compliance and regulatory commitments.

We work closely with our clients to create innovative solutions that meet their data driven challenges. We are renowned in the markets in which we operate for our dedication to customer satisfaction and for providing highly tailored solutions that meet our clients' complex needs.



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