

Using a data-driven solution to effectively implement a KYC risk assessment model hosted on EFI's platform.

EFI was approached by an established UK mortgage lender to implement a digital KYC risk assessment model to categorise their historical client database from the ground up.

Challenge

Understanding client needs



We were engaged by an established UK mortgage lender to assess the risk of a historic client database, that lacked sufficient Know Your Customer (KYC) information. Using our in-house technology platform, powered by trusted technology partners and ready-built teams of skilled analysts, EFI was well placed to deliver on this project. The number one priority for our client was to screen their historical client database to provide a more in-depth risk assessment and to create a risk assessment model to meet regulatory requirements and improve overall AML (Anti-Money Laundering) controls. Due to complexities with the lender's third-party service provider and challenges associated with a long-term historic book of business, this was outsourced to EFI.

Key highlights



The data was hosted on EFI's platform as the client did not have a secure platform



We assessed the risk of a historic book of clients



We supplemented our data driven approach with targeted EDD reviews by our trained analyst team



We leveraged our relationships with industry-leading technology partners to electronically verify customers, enriching the client's data to screen for a number of risk factors including PEPs, sanctions and adverse media, as well as assessing credit referencing data



The clients concern related to AML controls – we conducted a workshop to assess gaps and suggest improvements

Approach

Analysis of the data

The challenge was to complete manual customer reviews. Due to a lack of customer activity, there was limited KYC information. EFI first conducted a workshop to understand the risk appetite and current operating procedures of our client. We identified the key gaps within the client's AML risk policy and framework before designing and implementing a new workflow and reporting tool.

- We identified key data points to complete data driven analysis
- Worked in partnership with third parties to identify key data points
- We created a 15-point risk model bespoke to the client's needs in line with client policy
- We conducted targeted Enhanced Due Diligence (EDD) reviews by analysis of high-risk customers

Solution



By using industry leading technology partners to enrich client data and using an electronic identification process, we developed a new AML policy and framework supported by a 15-point bespoke risk assessment model. This in conjunction with our hybrid approach, using both data and experienced KYC analysts, allowed us to capture client information, categorise clients with the appropriate risk scoring and create reports in a short period of time.

Using our tools and technology to provide bespoke risk focused solutions, we created a periodic review form that captured risk assessment data and summarised the results in a user-friendly report format.

Outcome

- 1 The safe transfer and storage of data.
- 2 We offered insight and recommended next steps to improve the client's policy frameworks using our extensive KYC expertise.
- 3 83.2% of the population was handled solely using data, with targeted reviews supporting case completion for the remainder.
- 4 We completed targeted enhanced due diligence on high-risk individuals, using a hybrid approach of analysts and technology to deliver risk-based solutions. We remediated the target population in only 8 weeks.