BAE SYSTEMS

What do business customers think about banks and money laundering?

We asked 300 technology professionals in the US and UK working at organisations with more than 1,000 employees about their attitudes to money laundering – and also what technology they thought banks used to defeat it. Money laundering allows criminals to profit from their crimes; it enables slavery, drug trafficking, dictatorships and acts of terror. Tackle money laundering, and you hit crime where it hurts.

Whose responsibility is it to stop money laundering?

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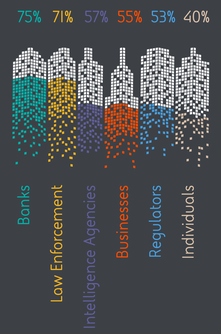
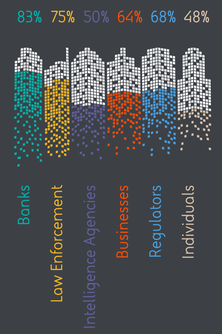
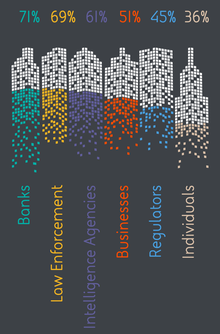


UK business customers are more likely to say it's the job of regulators and businesses:



Technologists in the US were more likely to also look to law enforcement and the intelligence community to address the money laundering problem:



What do you think banks are doing to prevent money laundering?

Overall, technologists think Artificial Intelligence and Machine Learning are already used by banks to spot laundering – but that's not the case. In fact, AML solutions used by banks are often several years behind the curve, and swamped with waves of false alerts. There's concerted effort with the financial community to optimise existing solutions before pursuing advanced technology.

In the US, it's more about the high-tech solution, but in the UK, there's more focus on checks and policy:

Using machine learning and artificial intelligence to spot suspicious patterns
US: 74% UK: 67%

Thorough background checks on anyone moving money in or out of their company
US: 63% UK: 59%

Enforcing clear money laundering policies
US: 59% UK: 58%

Relying on information from third parties
US: 37% UK: 35%

Hiring lots of people to sort through large volumes of false alerts manually
US: 31% UK: 23%

What would it take for you to move your business's banking away from your current bank?

Finally, were our respondents willing to move their money to support the struggle? Despite the answers here, it's not readily apparent that recent significant regulatory fines are sparking mass movements of customers. Still, there appears to be a strong desire among customers for their banks to fight the good fight.

	Total	UK	US
If the bank is found guilty and fined for serious and sustained money laundering, actively encouraged by the bank	33%	15%	42%
If the bank is found guilty and fined for serious and sustained money laundering, overlooked by the bank	26%	34%	23%
If the bank is investigated for, or suspected of, serious ongoing money laundering	16%	16%	16%
If the bank is found to have failed to comply with money laundering regulations because of negligence	15%	17%	15%
If the bank is found to have mistakenly failed to comply with money laundering regulations	1%	0%	2%
Nothing would convince my organisation to move our business banking away from our current bank	2%	2%	3%
Don't know	6%	16%	1%

Conclusion

Amongst business customers, technologists seem to be under the impression that banks are using far more sophisticated technology than they actually are. They're strongly in favour of banks pursuing strict controls against money launderers, and they appear – in our survey at least – to be willing to move their business away from banks that don't take the same approach.
A very significant number – between 40% and almost half, depending on the country, think individuals play a significant role, as well as other agencies besides banks.

Find out more.
www.BAEsystems.com/AML

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