Rating and Monitoring Customer Risk

PROBLEM

Increased AML regulatory scrutiny required a top tier bank to quickly deploy a companywide CRR system

SOLUTION

The Alacer team worked with a global software vendor to develop a CRR system that would not require modifications to the organization’s lines of business

RESULTS

Compliant CRR methodology meets all requirements, deployed within tight deadlines, able to periodically run analyses on changing risks

OVERVIEW

A national bank faced a dilemma that could heavily impact its bottom line: how to institute and manage a single, consistent customer risk rating (CRR) methodology across its entire organization. Since this would require major changes to its existing anti-money laundering (AML) compliance systems, it hired a top software vendor to develop a solution; however, for an enterprise-wide project of this scope and cost, it wanted objective input from AML banking experts. It turned to the team at Alacer for its understanding of the banking regulatory environment to ensure that the customer risk scoring, enhanced due diligence and data acquisition solution would be world class.

CHALLENGES

Speed was of the essence for establishing an enhanced CRR due diligence process. Alacer experts needed to coordinate the work of not only the internal compliance management and technology teams, but vendor representatives as well. By keeping an eye on quality, Alacer helped ensure that deadline pressures never compromised the integrity of the final risk rating methodology.

RESULTS

The Alacer team met the tight timeline for the implementation of the new CRR program. Not only was a baseline CRR methodology established across the organization, it was done without revising any lines of business. The solution incorporated the ability to periodically conduct customer data analyses to keep compliance management personnel informed of new risks to the bank. This is particularly valuable for financial institutions, since government regulators encourage organizations to conduct annual risk assessments to expose potential money laundering and terrorist financing activities.

Historical client engagement. Results reflect the original case study; outcomes vary.