

**The FCA's response to the  
Complaints Commissioner's Final Report 202300608  
Published on 20 June 2024**

We have considered the Final Report from the Complaints Commissioner (Commissioner) on complaint 210455456.

The Commissioner recommends that we consider the approach suggested by the complainant to require banks to make messages explicit to their customers about account mules.

We have considered the complainant's suggestion.

In meeting our duties under the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLRs) and the Financial Services and Markets Act 2000 (FSMA), the FCA requires that banks and other financial institutions that fall within our supervisory remit have systems and controls that identify and assess the financial crime risks posed by their business model, product, services and customers.

As currently drafted, Regulations 17 and 46 of the MLRs do not contain an explicit requirement for banks to tell customers about the risks of money mules, nor do they require the FCA to make rules requiring firms to do this, or to supervise that firms are doing this.

We have considered if meeting our supervisory duties under Regulation 17 or Regulation 46 of the MLRs would allow the FCA to introduce such an explicit requirement for firms to follow. Our view is that this is not what was intended by regulations 17 and 46.

Reducing and preventing financial crime including fraud and money laundering is a key priority for the FCA. Tackling financial crime requires a collective effort – from us, regulated firms, Government, law enforcement and our regulatory partners. In playing our part in this collective effort the FCA is always open to ideas about enhancements to firms’ systems and controls that may facilitate better detection and prevention of fraud and money laundering.

When we supervise firms, we assess how they meet their obligations within our rules and the MLRs to have appropriate systems and controls that counter the risk that they are misused for the purposes of financial crime.

The work we undertook recently in relation to [money mules](#) forms part of a broader piece of work to ensure that firms have robust and adaptable counter fraud systems and controls. This has shown us that many FCA regulated firms engage in customer education and warnings, targeted at sections of customers that are known to be at risk of being recruited as money mules. We will continue to discuss new and emerging opportunities to enhance systems, including that suggested by the complainant, as part of that work.

The introduction of the Consumer Duty in July 2023 means that firms should be thinking about the design of their controls and how they operate in the best interests of consumers whilst meeting their financial crime obligations. This will include how they make sure consumers understand the products they are buying and how to use them safely.

20 June 2024