

Date: 9 September 2020

Our Ref: FOI7459

Freedom of Information: Right to know request

Thank you for your email of 16 July 2020, in which you asked for information about criminal investigations of anti-money laundering/know-your-customer (KYC)/financial crime systems and control failures that the FCA has launched between 2016 to July 2020.

Firstly, please accept our sincere apologies for the delay in responding to you. We have processed your email in line with the provisions of the Freedom of Information Act 2000 and we will answer each point of your email in turn below.

1. How many criminal investigations of anti-money laundering/know-your-customer (KYC)/financial crime systems and control failures has the FCA launched between 2016 to present?

Between 1 January 2016 and 16 July 2020, the FCA has launched 47 investigations into anti-money laundering/know-your-customer (KYC)/financial crime systems and control failures.

We would like to explain the above number includes criminal and dual track investigations.¹ Further, we please note that the above figure also includes individuals that are not Senior Management Function (SMF) holders.

2. How many of these criminal investigations:

a) Targeted firms?

2016- 1
2017 - 14
2018 - 5
2019 - 7
2020 - 3

b) Targeted SMF holders?

2016 - 0
2017 - 1
2018 - 2
2019 - 5
2020 - 0

¹ Dual track investigations are those which might result in civil or criminal proceedings if breaches are identified.

c) Which SMF categories were targeted in each investigation?

2017 – SMF3 and SMF1

2018 – SMF2

2019 – SMF19, SMF17, SMF16

3. How many SMFs have been investigated for anti-money laundering/KYC/financial crime systems and control failures 2016 to present under the Senior Managers & Certification Regime (SMCR)? Please break down response by year and SMF type.

Between 1 January 2016 and 16 July 2020 there were a total of 8 SMFs investigated by the FCA for anti-money laundering/KYC/financial crime systems and control failures under the SMCR. Please see below the yearly breakdown with SMF type investigated:

2017 – 1 (The SMF type was SMF3 and SMF1)

2018 – 2 (The SMF type was SMF2 for both investigations)

2019 – 5 (The SMF type was SMF19 for 2 of the cases, SMF17 for 2 of the cases, SMF16 for 1 case)

In 2016 and 2020 there were no SMFs investigated by the FCA for anti-money laundering/KYC/financial crime systems and control failures under the SMCR.

4. How many criminal investigations for anti-money laundering/KYC/financial crime and control failures 2016 to present have been closed by the FCA without further action? Please break down response by investigations into firms and SMFs.

Between 1 January 2016 and 16 July 2020, the FCA closed the following number of investigations into firms and SMFs without further action:

Firms – 15

SMFs – 8

Please note the above figures also include cases where the criminal investigation has been discontinued but regulatory/civil investigation may have still proceeded.

5. How many criminal investigations for anti-money laundering/KYC/financial crime systems and control failures 2016 to present are still open? Please break down response by investigations into firms and SMFs.

Of the cases launched by the FCA since 2016 there are 12 criminal investigations into firms that remain open. No criminal investigations into SMFs remain open.

Please note the above figures include criminal and dual track cases where the criminal part is still ongoing.

6. How many criminal investigations for anti-money laundering/KYC/financial crime systems and control failures opened between 2016 to present were closed in the last six months? Please break down response by investigations into firms and SMFs.

Between 1 January 2016 and 16 July 2020, the FCA closed 5 investigations into firms and 5 investigations into SMFs in the last 6 months.

7. How many investigations into SMFs under SMCR for anti-money laundering/KYC/financial crime systems and control failures has the FCA closed without further action since 2016? How many are still open? How many were closed within the last six months?

The FCA has closed without further action the following number of SMF investigations:

2016 – 0
2017 – 0
2018 – 2
2019 – 1
2020 – 6

The FCA currently has one investigation open into anti-money laundering.

The FCA has closed six investigations closed in the last six months.

Your right to complain under FOIA

If you are unhappy with this response, you have the right to request an internal review. To do so, please contact us within 40 working days of the date of this response at FreedomofInformationAppeals@fca.org.uk.

If you are not content with the outcome of the internal review, you also have a right of appeal to the Information Commissioner by phone or on their website at:

Telephone: 0303 123 1113

Website: www.ico.org.uk