

Streamlined Monitoring Helps Mitigate Regulatory Risk

Challenge

For compliance with the Bank Secrecy Act and USA PATRIOT Act, retail banks perform minimal list screening and monitoring of existing customer portfolios, often only using one list source such as the Office of Foreign Assets Control (OFAC). Banks perform this screening and monitoring in several different ways:

- Manually pulling the OFAC list from the U.S. government website
- Pulling the OFAC list with a credit report
- Using list screening software

Regardless of how this is performed, the screening and monitoring of new accounts and portfolios poses big challenges to retail banks. It's a resource-intensive task that requires time, money and manpower. Also, as a "minimum" requirement, it does little to help identify other major transgressions such as money laundering, drug trafficking and fraud that target today's financial institutions.

Our client — a major regional retail bank in the northeast — was experiencing some of these issues firsthand. Specifically, its costs were on the rise after it began compliance monitoring of Demand Deposit Accounts (DDAs).

Solution

By outsourcing the monitoring process to Equifax, the bank quickly alleviated a costly drain on internal resources and strengthened its industry compliance and risk detection capability.

Our AML Compliance portfolio monitoring provides a streamlined, cost-effective process for monitoring client portfolios, while offering maximum data coverage. Our comprehensive database consists of over 15,000 sources containing millions of names of individuals and entities involved in illegal activity, including but not limited to: OFAC, regulatory lists, global lists, Money Service Businesses, U.S. government lists and media. The combined advantages of our monitoring solution helped the bank:

Regional Northeast Retail Bank

CHALLENGE

- Rising internal costs associated with compliance monitoring for DDA clients

SOLUTION

- Reduced costs associated with a resource-intensive task by outsourcing the monitoring process to Equifax
- Eliminated the burden of internal portfolio maintenance with ongoing monitoring

RESULTS

- 3 million accounts securely monitored
- 430 high-risk accounts identified
- Over \$200K in annual savings
- 1000 percent ROI





Over \$200K in
Annual Savings

- Reduce financial, reputation and regulatory risk
- Strengthen regulatory compliance by monitoring for daily changes and updates
- Decrease false positives
- Lower costs
- Receive timely, accurate and actionable information

Better Results and a Streamlined Workflow

To minimize the likelihood of missing important information, our streamlined process queues all soft matches to an information analyst. Next, an intensive false-positive review is performed by an expert team of analysts within our Compliance Data Center, a group with more than 45 years of specialized experience in the false-positive review process.

Here's how the portfolio monitoring process works:

- Customer batches and transfers accounts or portfolio of accounts into Equifax on a daily, weekly, or monthly basis
- Accounts are loaded for continuous monitoring for negative changes in status
- All name matches are manually reviewed by Equifax analysts for false positive review
- Alerts with a high confidence of being a match are then returned to the customer within 24 to 48 hours

Vetted, High-Confidence Matches

A standard portfolio of 3 million customers will result in thousands of soft matches that must be reviewed by our analysts. Yet, the false positive review process conducted by our information analysts returned less than 500 qualified alerts.

Results

In a 12-month period, based on the customer's portfolio of 3 million accounts, we initially matched on over 620,000 possible hits.

- 430 high-risk alerts were provided to the customer after completing the false-positive review process
- Estimated Full-time employee (FTE), data and processing savings of more than \$200,000 per year were realized after outsourcing the monitoring process, creating a 1000 percent return on investment

CONTACT US

For more information, contact your Equifax representative or visit us at www.equifax.com/business/prevent-fraud