



Reducing the Cost of Compliance with URU



The G7 countries set up the Financial Action Task Force (FATF) in 1989 in response to the growing international drugs problem and to counter the increasing threat posed by organised crime groups and money laundering. The FATF's purpose is to reduce the vulnerability of the international financial system and increase the effectiveness of anti-money-laundering (AML) measures and systems throughout the world.

In 1990, the FATF issued a report containing a set of Forty Recommendations, designed for universal application, that provide a comprehensive blueprint of the action needed to fight against money laundering. These Recommendations have been updated regularly to reflect the changes that have occurred in money laundering and to anticipate potential future threats.

As money launderers become increasingly sophisticated, and the interface to business moves to greater use of e-commerce, it becomes harder and harder for organisations today to really apply the principle of 'Know Your Customer' – the commonly accepted term for identifying and monitoring customers in order to ensure money laundering is NOT taking place.

In the past checking a customer's identity has been a long and cumbersome process involving the transfer of highly valuable personal documentation from customer to organisation and back again.

Not only is the process costly in terms of both time and resource, but it is one that is wide open to abuse from the very people the organisation hopes to block – the fraudster and money launderer.

Earlier this year, the UK adopted a new set of amendments to its money laundering regulations through the JMLSG. These now accept that electronic ID verification is the only practical way forward for organisations that want to ensure they meet their AML requirements. With the production of fake documents now big business for fraudsters, it is vital that any system adopted by business is able to authenticate key documents such as a passport, driving licence or utility bill.

URU is the first application that has been designed and built specifically for the purpose of verifying customer identity. A unique data matching engine based on GB Group's innovative id3 technology, ensures that the customer details you have been given are matched against the widest possible range of data sources. By connecting to multiple data sets – both private and public sector – id3 is able to pinpoint to a high degree of accuracy that the person you are talking to is who they say they are.

In addition, id3 technology can authenticate passports and driving licences by checking the machine-readable number against an official algorithm. It uniquely matches utility bills to the given address and will highlight any counterfeit documents in less than one second – less time than it takes to refresh a page on the Internet!

URU reduces the cost of processing new customer applications by up to 70%

Our clients tell us that because URU can check new customer applications in less than one second, their processing costs are vastly reduced. And because URU replicates the existing manual process entirely – down to the verification of passports, driving licences and the like, the need for staff training and change management procedures to be engaged are minimal.

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“Client verification is a real issue for us. Having a paper-based authentication process carries inherent risks and is simply unproductive.

As for our clients, their first experience of Killik & Co is often a cumbersome paper chase. With URU we have found an ideal solution! GB are the first people to take real steps towards removing the need for paper-based ID. We chose them to develop our ID solution because they showed real innovation and imagination in resolving our issues.

**With URU we predict that we will:
provide our clients with a smoother account-opening process; remove the risks involved in handling valuable documentation; increase the volume of new accounts that are accepted by the business; significantly reduce the cost and time needed to process new accounts.”**

**Geoff Walker,
Operations Director, Killik & Co**

Electronic verification of individual identity is now recognised as the most cost effective means of meeting Know Your Customer requirements.

Manual verification processes are estimated to cost an average of £15/ check – rising to as much as £80 in some sectors.

Using URU will enable up to 90% of your customers to be verified instantly – leaving just 10% who need to be followed-up with a manual process. In an example of a bank that carries out 1 million checks a year, the cost savings have amounted to more than £3 million.

Online Audit Trail makes URU fully compliant with all KYC money laundering regulations.

How easy would it be for you to prove the individual ID checks done on a single customer today? Most fines imposed by the FSA for breach of money laundering regulations have been imposed not because the organisation did NOT have controls, but because it simply couldn't prove the checks it had done.

URU addresses this issue very simply by providing all clients with a fully compliant and auditable online trail of all checks performed. The Audit Trail can be analysed by individual customer, by pass versus fail results, or even by individual member of staff.

URU helps clients stay fully informed that their customers – and employees – really are who they say they are. And as customers engage further with the business, URU enables additional checks to be made to protect clients, and their individual customers, against account take-over or other forms of ID fraud.

