

# BEYOND REGULATION: ADDRESSING THE RISKS OF FINANCIAL CRIME

## VIDEO TRANSCRIPT

### **Why is financial crime a threat to banks?**

*Adam Markson (Managing Director, Accenture Finance & Risk):*

Financial crime is one of the major threats that's impacting banks at the moment and these sorts of crimes can underpin things like terrorist financing, anti-money laundering, organized crime and human trafficking, so it's of great public importance.

I think financial crime has become a board issue. It's significant for the banks, there are expectations from regulators, there's expectations from the public that banks are not complicit in these types of financial crimes and the crimes they underpin like terrorist financing and organized crime. As such we've seen many of the banks responding with significant investments to try and both prevent and detect financial crime.

### **How is Accenture working with banks to detect and fight financial crime?**

*Adam Markson:*

What's clear about the financial crime problem is that you need lots of different types of solutions brought together to solve it. You need to solve the data problem you need to decide what analytics you're going to use and how you're going to interpret them and then you need to decide how you're going to make decisions based on those analytics.

Accenture are working with many of the large banks working in the financial crimes space and we bring a number of different things together. We bring the data and analytic skills, we bring the big technology skills, we bring the consulting skills and we also bring the regulatory skills so we can make sure that our solutions are fit for purpose.

In particular we also bring the delivery skills so we can deliver an implemented solution for our customers.

### **What are some of the obstacles banks need to overcome?**

*Adam Markson:*

I think there are a number of things that the banks need to overcome to move down this path. The first is there is a continuing story about getting the data right for analytics. The second is that we need to look at the security around that data – there are a number of security regulations and privacy concerns that need to be dealt with. But perhaps one of the more significant ones is the need to work with the regulators and to work with other institutions to build up an acceptance about how these different types of models and machine learning tools will be used in practice and regulated.

### **How will new technology and collaboration allow banks to stay ahead of the crime?**

*Adam Markson:*

At the moment most of the techniques that the banks are using are very rules based – so they identify things that have happened before. That's important of course and regulatory compliance around that is important but I think going forward we need to try and get ahead of the criminals, in particular we need to understand more about our customers, we need to be able to develop information around our customers, to develop context and understanding of our customers and then to use that to understand how we should respond and understand their financial crime risk.

There are a number of different types of technologies that are really changing the way we work. The 1st is around cloud and the ability to have massive compute power to handle these massive volumes of data that we all need to carry out customer led analytics. The 2nd is that we're starting increasingly to use machine-learning, artificial intelligence, to really understand some of the patterns that we see in the data. We're using network analysis to build up big pictures of how customers are responding – their behaviours and how the banks should then respond to that data.

### **How is Accenture's investment in innovation paying dividends for clients?**

*Adam Markson:*

Accenture has quite an interesting set of capabilities in this space. We were one of the first to build up a big analytics practice, we have a very strong risk and compliance business, and by combining these businesses and combining our new focus on innovating in the new with huge emphasis on machine learning, artificial intelligence, natural language processing and cloud, I think we really have something different to offer the banks.