THETARAY

ThetaRay AI Transaction Monitoring to Help Global Tier 1 Bank Improve AML

Correspondent Banking Case Study

Executive Summary

A renowned global correspondent bank (~$1.9trillion in assets) with over 3,000 branches across Europe, had found itself struggling to move forward with its numerous global legacy rules-based AML solutions. The transaction monitoring team had unfortunately failed to detect required levels of financial crime, and were under pressure to make vast improvements, and quickly.

Their existing rules-based approach was also leading to unmanageable levels of false positives, resulting in increasing compliance costs.

Project scope

The bank was looking to implement a machine learning solution with a risk-based approach to their AML compliance, enabling a global framework to support their international operations. Additionally, the bank intended to deploy the solution across other areas of their business, such as capital markets and retail banking, for continuity.

Client Objectives

- Implement a machine learning transaction monitoring solution that would be accepted by the Central Bank of the country they were headquartered.

- Ensure compliance with local and global regulators.

- Test that the machine learning solution is able to detect traditional money laundering activity plus more nuanced high-risk crime areas such as human trafficking.

- Deploy the solution to cover all lines of business over time.

Results

ThetaRay analyzed the bank's historic data and immediately was able to provide results.

Huge reduction in false positives
ThetaRay significantly reduced the number of false positives. In some countries where the bank operates, the number of alerts was reduced by over 500,000 per year. By establishing normalcy based on the data, the machine learning transaction monitoring solution was able to detect abnormal behavior ensuring that only true positives are alerted, vastly reducing the time and cost for the compliance teams.

Improved risk detection
The machine learning solution was able to find 'unknown unknowns' – risks and behavior that was previously unidentified by the legacy systems. These findings provided the bank with a greater insight into their risk and enabled the transaction monitoring and compliance team to make more informed decisions when reviewing their customers and transactions.

Approval from Central Bank
Most importantly by introducing more robust and dynamic transaction monitoring across the bank's global framework, the financial institution gained approval from their Central Bank and other global regulators, recognising them as a leader in financial crime detection.

If you're interested in learning more about our machine learning Transaction Monitoring solution or how ThetaRay can assist with your AML requirements, visit:
thetaray.com or email info@thetaray.com