

ThetaRay Transaction Monitoring Helps Santander Improve AML Case Study



Executive Summary

In a proactive initiative, Santander, a leading global financial institution (~\$1.9trillion in assets) with over 3,000 branches across Europe, aimed to modernize its numerous rules-based anti-money laundering (AML) systems. Recognizing the limitations of its legacy solutions, the transaction monitoring team pinpointed machine learning as a critical tool for driving significant enhancements and achieving rapid results.

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

Project Scope

Santander 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 implement the risk-based approach 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 financial crime 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.



Significant reduction in false positives
In some countries where the bank operates, the number of alerts declined by over 500,000 per year. By establishing normalcy based on the data, ThetaRay's transaction monitoring solution was able to detect abnormal behavior. This ensured that only true positives were alerted, reducing the time and cost for compliance teams.



Improved risk detection
ThetaRay's solution was able to find 'unknown unknowns' – risks and behavior that were previously unidentified by the legacy systems. These findings provided the bank with greater insight into their risk and enabled the transaction monitoring and compliance teams 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. They are now recognized as a leader in financial crime detection.

Discover how ThetaRay's transaction monitoring, along with our complete suite of AML products, can enhance your compliance strategy.

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