



# NCA

National Crime Agency

## **COVID-19**

### Suspicious Activity Reporting

This document aims to provide reporters with observations from the UKFIU on what is being seen in reporting around COVID-19 and SARs.

April 2020

v1.0

This is a United Kingdom Financial Intelligence Unit (UKFIU) Guidance Note. It is produced in line with the National Crime Agency (NCA) commitment to share perspectives on the Suspicious Activity Reports (SARs) regime.

## Trends/observables

### Money laundering

Several SARs have been seen relating to suspicions that individuals are exploiting the COVID-19 outbreak to account for money movements that suggest possible money laundering. COVID-19 is resulting in the general public making a lot of changes to their behaviour. Most of these are not suspicious; however, in the below examples reporters have cited some of these *in combination* with other money laundering red flags.

- Large credits or cash deposits into accounts, which the account owner explains as funds from a planned holiday, house or car purchase, cancelled due to COVID-19 (sometimes into previously inactive accounts) or business owners claiming to be making deposits for staff wages.
- Sending funds abroad to relatives to buy face masks.
- Customer claim funds, received into accounts from multiple sources, from the importation and selling of face masks.
- Customers in receipt of multiple faster payments then withdrawing large amounts in cash, claiming to have lost faith in the banking system as a result of COVID-19.
- Concerns around the issue of facilitating 'emergency' loans to subjects about whom they hold money laundering concerns.

### Fraud

SARs have reflected how the COVID-19 pandemic is being exploited to further facilitate existing fraud methodologies. Examples include:

- Individuals or businesses suspected of taking payment for, but not supplying, face masks, hand sanitisers and other Personal Protective Equipment (PPE).
- Social engineering whereby fraudsters impersonating high street banks persuade their victims to transfer funds to a new account following a 'security breach'. The fraudsters used COVID-19 as an excuse for changes to normal bank procedures.
- Victims believing they are investing in companies developing a vaccine for COVID-19.
- Refunds claimed for fake bookings cancelled due to COVID-19.
- Suspicions that an individual suddenly moving funds from a savings account could be an attempt to hide true value of savings, in order to fraudulently claim government compensation for loss of earnings.