



# NCA

National Crime Agency



# UKFIU

UK Financial Intelligence Unit

# SARs Reporter Booklet

August 2021

This is a UK Financial Intelligence Unit (UKFIU) product for reporters of Suspicious Activity Reports, produced in line with the National Crime Agency's commitment to share perspectives on the SARs regime.



**@NCA\_UKFIU**



# Overview

This document is produced by the United Kingdom Financial Intelligence Unit (UKFIU) which has national responsibility for receiving, analysing and disseminating financial intelligence submitted through the Suspicious Activity Reports (SARs) regime. The UKFIU sits within the National Crime Agency (NCA) and receives over 570,000 SARs a year.

This booklet contains a sanitised summary of feedback from law enforcement agencies (LEAs) on their use of SARs and includes pertinent information and updates from the UKFIU.

The contents of this booklet are aimed at:

- sharing perspectives on the use of SARs with participants of the regime
- sharing and encouraging best practice among reporters
- providing a feedback mechanism to the UKFIU about the operation of the regime.

More information about the UKFIU, the SARs regime and further guidance notes can be found at the NCA website [www.nationalcrimeagency.gov.uk](http://www.nationalcrimeagency.gov.uk).

Don't forget to also follow us on LinkedIn and Twitter (NCA\_UKFIU).

We would appreciate your feedback on the effectiveness and format of this document. Please email any comments to [ukfiufeedback@nca.gov.uk](mailto:ukfiufeedback@nca.gov.uk)

# Disclaimer

While every effort is made to ensure the accuracy of any information or other material contained in this document, it is provided on the basis that the NCA and its officers, either individually or collectively, accept no responsibility for any loss, damage, cost or expense of whatever kind arising directly or indirectly from or in connection with the use by any person, whomsoever, of any information or other material contained herein. Any use by you or by any third party of information or other material contained in or associated with this document signifies agreement by you or them to these conditions.

# Foreword

Welcome to the August 2021 edition of the UKFIU's Reporter Booklet aimed at all SAR submitters.

With this publication we aim to provide a snapshot of some of the excellent examples we receive highlighting the work of law enforcement agencies in utilising SAR intelligence to initiate investigations and informing existing ones. While it is impossible for us to provide feedback on every SAR that we receive (in the 2019-20 financial year we received over 570,000), I do hope that that this booklet – as well as other UKFIU products – go some way in indicating the value of SARs.

SARs are a critical intelligence resource for law enforcement – they provide information like phone numbers, addresses, company details, investment activity, bank accounts and details of other assets. They have been instrumental in identifying sex offenders, fraud victims, murder suspects, missing persons, people traffickers, fugitives and terrorist financing.

These Reporter Booklets focus predominantly on sanitised case studies. News relating to the UKFIU/SARs regime now features instead in the UKFIU magazine, *SARs In Action*, available via the NCA website – [www.nationalcrimeagency.gov.uk](http://www.nationalcrimeagency.gov.uk). The most recent issue of the magazine was published in November 2020; the 2020 SARs Annual Report is also available from the website.

Don't forget to also subscribe to the UKFIU podcast – this can be found at [ukfiu.podbean.com](http://ukfiu.podbean.com) and via a number of streaming sites.

Vince O'Brien,  
Head of the UKFIU

## UKFIU assistance

For information or assistance with submitting SARs or SAR Online enquiries, please visit [www.nationalcrimeagency.gov.uk](http://www.nationalcrimeagency.gov.uk) or contact the UKFIU on 020 7238 8282.

When contacting the UKFIU please have available your SAR reference number if applicable. If you wish to make a SAR by post you should address your SAR to UKFIU, PO Box 8000, London, SE11 5EN. **NB:** post is slower than SAR Online and therefore it will take longer for your SAR to be processed. You will not receive an acknowledgement if you use post.

General UKFIU matters may be emailed to [ukfiusars@nca.gov.uk](mailto:ukfiusars@nca.gov.uk)

All defence against money laundering (DAML) request queries are only dealt with via email. Should you have any queries email [DAML@nca.gov.uk](mailto:DAML@nca.gov.uk)

# Case studies

A review of case studies provided by law enforcement agencies (LEAs) and other end users<sup>1</sup> of SARs demonstrates how they continue to be instrumental in instigating and supporting investigations to tackle a wide range of the highest priority threats identified by the National Strategic Assessment of Serious and Organised Crime (NSA).

## Money laundering

An enquiry was underway into an individual who was a prolific offender. SARs alerted the enquiry that the subject had opened/attempted to open bank accounts in false names. The SARs also showed that the subject had access to false identity documents and that there were a number of active bank accounts with credit balances on them. Refusal of the Defence Against Money Laundering (DAML) requests resulted in the successful application for a restraint order whilst investigations into fraud and money laundering continued. The case is complex in terms of the number of bank accounts that are/have been owned by the subject, which have had substantial amounts of money going through the accounts (over £200,000). Enquiries are ongoing.

A reporter requested a DAML from the UKFIU due to recent suspicious account activity in a customer's account. The customer moved large funds from a business account into a personal account; there was also a pattern of irregular high volume cash deposits into their personal account that were being withdrawn on the same day which raised concerns that the subject was laundering business funds. The UKFIU refused the DAML and the investigating LEA was able to secure an account freezing order (AFO) for over £150,000. LEA enquiries are ongoing.

## Fraud

A review conducted by a reporter into a subject's account resulted in the reporter submitting a DAML request for suspected money laundering. The subject's account received a large amount of unverified cash deposits over a number of months, most of which were transferred to cryptocurrency platforms. As a result of the UKFIU refusing the DAML the LEA was successful in obtaining an AFO for over £20,000 of funds held in the subject's account. Enquiries are ongoing.

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<sup>1</sup> A current or potential user of SARs such as an LEA or relevant government body.

A fraud investigation commenced after a reporter requested a DAML relating to suspicious high value debits into a subject's account from their employer and third parties and consequent multiple high value purchases made by the subject. The UKFIU refused the DAML leading to a restraining order for over £20,000 while investigations were carried out. The subsequent investigation established that the subject had potentially embezzled hundreds of thousands of pounds with the reporter confirming the intention to return the funds to the victim via an indemnity process. LEA enquiries are ongoing.

DAML SARs were received on an individual due to concerns regarding attempted mortgage fraud and a bank account being used to receive funds from deception, following a number of suspicious deposits. An LEA investigation established that the subjects had obtained a number of properties by mortgage fraud as well as committing other fraudulent activity. As a result of the DAML requests being refused, the LEA has been able to recover over £50,000 by via an account freezing order and the sale of the properties to recover funds. Enquiries are ongoing.

A reporter raised potential money laundering concerns about the volume of third party payments going into a customer's accounts, the funds then being used for ATM debits, cash debits at branch, faster payments and visa debits. This was also out of character in relation to the customer's purported income and personal circumstances. A number of subsequent SARs raised concerns relating to the customer and individuals possibly having been defrauded. The subject is currently under investigation and cash has been seized. Enquiries are ongoing.

## **Drugs**

Multiple SARs were submitted by various reporters in relation to a subject who's banking profile did not match their personal profile. The subject's accounts received a high number of unexplained deposits from third parties which were immediately withdrawn or transferred to linked accounts. Investigations by the LEA led to a warrant being issued to search the subject's home and business address where large quantities of narcotics and paraphernalia including multiple scales, mobile phones and sim cards along with large amounts of cash and designer clothing were seized. The subject was arrested on suspicion of possession with intent to supply Class A drugs. Enquiries are ongoing.

A major investigation was underway seeking to identify key members of an organised crime group (OCG) involved in buying wholesale quantities of drugs from overseas and supplying. After the arrest of one of the main subjects a reporter requested a DAML to pay away the balance in the account upon its closure. The SAR supported the investigating LEA's data analysis showing that there was suspicious activity on the subject's account. The DAML request was refused enabling the LEA to restrain over £100,000. Enquiries are ongoing.

A criminal investigation is underway into foreign nationals who have set up cannabis factories in rented accommodation. The criminality was facilitated by the use of false identity documents to set up bank accounts and then enter into rental agreements for accommodation. SARs material has been used to support production order applications that have been used to evidence the links between false IDs, real persons and the cannabis factories. A number of criminal charges have already been brought against subjects and enquiries are ongoing.

Following intelligence received from an LEA regarding a subject – an associate of a well-known drug dealer under investigation – DAML requests were submitted and refused, which led to a restraint order of over £100,000 on the subject's account. The DAMLs highlighted: historic, unverifiable cash credits; account activity indicating a cash-funded lifestyle; wages not correlative to the accumulative balance and a sudden movement of monies to other accounts. A previous link with the well-known drug dealer corroborated this behaviour to be indicative of the subject living off the proceeds of crime. A number of individuals have been arrested and enquiries are ongoing.

LEA investigations into a serving prisoner suspected of supplying drugs in prison led to a DAML being submitted by the reporter to pay away over £3,000 to the subject of the DAML, a family member of the serving prisoner, whose account was used to launder the proceeds of supplying drugs in prison. The UKFIU refused the DAML. The LEA was able to obtain an account freezing order (AFO) for over £3,000. Further intelligence indicates that as a result of the AFO the supply of drugs in prison has been disrupted.

SARs intelligence has greatly assisted an LEA investigation into a number of individuals believed to be potentially involved in County Lines activity. Financial intelligence gleaned from SARs has highlighted account activity for a number of the subjects, identifying multiple third party credits followed by rapid cash withdrawals. Another subject was identified as having received funds from an individual who it seemed was laundering the proceeds of crime. The SARs also identified additional addresses linked to the suspects, as well as bank accounts and contact details which were previously unknown to the County Lines team. This has provided more lines of enquiry to investigate.

## **Vulnerable persons**

The UKFIU received multiple SARs reporting a subject involved in a romance scam over several years. The subject had defrauded funds from several elderly victims (in one case over £150,000 from one victim) and used a number of associate accounts to receive these funds which were then transferred into the subject's account. LEA investigations have uncovered several other victims. Enquiries are ongoing.

Over a period of months an individual sent over £30,000 to someone they had met on an internet dating site. The perpetrator was subsequently prosecuted; however, a SAR was later received which indicated that the subject was still receiving funds from the victim. Local officers visited the victim to make enquiries and discovered that the subject had adopted aliases with which to extort over £200,000 from the victim. Additional SARs received helped to develop the law enforcement agency's case and showed possible money laundering and gambling activity. Enquiries are ongoing.

A rogue trader had been exploiting an elderly vulnerable individual, visiting their home repeatedly and advising of several 'faults' to their property that needed rectifying. Thousands of pounds were requested on numerous days for materials although no work was conducted. SARs intelligence led to financial enquiries to find the audit trail of cheques paid by the victim and evidence that the suspect had cashed the cheques. The suspect admitted receiving funds, gave an explanation to local officers and paid all monies back to the victim. Local police have put in place safeguarding measures to protect the vulnerable person.

## **Other**

A DAML request was received by the UKFIU due to there being discrepancies in the beneficiary details of payments into a subject's account. Similar activity on a number of customer accounts, all of the same foreign nationality, had been identified by the reporter, leading to suspicions of payment for illegal employment in the UK. The DAML prompted an LEA investigation which led to an account freezing order on this account, and several linked individuals' accounts, to a value of over £10,000 and also corroborated the suspicions of illegal employment. Funds on restricted accounts were later forfeited on the basis that this was recoverable property/intended for use in unlawful conduct. A number of other refused DAML requests resulted in the recovery of further funds (more than £20,000).

## SAR glossary codes (as of May 2021)

<b>Request for a defence under POCA/TACT</b>	
XXS99XX	Request for a defence under POCA
XXGVTXX	Request for a defence under POCA for £3,000 or less
Tick 'Consent' and submit under TACT	Request for a defence under TACT
<b>Money laundering</b>	
XXPRFXX	Relates to person(s) providing professional services or specialist knowledge that wittingly or unwittingly facilitates money laundering
XXTBMLXX	Trade-based money laundering
XXPROPXX	Relates to purchases and rental of real estate property
XXVAXX	Virtual assets
XXILTXX	Illegal lotteries – operating or facilitating illegal lotteries
XXMLTMXX	Money laundering through markets
<b>Predicate offences - economic crimes</b>	
XXTEOSXX	Tax evasion offshore
XXTEUKXX	Tax evasion UK-based
XXF1XX	Proceeds from benefit fraud
XXF2XX	Excise evasion (duty on alcohol, tobacco, fuel etc.)
XXF3XX	Corporate tax evasion (tax evasion by businesses, corporations)
XXF4XX	Personal tax evasion (tax evasion by individuals e.g. income tax)
XXF5XX	VAT fraud e.g. carousel – Missing Trader Intra-Community (MTIC) fraud
XXF9XX	Frauds against private sector
XXD9XX	Bribery and corruption
<b>Politically Exposed Persons (PEPs)</b>	
XXD7XX	International PEPs
XXD8XX	Domestic PEPs
<b>Money laundering/terrorist financing relating to vulnerable persons</b>	
XXV2XX	Risk to vulnerable adults
XXV3XX	Risk to children – including sexual abuse and exploitation
<b>Other predicate offences</b>	
XXFIREXX	Firearms
XXOICXX	Organised immigration crime
XXMSHTXX	Modern slavery and human trafficking
XXDRUXX	Illegal supply of drugs
<b>Projects/other</b>	
XXPCPXX	Counter-proliferation
XXVICTXX	Where the purpose of the activity is to return money to a victim of crime
XXSATXX	Relating to suspected fraudulent use of the HMRC Self-Assessment Tax Refunds system
XXGPSXX	Relating to suspected fraudulent use of Government Priority Schemes established as a result of COVID-19
XXCVDXX	Relating to any suspicious activity connected to COVID-19