



UKFIU

UK Financial Intelligence Unit



SARs REPORTER BOOKLET

November 2023

THIS IS A UK FINANCIAL INTELLIGENCE UNIT (UKFIU) product for reporters of Suspicious Activity Reports (SARs), produced in line with the National Crime Agency's commitment to share perspectives on the SARs regime.



NCA
National Crime Agency



Overview



This document is produced by the UKFIU which has national responsibility for receiving, analysing and disseminating financial intelligence submitted through the SARs regime.

This booklet contains a sanitised summary of feedback from law enforcement agencies (LEAs) on their use of SARs.

This booklet is aimed at:

- sharing perspectives on the use of SARs with regime participants
- sharing and encouraging best practice amongst 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.

Don't forget to also follow us on LinkedIn and X (NCA_UKFIU).

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



Disclaimer



Cases reported on in this document were collated in response to biannual requests from the UKFIU to LEAs to report on the use of SARs intelligence during the course of their investigations. This Reporter Booklet contains examples received in April 2023.

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.

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Foreword

Welcome to the November 2023 edition of the UKFIU's Reporter Booklet aimed at all SAR reporters.



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, 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 features instead in the UKFIU magazine, *SARs In Action*, available via the [NCA website](#).

Don't forget to also subscribe to the UKFIU podcast – this is available on a number of streaming sites including Spotify, Apple Podcasts, Amazon Music and Audible. The most recent podcast was released in October 2023.

Vince O'Brien,
Head of the UKFIU



[CLICK HERE](#)

UKFIU Assistance

For information or assistance with submitting SARs or SAR Online enquiries, please visit 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. All Defence Against Money Laundering (DAML) request queries are only dealt with via email. Should you have any queries please email DAML@nca.gov.uk.

Case Studies

A review of case studies provided by LEAs and other end users¹ 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).

Fraud

A reporter was suspicious that a subject's business account was being used to **layer the proceeds of crime** through the sale of luxury goods and therefore submitted a DAML SAR to exit their relationship with the subject. The UKFIU fast-tracked the DAML SAR to an LEA and refused the DAML request to allow the LEA to investigate further. The LEA had an **ongoing fraud and money laundering operation** relating to the subject's business area and suspected criminality. The DAML SAR provided financial intelligence which enabled the LEA to connect the subject to other subjects of interest in the operation. The subject of the DAML SAR was interviewed and the LEA were able to successfully obtain an Account Freezing Order (AFO) on funds, ultimately enabling over £60,000 to be forfeited in relation to fraudulent accounting.

The UKFIU disseminated intelligence to an LEA after a reporter suspected fraudulent funds were entering a customer's account. Sanitised intelligence from multiple SARs was entered onto a database by the LEA and later **matched intelligence submitted through fraud reporting**, revealing the customer was linked to rogue trading offences with multiple victims identified. The customer was arrested and an investigation has led to the arrest of further suspects under fraud by false representation offences, one of which is currently subject to a restraint of funds over £40,000.



A reporter became suspicious and submitted a DAML SAR after a subject's company account was transacting primarily with other newly opened accounts. The reporter found that the financial activities of the company did not match information available from Companies House. **The UKFIU fast-tracked the DAML SAR** to an LEA who's investigations revealed that the company had been set up fraudulently and the **subject was actually the unwitting victim of impersonation fraud** with false identity documents used to open the account without the subject's knowledge or consent. A suspect, who had previously been convicted for fraud, was identified by the LEA and an AFO was successfully obtained on the account for over £350,000. Enquiries are ongoing.

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

A subject opened an account to trade foreign currency stating that the account would be funded by personal wealth. However, the account received several high value overseas deposits in short succession, this raised suspicions with the reporter. Further investigation by the reporter found that the deposits did not match the subject's wealth profile and that **the subject was providing financial management services without Financial Conduct Authority (FCA) authorisation**. The reporter submitted a DAML SAR, this was refused by the UKFIU and fast-tracked to the relevant LEA. The LEA interviewed the subject under caution and confirmed the subject did not have FCA authorisation to provide financial services. The UKFIU assisted the LEA's investigation by **liaising with international partners to determine whether the overseas deposits were from witting or unwitting victims of fraud**. The LEA was successful in obtaining an AFO for over £200,000 (USD equivalent). Enquiries are ongoing.



A reporter became suspicious and submitted a DAML SAR after a customer requested a **large cash withdrawal** from their account (over £40,000) without a valid explanation for the request. The account was primarily funded by employment benefits and smaller cash deposits with the exception of one large cash deposit in the month prior to the request. **The UKFIU fast-tracked the DAML SAR to an LEA for investigation** into the origins of the cash deposit. The subject was interviewed and LEA intelligence database enquiries revealed a marker on the subject's record for a previous allegation of theft from a vulnerable person. The LEA obtained an AFO on funds of over £50,000. Enquiries are ongoing.



Money Laundering

A subject sought to make a withdrawal of over £100,000 of funds from their account. The reporter noted that the subject was **under existing LEA attention for suspicious financial activity**, and that the subject was linked to a business operating in a high risk industry for trade based money laundering. The reporter submitted a DAML request, and although this was initially refused, the UKFIU later granted consent to allow the LEA to investigate a suspected **multi-million pound money laundering operation**. The LEA has subsequently **made an arrest and seized large quantities of cash and high value goods**. Enquiries are ongoing.



A reporter became suspicious and submitted a DAML SAR after noticing a **series of unusual transactions** on a subject's account. Funds were being deposited by an overseas business account, thought to be intended for a different company, and then rapidly withdrawn by the subject as cash. The reporter suspected that the subject was using their account to **launder the proceeds of crime arising from mandate fraud**. The **UKFIU refused the DAML request and fast-tracked the SAR to the relevant LEA**. The LEA was able to obtain an AFO for over £20,000. Enquiries are ongoing.

A reporter submitted a DAML SAR after noticing suspicious activity **indicative of underground banking** on a recently opened account. The subject claimed to be a student, yet the transactions on the account were not reflective of this, with a series of large cash deposits and unknown third party payments in a short period of time. The **UKFIU refused the DAML request and fast-tracked the SAR to the relevant LEA**. The LEA was able to successfully **obtain an AFO for over £100,000**. Investigations are ongoing.

Suspicious were raised after a subject's account was seen to be funded solely by a single business based overseas, despite the subject claiming that all business related sales solely originated from the UK. Additionally, the **total funds received greatly exceeded the annual projected turnover of the business**. The UKFIU fast-tracked the DAML SAR to an LEA for investigation and consent was refused to allow further investigation. The **LEA obtained an AFO for over £2 million**. Enquiries are ongoing.

Vulnerable Persons



A reporter noticed payments leaving a customer's account which did not fit their usual pattern of activity. The payments had been sent to an individual conducting building work on the customer's property but the value of the funds, in excess of £70,000, were disproportionate to the nature of the work being carried out. The reporter submitted a SAR to the UKFIU on the suspicion that funds had been transferred to a rogue trader. **The SAR was fast-tracked to an LEA for investigation.** The LEA immediately contacted the customer where it was revealed the traders were due to return the next day to collect a further payment. The LEA were able to swiftly launch an operation **which led to the arrest of multiple suspects at the customer's property**, many of whom had previous convictions for the same offences. All suspects remain under investigation pending a charging decision.



A DAML SAR was submitted by a reporter who wished to exit their relationship with a customer and pay away funds due to concerns over high cash deposits into the customer's account from unknown sources, the majority of which was transferred to third parties in a short time period. **The UKFIU refused consent and fast-tracked the DAML SAR to an LEA** as the customer's employer and bank account was financially linked to involvement with modern slavery and human trafficking (MSHT). Intelligence was shared with the LEA's MSHT Investigatory Unit and a hearing date for an AFO was set, however the customer indicated they would not contest the forfeiture of the funds and **over £10,000 was forfeited as a result.**

A reporter submitted a SAR to the UKFIU as they suspected their customer had fallen victim to a romance scam. The customer sent funds as an advance fee for a loan to a company signposted to them by a fraudster claiming to be a famous individual from the entertainment industry. LEA enquiries revealed that the customer had already received safeguarding intervention after previously falling victim to money muling and advance fee scams. Law enforcement officers urged the customer not to send any additional funds and **signposted further safeguarding opportunities** via a local community support organisation which included providing a caseworker for ongoing support.

SAR Glossary Codes (as of November 2023)



| Request for a Defence under POCA/TACT | |
|--|---|
| XXS99XX | Request for a defence under POCA |
| XXGVTXX | Request for any DAML value £1,000-£3,000. There is no money laundering offence to exit and pay away under £1,000 as of 26/10/2023. |
| Tick 'Consent' and submit under TACT | Request for a defence under TACT |
| Money Laundering | |
| XXPRFXX | Relates to person(s) providing professional services or specialist knowledge that wittingly or unwittingly facilitates money laundering |
| XXSNEXX | Money laundering and linked to sanctioned entities |
| 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 |
| Predicate Offences | |
| 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) |

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|--|---|
| XXF5XX | VAT fraud e.g. carousel - Missing Trader Intra-Community (MTIC) fraud |
| XXF9XX | Frauds against private sector |
| XXD9XX | Bribery and corruption |
| Politically Exposed Persons (PEPs) | |
| XXD7XX | International PEPs |
| XXD8XX | Domestic PEPs |
| Money Laundering/Terrorist Financing Relating to Vulnerable Persons | |
| XXV2XX | Risk to vulnerable adults |
| XXV3XX | Risk to children - including sexual abuse and exploitation |
| Other Predicate Offences | |
| XXFIREXX | Firearms |
| XXOICXX | Organised immigration crime |
| XXMSHTXX | Modern slavery and human trafficking |
| XXDRUXX | Illegal supply of drugs |
| Projects/Other | |
| 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 |