

SIA

SARs IN ACTION
MAGAZINE



UKFIU
UK Financial Intelligence Unit

Casinos not on Gamstop
Targeting illegal gambling websites

A year of Triumph!

Cheshire Economic Crime Unit recovers
£1m for fraud victims using SAR intelligence



A United Kingdom Financial Intelligence Unit
publication aimed at all stakeholders in the
Suspicious Activity Reports regime



Message from the head of the UKFIU



Vince O'Brien Deputy Director

Hello and welcome to the 23rd issue of the UKFIU's magazine *SARs in Action*, the final issue to be published in 2023.

We open the issue with an update on the SAR portal. Enhancements have continued throughout the year and from 11 December 2023, new users will no longer be able to register for the legacy SAR online system.

We hear from Constable Day of Cheshire Police who has achieved his personal target of recovering £1 million for the victims of fraud during 2023 with the help of SAR intelligence and find out about the latest Proceeds of Crime Centre (PoCC) roadshows and the Socex Economic Crime Conference.

You can read about the Gambling Commission's new project focusing on casinos not on Gamstop and take a look at the UKFIU Reporter Engagement Team (RET) interactive SARs guidance session with the Gambling Anti Money Laundering Group (GAMLG).

The UK National Central Office (UKNCO) for the suppression of counterfeit currency advise on the criminality of counterfeit currency and how to report this to the police alongside advice for retailers on how to manage its discovery.

We hope you have enjoyed reading *SARs in Action* this year. We look forward to publishing new issues in 2024 - follow the UKFIU on LinkedIn and X to find out when they become available. From everyone at the UKFIU, Season's Greetings and best wishes for the New Year.

➔ Who is the magazine aimed at?

- All law enforcement; this includes senior investigating officers, frontline police officers and police staff
- Reporters
- Regulators
- Supervisors
- Trade bodies
- Government partners
- International partners

➔ Contents

SAR Portal	3
Economic Crime & Corporate Transparency Act 2023	5
£1m Recovered for Fraud Victims	6
Casinos not on Gamstop	7
Reporter Engagement	9
Counterfeit Currency	10
PoCC Corner	14
Case Studies	16
Socex Economic Crime Conference	17

➔ Opinions expressed in articles provided by partners are not necessarily the view of the UKFIU/NCA. The UKFIU exercises the right to edit submitted articles.

SAR PORTAL

New SAR Portal Growth

Since the new SAR portal was launched to the public in September 2023 over 5,000 individual users have successfully registered, with over 3,000 organisations currently using the Portal to submit SARs. The 40,000 SARs submitted via the Portal have an enhanced data structure, with additional fields allowing for the provision of more information for SAR users, across law enforcement and government, further helping to protect the public from serious and organised crime.

What Reporters Are Saying About The SAR Portal

Several prominent reporters, from a range of reporting sectors, have provided feedback as to their experiences using the SAR Portal, with many speaking to the ease of registering and submitting SARs via the route.

How did you find registering for, and using the new SAR Portal?



The registration process was quick, with easy-to-follow steps to set up an account for our organisation and individual users

Money Laundering Reporting Officer



A firm using the Portal is able to provide more tailored intelligence and in greater depth than the previous system, and in unique data fields which makes the narrative in the description easier to draft

Head of Compliance, Regulation, & MLRO



SARs Reform
Programme

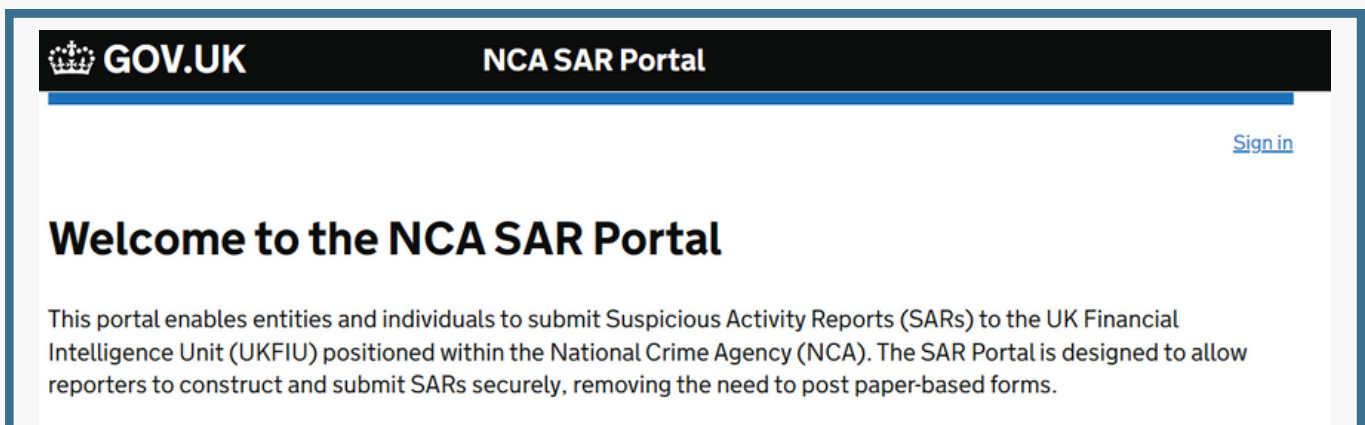
Using your feedback, additional enhancements have been identified for the Portal. These include the automatic completion of party and account details and consolidation of five 'background info' slides into one, all part of our ongoing drive to create an increasingly streamlined Portal user experience.

To provide feedback of your own access the [SAR Portal Feedback Form](#) or scan the QR Code Below.



SAR Portal Registration

If your organisation is yet to sign up to the new SAR Portal, please navigate to [SAR Portal Landing page \(nationalcrimeagency.gov.uk\)](#) to register now, with additional guidance available via the [NCA SARs Website](#).



From **13 December** new users will no longer be able to register for the **legacy SAR Online System**, it is therefore imperative that all organisations register for the SAR Portal and use it as their sole reporting route.



THE ECONOMIC CRIME AND CORPORATE TRANSPARENCY ACT 2023

The Economic Crime and Corporate Transparency Act 2023 (ECCT) received Royal Assent on 26 October 2023, parts of which affect Part 7 of Proceeds of Crime Act 2002 (POCA), with provisions under sections 182 and 183 of **particular relevance to reporters in the regulated sector.**

Under s182 of the ECCT, a new exemption was enacted from 26 October under s327, s328 and s329 (the money laundering offences) which affects paying away funds under £1,000 when exiting a relationship with a customer, where there is a suspicion of money laundering or criminal property.

For reporters caught by POCA but not by the Money Laundering Regulations 2017, there is no change. When submitting a request for a defence, please include *"We believe section [xxx] of POCA does not apply to this DAML as the activity falls outside the regulated sector."*



Reporters may wish to obtain legal advice as to their responsibilities under this change to POCA 2002. The Home Office will be issuing guidance in due course.

Under s183 of the ECCT there is a new exemption for mixed-property transactions under s327, s328 and s329 (the money laundering offences) which enables reporters to ring-fence funds they believe are criminal property and transact with funds outside of the ring-fenced funds.

Note: s183 of the ECCT is not currently enacted and awaits a Statutory Instrument to be passed - the Home Office is currently drafting the relevant measure.



Reporters may wish to obtain legal advice as to their responsibilities under this change to POCA 2002.

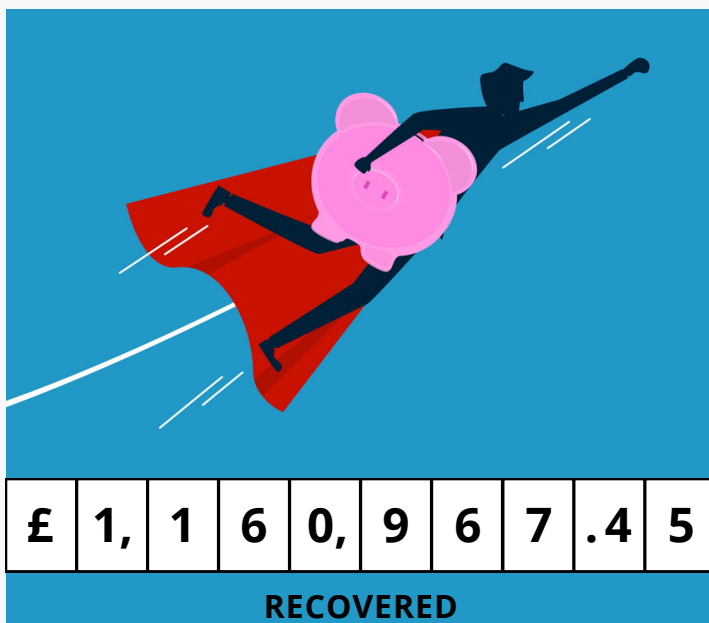
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CELEBRATING A YEAR OF TRIUMPH

Over £1m recovered for fraud victims by Cheshire Economic Crime Unit using SAR intelligence!

One year ago, Police Constable Jim Day (PC Day) at Cheshire Constabulary Economic Crime Unit (ECU) embarked on a personal mission to bring justice to vulnerable victims of fraud, with a target of securing £1 million for the victims. As of November, he is elated to share the remarkable outcome in exceeding his initial goal by **successfully recovering an astounding £1,160,967.45**. Through his work with the ECU, he has not only achieved his objective, but has also made a substantial impact in the realms of fraud detection and prevention.



Cheshire Police ECU's commitment to aiding these victims was significantly bolstered by the invaluable support of SAR intelligence. It allowed PC Day and the ECU to identify and assist those who needed it most, providing them with the attention and justice they were owed. Moreover, SAR intelligence played a crucial part in pinpointing suspicious bank accounts used by fraudsters, thereby aiding banks in identifying fraudulent activity and, importantly, in recognising vulnerable customers who needed protection.

“
The significance of data and cooperation cannot be overstated. Through the utilisation of SAR intelligence, the ECU have been able to deliver justice to those affected by fraud and, at the same time, shield potential victims from harm.
PC Day ”

This achievement stands as a testament to the positive results attained through the collaboration of diverse stakeholders in the fight against fraud. It's a resounding reminder that, when united, law enforcement, SAR reporters and Financial Intelligence Units can make a profound impact to safeguard the interests of the vulnerable.

For PC Day, this journey has been marked by dedication, tireless effort and unwavering advocacy for those in need and it reinforces his belief that when united for a common cause, remarkable accomplishments can be realised. Each penny recovered is a stride towards alleviating the suffering of those affected by fraud and PC Day is immensely grateful for the opportunity to be part of their support network.

CASINOS NOT ON GAMSTOP

Operations Team
Gambling Commission

GAMBLING
COMMISSION

The Gambling Commission is an executive non-departmental public body responsible for the regulation of most types of gambling in Great Britain (GB), including The National Lottery in the UK. The Operations Team at the Commission is responsible for targeting unlicensed gambling operators and has recently launched a project focusing on 'Casinos not on Gamstop' (CNOGS).

Gamstop is an online multi-operator self-exclusion scheme aimed at helping people who want help controlling their gambling. Once registered, individuals are prevented from using gambling websites or apps offered by companies regulated by the Commission for a period of their choosing. All remote GB licensed gambling businesses are required to participate in this scheme. This has been a requirement since 31 March 2020.

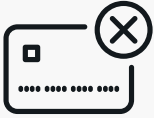
Several websites have been identified which are **callously targeting vulnerable self-excluded consumers**. The websites are identified through a number of ways such as consumer complaints, intelligence reports and through SARs highlighting transactions to and from unlicensed gambling websites. These websites are acting illegally as they are not licensed by the Commission and are targeting vulnerable consumers in Britain, enabling them to circumvent their self-exclusion by allowing them to gamble on the advertised websites.

If a nominal commits a criminal offence, makes a benefit (money) from this criminal conduct and then transfers/retains/conceals this benefit then they commit a money laundering offence.

It is a criminal offence to provide facilities for gambling to GB consumers without the appropriate licence. It is also an offence to advertise unlicensed websites to GB consumers.



The Commission is interested in payments being made from GB consumers to gambling websites that do not hold a licence and would welcome the submission of SARs relating to potential illegal gambling websites.



The Commission is interested in assistance from the financial sector to help identify illegal websites and protect the public by blocking payments.



If you are submitting a SAR linked to a potential illegal gambling website, please include the details of the recipient's accounts, where the payments are going to, the name and URL of the website if known, and any reference made on the transaction.

If you would like to know more or have any queries relating to the above, you can contact the Commission's Financial Intelligence Unit at fintel@gamblingcommission.gov.uk.

REPORTER ENGAGEMENT WITH GAMBLING ANTI MONEY LAUNDERING GROUP

On 6 September 2023, UKFIU officers from the Reporter Engagement Team (RET) presented an interactive SARs Guidance session to approximately 120 members of the Gambling Anti Money Laundering Group (GAMLG) as part of their annual training day event.

The event was attended by Money Laundering Reporting Officers (MLROs) and Anti-Money Laundering/Compliance staff from reporters across the gambling and gaming sector. The UKFIU delivered a presentation to provide SAR guidance, and included interactive activities to promote discussion around SAR quality, as well as encourage networking amongst the attendees to share knowledge and views around the SAR regime.

The team also had a stand set up at the event to encourage walk ups from attendees to ask questions in a more personal setting. Feedback received since the event has been extremely positive and has led to the sector expressing a greater understanding and knowledge of the SAR regime, and individual reporters are keen to interact and engage further with the UKFIU on the topic.



UKFIU Reporter Engagement Team Officers

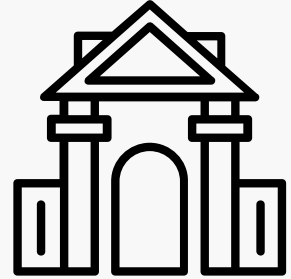
RET offers various SARs engagement activities with reporters such as one-to-one feedback sessions, our 'Bringing SARs to Life' presentation, and in-person SARs training workshops. If you are interested in us potentially offering these services to your business, or have an interest in our presence at upcoming conferences, please get in touch with the team at ukfiuengagement@nca.gov.uk.

All photos used in this article were taken by the Betting and Gaming Council.

COUNTERFEIT CURRENCY: A CRIME, NOT A SAR

The NCA hosts the UK National Central Office (UKNCO) for the suppression of counterfeit currency, which is often referred to as the National Counterfeit Currency Unit.

The UKNCO has a 'bureau function' and works directly with police forces across the UK, as well as the Bank of England, the Scottish & Northern Irish Issuing Banks, Royal Mint, financial institutions and retailers. Its aim is to tackle the threat from counterfeit currency (both bank notes and coins). This is in addition to co-operating with overseas partners including Europol and Interpol.



The possession, passing and making of counterfeit currency are all specific criminal offences under the [Forgery & Counterfeiting Act 1981](#).

Following the introduction of polymer notes, and withdrawal from circulation (usage) of paper notes, the quantity of counterfeit notes being recovered has reduced significantly.



It has come to the attention of the UKNCO that certain financial institutions/regulated bodies are making use of the SAR regime to notify law enforcement of the passing of counterfeit currency. The purpose of the SAR regime/structure is to enable the reporting of suspicious activity regarding the movement of criminal property (usually 'money' linked to banking transactions).

Where counterfeit currency has been passed in payment to a victim, business or financial institution, this is a crime, (not a suspicious transaction).

It is also worth noting that Action Fraud do not deal with offences of counterfeit currency. Such incidents should therefore be reported to the local police where the incident occurred, who will lead on the required investigation. The local force liaise with the UKNCO to seek confirmation that the notes passed are counterfeit, and establish if the incident they are dealing with is linked to others. Where a series of incidents are identified, the UKNCO coordinate these linked investigations so that the matter can be correctly prosecuted.

To ensure that local police are provided with the necessary information to pursue a criminal investigation, it is important that victims, including retailers and financial institutions, provide them with the relevant evidence, including the counterfeit bank notes; CCTV of the suspect(s); any details of the suspect's car/direction of travel etc.

To assist retailers with this process, and the evidence/information which should be provided to police, the UKNCO have produced a guidance document: [Counterfeit Currency Advice For Retailers](#).

If the matter is reported to the police, and the necessary evidence provided to aid suspect identification, it can greatly improve opportunities to arrest and prosecute suspects. If notified by virtue of a SAR, the police will not be provided with the evidence to mount a criminal investigation and therefore this may result in no action being taken.

In the event that a financial institution identifies a person who is being prosecuted by the police for counterfeit currency offences, (e.g. in media reporting,) and believes that an account linked to that person is receiving funds/payments believed or suspected to be from counterfeit currency criminality, e.g. supplying or making notes, then the use of a SAR is appropriate in these circumstances.



COUNTERFEIT

Case Study

During 2023 a series of incidents involving the passing of counterfeit Royal Bank of Scotland & Ulster £50 notes were identified across the UK.

The notes were used at jewellers and fashion retailers to purchase goods, worth several hundred pounds, which were subsequently refunded. These incidents were correctly reported to the police and the counterfeit notes and CCTV were provided as evidence. Liaison with the UKNCO occurred, and the unit were able to link the incidents together, coordinating an investigation led by Greater Manchester Police & the Metropolitan Police. Over 50 separate offences were identified and subjects belonging to the organised crime group (OCG) linked to this offending were arrested and prosecuted.

Counterfeit Currency: Advice to Retailers

Offences in relation to Counterfeit Currency are dealt with by the police & **NOT** via SARs or Action Fraud.

There are essentially two scenarios when retailers identify they have received counterfeit currency:

1

At the time, or shortly after, the notes are passed to them. In police terms, a 'Crime in Action'.

SUSPECT STILL ON THE PREMISES OR HAS JUST LEFT



The police should be contacted **ASAP** to notify them of the matter. The below information should be provided to police when the matter is reported;



1. The exact address of your premises.
2. Is the suspect still at the location or if they have just left, how long ago & in what direction.
3. The type and denomination of note passed; e.g. Bank of England £10, Royal Bank of Scotland £20, Clydesdale, Bank of Ireland £50, Ulster Bank.
4. A description of the suspect(s); e.g. male/female, approx. age, ethnicity, any distinctive features or clothing.
5. If suspect is linked to a vehicle, including colour, make, model registration (even if partial).

2

When checking tills later or cashing up at the end of the day.

NOTES FOUND LATER IN THE DAY OR WHEN CASHING UP



The police should be contacted **ASAP** to notify them of the matter. The below information should be provided to police when the matter is reported;



When counterfeit notes are found in these circumstances, enquiries should be made prior to reporting the matter to the police to identify if possible when & where the notes were passed: it may be that it is a higher value note or a note not normally encountered in the area and as such a member of staff may upon reflection identify receipt of the note.



Actions to be undertaken in both situations

1. The counterfeit notes should be placed in a plastic wallet, sleeve or envelope as this may enable the police to consider testing for fingerprints.
2. CCTV footage of the suspects should be copied in best quality/high resolution - and not a compressed version - on to a disc or data stick, so that this can be provided along with the time the suspect arrives and departs from the premises.
3. If the premises have a car park covered by CCTV, footage should be checked to see if they can be linked to a vehicle. If premises are within a shopping centre/complex it is worth contacting security, who may be able to locate suspects and/or their vehicle on their own CCTV system. If relevant footage is found this should be copied as above.
4. When police attend the premises, provide them with the counterfeit notes and CCTV footage.

Points to note

1. Counterfeit notes should never be deposited at the bank as they will be required by police as evidence.



2. Incidents should still be reported to police, and evidence supplied, even if it has not been possible to identify who passed the counterfeits.
3. These matters should **NOT** be reported via a SAR or to Action Fraud.

Proceeds of Crime Centre (PoCC) Roadshow

On 12 October 2023, at the Financial Conduct Authority (FCA) building in Endeavour Square, Stratford, the PoCC concluded a series of roadshows that were held across the country in conjunction with the UKFIU and the National Economic Crime Centre (NECC). The roadshows, aimed at financial investigators (FIs) across the country, offered a number of presentations designed to provide a better understanding of the scope of work undertaken by the PoCC, UKFIU and NECC teams and how joint working between teams had led to an increased capacity to tackle economic crime.

One of the first presentations was on Listed Assets, a joint PoCC and NECC venture, which gave an overview of Listed Asset detention and Forfeiture Orders, plus Account Freezing Orders vs Listed Assets. The session signposted officers to a bespoke Listed Assets training package, designed by the PoCC and NECC, to provide a step by step guide to seizing Listed Assets.



The UKFIU presented sessions on Defence Against Money Laundering (DAML) decision making awareness, UKFIU International and their remit, and the lifecycle of a SAR by the Systems team. There was also an introduction to the Reporter Engagement Team (RET) and how they liaise with reporters, law enforcement agencies, government departments and the general public to drive SAR quality.



The NECC presented sessions on Expert Laundering Evidence and the Fraud Threat Leadership Team - a team consisting of officers from the NCA, FCA and City of London Police (CoLP), who set the direction and coordinate the whole system response to fraud against the individual within the UK.



The last session, 'Old Crimes; New Tools – EMI's One Year On', concentrated on a joint NECC and FCA project focused on enhancing understanding of the money laundering threat posed by the Non-Bank Payment Service Provider (NBPS) sector which include Electronic Money Institutions (EMI) and Payments Institutions (PI).



The PoCC updated stakeholders on their governance, the training that had already been delivered, training in development and pilot courses which had been run. Future training was covered, as the PoCC moves towards a more modular approach to training, and the upskilling of the new Part 5 crypto powers, ahead of the rollout of The Economic Crime and Corporate Transparency Act. The updated Financial Investigation Officer (FIO) course, with the creation of the new FIO assessment handbook, was visited. The transfer of FIO continuous professional development to home organisations was covered as well as alternative evidence submissions and enhanced stakeholder engagement to support accreditation maintenance. There was a brief Financial Investigators Support System (FISS) update as the PoCC works with Affinity to ensure the launch of the new FISS.

Approximately 150 officers attended this event and in total the events reached nearly 700 officers. Our thanks to all those who attended this and previous roadshows and to the session presenters.

CASE STUDIES

A reporter submitted a DAML SAR after it was made aware by a law enforcement agency (LEA) that the subject was currently under a money laundering investigation after disguising earnings from a cryptocurrency platform (this investigation was a result of a previous disclosure made by the reporter). The reporter sought to exit its relationship with the subject and pay away the recent sale proceeds of a property transaction that it had facilitated. The UKFIU refused consent and disseminated intelligence to the investigating LEA, who identified that the subject's income was in fact much lower than claimed, and as a result of this intelligence, **were able to obtain an Account Freezing Order (AFO) for over £700,000.**

A reporter submitted a SAR after becoming concerned that the subject was **a beneficiary of fraudulent proceeds.** The reporter noted multiple suspicious transactions, including large transfers towards retail merchants, which together indicated that the subject intended to rapidly disperse funds. The investigating LEA determined that the initial funds had originated from a suspected invoice interception fraud. The LEA successfully **obtained an AFO on the entire account balance** and enquiries are ongoing with the Civil Recovery Unit.

A subject's account saw multiple payments, many of which were in cash. These sums were paid away rapidly to another account, with no typical salary/wage payments or expenses. The reporter submitted a DAML SAR after becoming concerned that these transaction patterns were indicative of layering. The UKFIU refused the DAML request and disseminated intelligence to the LEA. The LEA found that the subject was known to law enforcement, having **previously committed theft and rogue trader offences against an elderly individual.** The LEA **successfully obtained an AFO** for over £9,000. Enquiries are ongoing.

SOCEX ECONOMIC CRIME CONFERENCE 2023

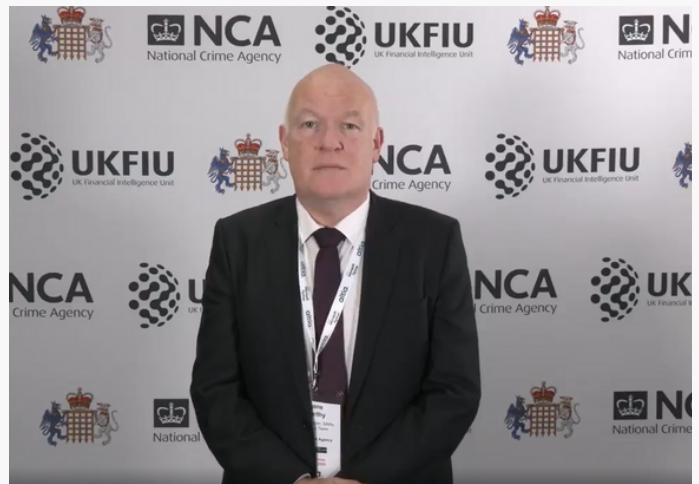
Last month, the UKFIU attended and presented at the annual Serious and Organised Crime Exchange (SOCEX) Economic Crime Conference. The theme this year was on ensuring that partnership working is at the centre of tackling serious and organised crime.

The event covered key areas of discussion such as the challenges of money laundering, the importance of cross-sector collaboration in driving complex casework and improving asset recovery, a look at disrupting the illicit Crypto ATM (CATM) sector, and a deep dive into Romance Fraud.

The UKFIU led sessions on DAML decision-making awareness and asset recovery strategies, including powers to seize crypto-assets, and provided an update on SARs reform.



**Mike Hides, Product Manager
Strategy & Change/SARs Reform**



**Eugene McCarthy, Manager
Disclosure/SARs Exploitation Team**



**Nik Adams, Assistant Commissioner
City of London Police**

The Conference was delivered by a wealth of guest speakers from UK and international law enforcement, as well as professionals from across the wider public and private sector.

Nik Adams, Assistant Commissioner at the City of London Police, and host of the Conference, said: "With all the changes that we're seeing - with new legislation, strategies, and policies across a whole range of crime types - this event will powerfully bring together those things and through our work help us to focus on protecting victims and going after criminals."

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SARs IN ACTION

You can download previous copies of the SARs IN ACTION magazine from the National Crime Agency's website www.nca.gov.uk



UKFIU

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Episode 15

AVAILABLE NOW

THE UKFIU PODCAST

Educational podcast series discussing areas of interest related to the SARs regime and economic crime.



Our podcasts can be found on Spotify, Audible, Amazon Music and most streaming sites.



Updates can also be found on our LinkedIn page and on X (formerly Twitter) at [NCA_UKFIU](https://twitter.com/NCA_UKFIU).

