



kompli-global[®]
Deeper Due Diligence

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Industry sector type

Financial Services

Client description

Payment Service Provider (PSP)
An FCA regulated entity

Due diligence target subject

An FCA regulated entity offering pre-paid card accounts with international coverage and money transfer facility.

Kompli-Global service(s) utilised

kompli-insight

Service description

Kompli-Insight provides human interactive research and investigation to deliver a written Customer Due Diligence (CDD) report on a target subject. Insight reports are available in many languages as well as in English. Investigative research is conducted in the native language by local compliance experts from our advisory community located in 66 countries, covering 158 regions.

Background

The client had agreed to provide the target company with international payment services using its correspondent banking relationships. During the client's due diligence process, they commissioned a report from a well-known corporate intelligence risk and compliance provider. That report contained information relating to the target subject company and its Ultimate Beneficial Owners (UBOs), but no significant adverse information.

The client then asked Kompli-Global to take a look and requested a Kompli-Insight report. The Kompli-Insight report drew attention to the following information that was not included in the previously-commissioned report:

- The key executive and UBO was a close financial associate of a PEP
- That PEP had been convicted and imprisoned for money laundering, abduction, murder and international weapons offences and large scale corruption in his home country
- The UBO had donated £2.2 million to the Conservative party & London Mayoral campaign and had dinner with David Cameron
- The UBO had previously donated £900k whilst he was under investigation for alleged tax fraud and money laundering offences
- 2016 -The target subject's corporate offices in France were raided as part of a €17m tax and money laundering investigation. Nineteen employees were arrested and nine charged, including the General Manager. A criminal investigation is ongoing.
- Kompli-Global also uncovered a news report stating that the target company in UK was locked in battle with HMRC for unresolved £26m VAT underpayment for the period between 2012-2016

The consequences

The client decided that, despite a potentially lucrative deal with the target subject company, the risk to their own reputation was too great and they declined to do business with the company. This decision was based upon the risk that the relationship with their own correspondent banks could be jeopardized by association with the target subject.

Conclusion

Kompli-Global uncovered significant material intelligence that was otherwise unavailable to the client.