

CASE STUDY



# Entering new markets with confidence and achieving effective Customer Due Diligence with highly targeted risk intelligence

## Overview

A global financial institution was expanding its footprint into the U.S. consumer-based banking market. The firm needed an automated and scalable Customer Due Diligence (CDD) solution to perform risk-based, ascending levels of due diligence to effectively meet financial crime compliance regulations. Their entry into the consumer retail banking space was fueled by a combination of acquisitions and organic business expansion. The financial institution currently serves more than 1.5 million domestic consumer banking customers on an annual basis.

## The Challenge

The financial institution's existing methods for identifying and evaluating risk were focused on lines of business that greatly differed from domestic retail banking for consumers. The organization was challenged to implement a new, automated CDD solution designed to support the specific compliance requirements and customer experience nuances inherent in consumer-based banking. They needed a CDD solution that could easily integrate into key compliance workflows during onboarding and across the customer relationship to effectively:

- Complete baseline due diligence for all customers and automatically scale up through more thorough enhanced due diligence and investigations as customer risk warranted
- Perform ongoing adverse due diligence screening on a subset of customers
- Conduct dynamic due diligence as changes in a customer profile or behavior occur across the lifecycle of the relationship
- Minimize delays and costs associated with false positives
- Reduce duplication of due diligence efforts by internal compliance teams
- Support a scalable and integrated Know Your Customer (KYC) ecosystem and drive enterprise efficiencies
- Maintain a complete audit trail to meet regulatory requirements and assess performance metrics on a regular basis

**“We were looking for an automated solution to negative media screening to decrease the number of false positives generated using traditional negative media screening while enabling our teams to make well-informed risk-based decisions.”**

—Vice president for consumer financial crime compliance

## The Solution

This financial institution selected LexisNexis® Due Diligence Attributes to help them identify and uncover targeted risk information on a consumer and quickly complete initial due diligence without impacting the overall customer experience. The LexisNexis Due Diligence Attributes enabled the institution to focus on targeted risk categories and tie specific risks back to customers/applicants by leveraging Personally Identifiable Information (PII) and LexID® to accurately resolve actionable

data insights back to a specific identity. Through the use of advanced analytics and machine learning, the LexisNexis Due Diligence Attributes related to criminal events are categorized by severity, recency and offense type, which helps an organization refine their view of specific types of adverse information tied to certain consumers. The solution increased onboarding efficiencies while building better decisioning consistency by highlighting relevant risk information that enabled internal compliance teams to:

- Verify specifically-defined elements of the customer risk profile, including:
  - criminal history
  - high-risk professions
  - high-risk industries
  - wealth
  - residency information
  - geographic risk
- Uncover hidden risks such as incarcerations, parole information or convictions for money laundering, trafficking and other crimes
- Access details on high-net worth individuals

**“With LexisNexis Due Diligence Attributes we can quickly screen large volumes of customers, automate decisions and easily pinpoint applicants that require further enhanced due diligence or deeper investigation.”**

—Vice president for consumer financial crime compliance

“The ability to quickly access details on very specific areas of customer risk that we defined based on our custom logic saved our compliance teams an inordinate amount of time and significantly reduced the number of false positives that are typically generated using traditional negative media screening,” shares the organization’s vice president for consumer financial crime compliance, “With LexisNexis Due Diligence Attributes we can quickly screen large volumes of customers and easily pinpoint applicants that require enhanced due diligence, and in some instances, account closure.”

## The Results

LexisNexis Due Diligence Attributes enabled the financial institution to easily and efficiently identify relevant compliance risks with targeted attributes at the outset of the customer engagement and complete ongoing monitoring as the customer relationship progressed. By focusing on targeted, specifically-tailored risk categories the organization was able to:

- Increase the effectiveness of critical due diligence workflows
- Reduce onboarding delays and friction for valuable customers
- Identify and avoid specific customer risks before they impacted the business
- Minimize delays and costs associated with false positives and alert remediation
- Integrate and streamline enhanced due diligence and investigations

“With LexisNexis® Due Diligence Attributes our compliance teams are confident that they are receiving alerts for true matches based on PII. The information LexisNexis Risk Solutions provides immediately connects us to details on very narrowly targeted customer risk categories. This supports our team’s ability to make risk-based decisions and actively avoid potential, and costly, customer risks,” adds the organization’s vice president for consumer financial crime compliance, “The LexisNexis Risk Solutions offering also supports enhanced due diligence with easy-to-interpret reports that deliver the same level of more in-depth and targeted risk intelligence which in turn, saves us more time and resources.”

**“LexisNexis Risk Solutions delivered a Customer Due Diligence solution that meets our compliance needs, accurately reflects our risk tolerance and effectively scales with our business.”**

—Vice president for consumer financial crime compliance

“Overall LexisNexis® Risk Solutions delivered a Customer Due Diligence solution that we were able to quickly implement to fully realize our investment in the consumer retail banking space without incurring unnecessary risk,” concludes the organization’s vice president for consumer financial crime compliance. “They closely partnered with us to customize a solution that utilized LexisNexis Due Diligence Attributes to meet our compliance needs, accurately reflect our risk tolerance and effectively scale with our business as we’ve captured greater market share across the consumer banking segment.”

To learn how we can help your organization achieve more effective Customer Due Diligence please call 800.658.5638 or visit [risk.lexisnexis.com/products/due-diligence-attributes](https://risk.lexisnexis.com/products/due-diligence-attributes)



#### About LexisNexis Risk Solutions

LexisNexis Risk Solutions harnesses the power of data and advanced analytics to provide insights that help businesses and governmental entities reduce risk and improve decisions to benefit people around the globe. We provide data and technology solutions for a wide range of industries including insurance, financial services, healthcare and government. Headquartered in metro Atlanta, Georgia, we have offices throughout the world and are part of RELX Group (LSE: REL/NYSE: RELX), a global provider of information and analytics for professional and business customers across industries. RELX is a FTSE 100 company and is based in London. For more information, please visit [www.risk.lexisnexis.com](http://www.risk.lexisnexis.com), and [www.relx.com](http://www.relx.com).