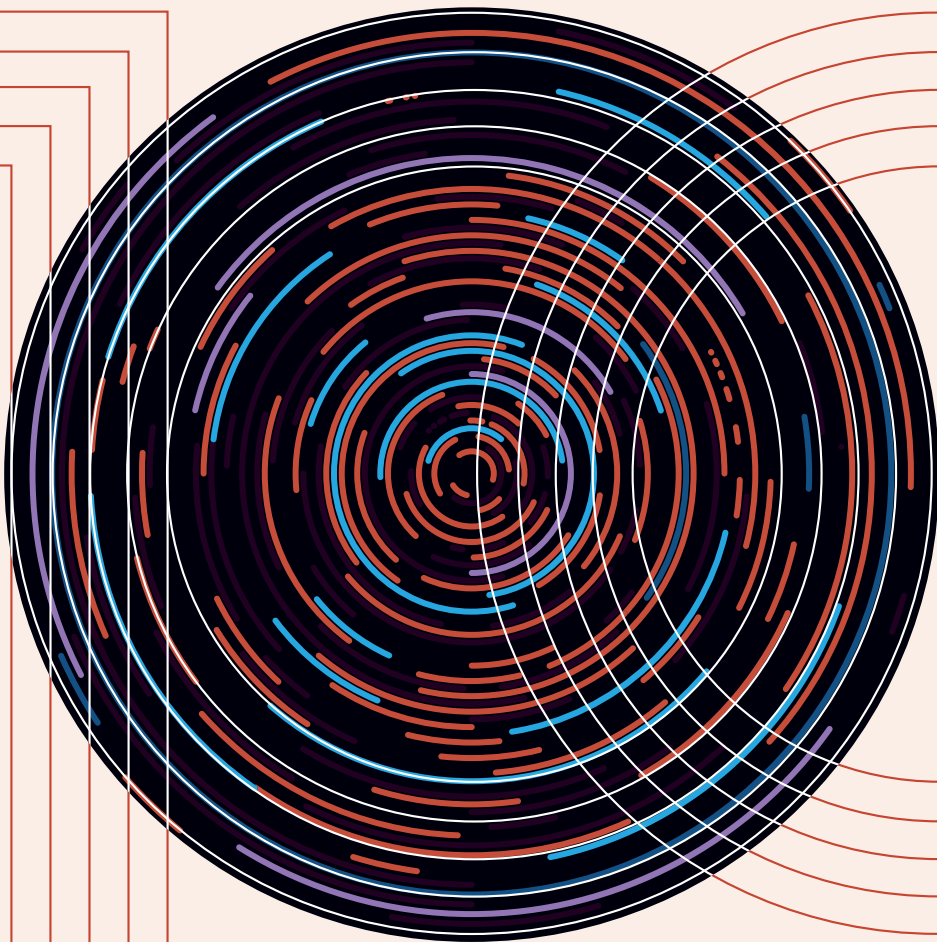




Winners' Review

LexisNexis®
Risk Solutions



Financial Crime: Data

LexisNexis Risk Solutions

Ever changing and more complex financial crime presents significant compliance challenges for financial institutions and corporations. Criminals are quick to exploit the opportunities provided by COVID-19, raising the hurdles for firms seeking to effectively identify and mitigate the risks to businesses and consumers.

With more than 40 years of experience, LexisNexis Risk Solutions collects the category award for Financial Crime: Data for the third year in a row. The company harnesses the power of data and advanced analytics to provide insights that help businesses reduce risk and increase compliance efficiency, while enhancing the end-customer experience. Its LexisNexis® Bridger Insight® XG platform combines next-generation filtering technology with its extensive risk database, LexisNexis® WorldCompliance™ Data.

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- **Financial Crime: Data**

It has been a challenging 12 months for compliance professionals tackling financial crime. COVID-19 provided many new opportunities for criminals, which they have seized upon with increasingly sophisticated and varied attacks. Cybercrime and online fraud scams abound as criminals exploit new COVID-related opportunities: new-to-digital customers, a rapidly growing number of digital payments, recurring government support packages, and new lines of credit (such as COVID-19 loans).

While contending with these vulnerabilities, firms must also tackle additional AML regulatory requirements, such as AMLD5 in the EU and the AML Act of 2020 in the US, ensuring that the importance of AML procedures remains firmly in the spotlight.

While technology plays an intrinsic role in the fight against financial crime, the data that feeds these systems is just as important. Winning the RiskTech100® award for Financial Crime: Data for a third consecutive year, LexisNexis Risk Solutions once again demonstrates its expertise in this area.

LexisNexis WorldCompliance Data enhanced with advanced analytics

Through its LexisNexis Bridger Insight XG platform, LexisNexis Risk Solutions enables organizations to efficiently conduct customer due diligence, comply with global regulations, and reduce financial crime risks. WorldCompliance Data provides one of the industry's most comprehensive and up-to-date databases of politically exposed persons

(PEPs), global sanctions and enforcements lists, and adverse media screening. It delivers customized access to more than 5 million global risk profiles, covering individuals, organizations, businesses and vessels from across 240 countries and territories, and aggregates information from more than 100 global sanctions lists and more than 1,000 government websites. It also contains an extensive proprietary database of adverse media profiles compiled from more than 30,000 news sources.

"Alongside our data solutions, LexisNexis Risk Solutions continues to invest in advanced analytics within the Bridger Insight XG platform," says Leslie Bailey, vice president of Financial Crime Compliance. "As the volume of alerts, transactions and list entities grows, financial institutions and corporations are expected to absorb rising operational costs for match remediation. We debuted the LexisNexis® Intelligent Match Decision Solution in 2020, which helps automatically remediate a significant percentage of matches found through PEP, adverse-media and sanction screening. This solution uses input data, screening-list data and match attributes to test for evidence of a false positive. Organizations use these results to calculate a false positive confidence score, dramatically reducing the number of matches that require manual review. Additionally, customers can tailor and optimize alert-processing actions."

Tackling tensions between compliance and user experience

While digital transformation has expanded global opportunities and driven significant revenue growth across industries, it has also exposed the potential for criminals to exploit the anonymity and rapid transaction processing of the digital environment. Businesses transacting online must

balance digital growth with increased risk and regulatory demands. Integrating risk-based sanctions controls into workflows can be cumbersome and complex, requiring additional manual work and introducing delays. “We’ve seen a sudden rise in the ‘digital-first’ approach due to the COVID-19 pandemic, with digital transactions increasing in volume. This digital-transformation acceleration, combined with increased demand for due diligence and alert resolution, has introduced friction, resulting in customer abandonment during cumbersome onboarding processes. Many financial firms estimate a loss of 3-4% of new customer opportunities from onboarding delays during the pandemic,” she explains.



Leslie Bailey,
LexisNexis Risk Solutions

“We continue to develop solutions using digital identity information, such as location behavior and threat intelligence, to enhance our digital identity network and aid in efficient risk identification,” Bailey continues. “The acquisitions of ThreatMetrix®, ID Analytics and Emailage® demonstrate our commitment to continuously update our comprehensive risk intelligence to help institutions achieve cost synergies without compromising the customer experience.”

Supporting the sudden shift to remote working

Over the last year LexisNexis Risk Solutions has also helped its clients through added complications and costs that come with a sudden transition to remote-working models, particularly at a time when they were already struggling to maintain adequate processes and controls.

“Many financial institutions experienced a significant increase in operational costs

in 2020, largely driven by the pandemic,” says Bailey. “Compliance teams are a finite and costly resource, and labor expenses were driven higher by overtime and ‘combat’ pay for employees required to be onsite during the shutdown. We worked with clients to improve workflows and increase efficiency using automation. Workflow enhancements also helped clients support a workforce that suddenly shifted to being almost entirely remote. While the pandemic is front of mind for everyone, many of the same issues persist with screening, risk profiling and time requirements for due diligence that existed before. COVID-19 only exacerbated these challenges. Our financial crime solutions help our customers contend with and overcome these ongoing issues.”

