

**The Awkward Question: An Examination of Questioning
Techniques Used By Banks To Prevent Financial Crime**

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Contents

Declaration	6
Acknowledgements	7
List of Tables	8
List of Figures	11
List of Abbreviations	12
Abstract	14
Chapter One – Introduction	16
Regulatory Framework	19
UK	19
US	22
Singapore.....	24
Hong Kong.....	25
International Bodies	26
Bank For International Settlements (BIS).....	26
International Monetary Fund (IMF)	27
Financial Action Task Force (FATF)	27
Egmont Group	28
Wolfsberg Group	29
Summary.....	29
Aims	30
Objectives	30
Thesis Structure	30
Chapter 2 – Literature Review	33
Introduction	33
Current Banking Processes.....	33
Money Talks	40
Suspicious Activity Reporting Processes.....	43
Consequential Impact	44
The Impact of De-Risking	46
Question Types	52
Conversation Analysis	58
Written Communications & Linguistic Analysis.....	62
Public and Private Sectors	70
Data Within the Banking Sector	79
Training Within the Banking Sector	81
Conclusion.....	83
Chapter Three – Methodology	86
Strand I - Survey - To gather the opinions, views and perceptions of bank staff involved in AML investigations.....	86
Sample Population.....	88
Questionnaire Design.....	90
Pilot.....	92
Ethics.....	93

Reliability and Validity of Questionnaire.....	94
Coding and Scoring.....	95
Strand II – Semi-Structured Interviews	98
Question Design.....	98
Sample Population.....	99
Ethics.....	100
Thematic Analysis.....	100
Strand III – Case File Analysis.....	102
Sample Selection	102
Ethics.....	108
Data Analysis.....	108
Question Type Analysis.....	109
Investigative Relevant Information (IRI) Analysis.....	112
Linguistic Analysis.....	114
Inter-Rater Reliability.....	118
Chapter Four – Results.....	121
Results Structure.....	121
Strand I & Strand II Demographics	121
Response Rate	121
Strand I	121
Strand II.....	122
Gender, Age & Experience.....	122
Strand I	122
Strand II.....	124
Location of Participants	125
Strand I	125
Strand II.....	126
Professional Qualifications	126
Strand I	126
Strand II.....	129
Job Role.....	129
Strand I	129
Strand II.....	131
Customer Contact.....	131
Strand I	131
Strand II.....	132
Time to Complete Enquiries.....	133
Strand I.....	133
Strand II.....	133
Strand I & Strand II - Opinions, Views & Perceptions	134
Category (i) – Barriers	135
Theme A - <i>Lack of Understanding</i>	139
Strand I	139
Strand II.....	145
Theme B - <i>Customer Privacy</i>	147
Strand I	147
Strand II.....	148
Theme C - <i>Conflict of Interest</i>	148
Strand I	148
Strand II.....	149
Theme D - <i>Local Culture</i>	150
Strand I.....	150
Strand II.....	151

Theme E - <i>No Issue</i>	153
Strand I.....	153
Strand II.....	153
Theme F - <i>Personal Safety & Protection</i>	154
Strand I.....	154
Strand II.....	155
Category (ii) - <i>Training</i>	155
Theme G – <i>Training Provision</i>	156
Strand I.....	156
Strand II.....	160
Theme H - <i>Quality of Investigations</i>	164
Strand I.....	164
Strand II.....	167
Theme I - <i>Question Type</i>	168
Strand I.....	168
Strand II.....	168
Category (iii) - <i>Commercial</i>	170
Theme J - <i>Competition</i>	170
Strand I.....	170
Strand II.....	170
Theme K - <i>Internal Friction</i>	171
Strand I.....	171
Strand II.....	171
Strand I & Strand II Research Conclusion.....	171
Strand III – <i>Questioning Observations</i>	172
Theme A - <i>Limited Background Detail</i>	174
Theme B - <i>Vague Rationale</i>	174
Theme C - <i>No Response</i>	175
Theme D - <i>Inappropriate Questions</i>	176
Theme E - <i>Limited Responses</i>	179
Quantity of IRI Received in Comparison to Question Types.....	182
Linguistic Analysis.....	184
Strand III Research Conclusion.....	188
Chapter Five – Discussion.....	189
Introduction.....	189
(i) Poor Quality SAR filings.....	194
(ii) Lack of Training and Feedback.....	196
(iii) Lack of Questioning Skills.....	199
(iv) Conflict of Interest.....	206
(v) Lack of Consumer Awareness.....	209
Recommendations.....	211
Research Observations and Limitations.....	214
Chapter Six – Conclusion.....	218
Chapter Seven – Personal Reflection.....	222
References.....	225
Appendix 1 – FOS Analysis.....	252
Appendix 2 – Electronic Survey.....	255
Appendix 3 – Ethical Approval.....	264
Appendix 4 – Results Tables.....	269

Appendix 5 – Thematic Analysis Example	340
Appendix 6 – Inter-rater Reliability Tests.....	351
Appendix 7 – T-Test Results	357
Appendix 8 – Case Study Analysis	363
Appendix 9 – Amount of IRI Obtained.....	388
Appendix 10 – Form UPR16	390

Declaration

I confirm that, except where indicated through the proper use of citations and references, this is my own original work. Whilst registered as a candidate for the above degree, I have not been registered for any other research award. The results and conclusions embodied in this thesis are the work of the named candidate and have not been submitted for any other academic award.

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Signed:

A handwritten signature in black ink, appearing to read "A. Umer". The signature is written in a cursive, slightly slanted style.

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List of Tables

Table 1 - Cronbach's Alpha Results	95
Table 2 - LIWC 2015 Output Variable Information	115
Table 3 - Percentage Amount of the Questionnaire that was Completed	122
Table 4 - Participants' Gender	123
Table 5 - Participants' Age	123
Table 6 - Banking Experience of Participants (in years)	124
Table 7 - Country of Employment of the Survey Participants.....	125
Table 8 - <i>T</i> -Test Results For Survey Questions In Conjunction With Professional Qualifications	128
Table 9 - Job Title / Position of Survey Participants	130
Table 10 - Number of Participants Whose Role Involved Direct Contact With Customers.....	132
Table 11 - Number of Participants Whose Role Involved Directing Questions Through a Third Party (such as a Relationship Manager)	132
Table 12 - Results To The Question "Speaking generally, do you have enough time to complete enquiries thoroughly and to the best of your ability?"	133
Table 13 - Barriers Encountered When Questioning Customers	136
Table 14 - Results To The Question "Have you ever experienced a situation where the questions you've asked have not been properly addressed?"	140
Table 15 - <i>T</i> -Test Results For Survey Questions In Conjunction With Instances Of Questions Not Being Properly Addressed.....	142
Table 16 - Primary Method of Communication When Raising AML / KYC Queries With Customers or Third Parties?.....	144
Table 17 - Results To The Question "When raising AML / KYC queries with customers, how important is it for you to build rapport with the person you are dealing with?"	144
Table 18 - Results To The Question "When raising AML / KYC queries with third parties (such as Relationship Managers), how important is it for you to build rapport with the person you are dealing with?"	145

Table 19 - Results To The Question “Have you ever closed an enquiry, or allowed transactions / business activity to proceed knowing that the details were incomplete?” 148

Table 20 - Results To The Question “Does a customer's background (religion, political position, social standing, age etc.) influence the way you deal with them?” 150

Table 21 - Results To The Question “Do you feel sufficiently protected by your employer to conduct your enquiries effectively?” 154

Table 22 - Results To The Question “Have you ever been threatened or felt intimidated to close an enquiry or to continue with a transaction / business activity?” 154

Table 23 - Results To The Question “Have you ever received specific training to help you when drafting questions which third parties (such as Relationship Managers) have to relay to customers?” 156

Table 24 - Results To The Question “Have you ever received specific training to help you when asking customers awkward or difficult questions?” 157

Table 25 - Results To The Question “Do you feel appropriately equipped, experienced and trained to raise awkward or difficult questions with customers?” . 157

Table 26 - Results To The Question “When asking customers awkward or difficult questions, how comfortable do you feel?” 158

Table 27 - Results To The Question “When asking third parties (such as Relationship Managers) awkward or difficult questions, how comfortable do you feel?” 159

Table 28 - Results To The Question “Do you feel appropriately equipped, experienced and trained to raise awkward or difficult questions with third parties (such as Relationship Managers)?” 160

Table 29 - Results To The Question “Have your interviewing / questioning skills ever been analysed, measured or quantified in any way?” 165

Table 30 - Results To The Question “When escalating suspicious cases, do you generally find that your opinion is supported by clear and conclusive information?” 165

Table 31 - Results To The Question “When closing cases without further escalation, or allowing transactions / business activity to proceed, do you generally find that your opinion is supported by clear and conclusive information?” 166

Table 32 - Results To The Question “Have you ever escalated a case (either internally or to external authorities) knowing that the details were incomplete?”	166
Table 33 - Results To The Question “Have you ever submitted a Suspicious Activity Report (SAR) direct to the authorities?”	167
Table 34 - Question Type Analysis – Part 1 – Analysis of Productive and Non-Productive Questions	177
Table 35 - Question Type Analysis – Part 2 – Grammatical Construction of Questions	178
Table 36 - IRI Results	180
Table 37 - Quantity of IRI Obtained In Response to Cases With Only Open Questions.....	183
Table 38 - Quantity of IRI Obtained In Response to Cases With Only Closed Questions.....	183
Table 39 - Number of Words Per Case Compared to Amount of IRI Produced	184

List of Figures

Figure 1 - Description of the Referral and Response Process 106

Figure 2 - Results Structure, Strand I & Strand II - Opinions, Views & Perceptions
..... 135

Figure 3 - The Customer Questioning Cycle209

List of Abbreviations

ACAMS - Association of Certified Anti-Money Laundering Specialists

AML - Anti-Money Laundering

AMLI - AML Investigations

AMLTM - AML Transaction Monitoring / Analysis

BIS - Bank for International Settlements

BSA --Bank Secrecy Act

CCY - Currency

CDD - Customer Due Diligence

CFPAB - Counter Fraud Professional Accreditation Board

CI - Cognitive Interview

CM - Conversation Management

CR - Client Refresh – Renewal KYC / CDD / EDD

CTF - Counter-terrorist Financing

DWP - Department for Work and Pensions

EDD - Enhanced Due Diligence

FATF - Financial Action Task Force

FCA - Financial Conduct Authority

FinCEN - Financial Crimes Enforcement Network

FOS - Financial Ombudsman Service

FSA - Financial Services Authority

GFCI - Global Financial Centres Index

GQM - Griffiths Question Map

HKMA - Hong Kong Monetary Authority

HMRC - Her Majesty's Revenue and Customs

IMF- International Monetary Fund

IRI – Investigation Relevant Information

JMLIT - Joint Money Laundering Intelligence Taskforce

JMLSG - Joint Money Laundering Steering Group

KYC - Know Your Customer

MAS - Monetary Authority of Singapore

MLRO - Money Laundering Reporting Officer

NCA - National Crime Agency

NFA - National Fraud Authority

NHS - National Health Service

OCR - Open - Closed Ratio

PEP - Politically Exposed Person

POCA - Proceeds of Crime Act 2002

RM - Relationship Management / Wealth Management

SAR - Suspicious Activity Report

TACT - Terrorism Act 2000

USA PATRIOT Act - Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001

Abstract

For many years banks have been spending billions of pounds in their efforts to thwart both money laundering and terrorist financing activity. However, despite implementing a wide range of policies and procedures, forming international bodies to share best practice, and dramatically increasing the number of compliance staff, banks are still falling far short of both local and global expectations. Regulators are constantly criticising banks, enormous fines are regularly imposed and media attention continues to cause reputational damage. Adding to this burden, legal cases are becoming more commonplace, with courts pouring over the audit trails of risk assessment decisions. With banks attempting to implement fundamental changes, and with comprehensive and relatively consistent guidance already in place, the question as to why banks are failing so spectacularly is one that warrants an answer.

In keeping with the ethos of a Professional Doctorate, this thesis set out to contribute to both theory and professional practice. Consequently, the research needed to be global in nature to reflect the international aspects of banking. This study therefore spanned 17 different countries and examined a scarcely mentioned subject in banking; that is, precisely *how* employees go about raising difficult questions with their customers. It explored the inherent reasons why staff may feel uncomfortable in talking about delicate financial affairs, how confident they feel in challenging poor explanations from customers, and what training they have received to assist them in conducting effective investigations. This thesis has drawn from some of the questioning practices that have been effectively introduced across public and private

sectors and considered whether elements of these could be implemented within banking.

Chapter One – Introduction

Money laundering is the process of concealing the origin, ownership or destination of illegally or dishonestly-obtained money by hiding it within legitimate economic activities in order to make it appear legal. It can mask corruptly acquired wealth – such as bribes, kick-backs, illicit political contributions, embezzled funds and loans – as well as the proceeds of other crimes. It helps corrupt individuals to escape justice and, after the funds have been successfully laundered, they can enjoy their illicit wealth or move the money on for other purposes. (Transparency International, 2016, p. 4)

The fight against ‘dirty money’ had received scant international interest until the impact of 11 September 2001, after which the Bush administration declared a ‘war on terror’ that included a significant financial element (Amoore & de Goede, 2008; Biersteker & Eckert, 2008; Naylor, 2006). This relied heavily on cooperation between government, law enforcement and the financial sector, with financial controls taking on new salience (Wesseling, 2013). However, financial professionals were ill equipped to deal with such responsibilities (Johnson, 2001; Lilley, 2003). Indeed, bankers were well known for providing strict confidentiality and a non-interventionist approach for their clients and were not originally engaged to identify and manage suspicious activity (Latimer, 2005; Levi, 1991; Levi, 2010; Marron, 2008; Ping, 2004; Rahman, 2014). To address the legal requirements imposed upon them, banks have implemented monitoring systems and processes to identify and evaluate both money laundering and terrorist risks (Favarel-Garrigues, Godefroy & Lascoumes,

2011). However, these measures have not necessarily mitigated those risks successfully, as evidenced by the numerous regulatory fines imposed.

. . . banks may handle money from drug cartels, human traffickers, arms dealers, fraudsters, and other serious criminals, giving these funds a veneer of legitimacy that they otherwise would not have, and leaving the criminals free to perpetrate their crimes undetected, creating innumerable victims around the world . . . (Global Witness, 2015, p. 9)

Banks have come under increasing scrutiny during recent years, from regulatory bodies and the media alike, particularly in relation to their inadequate anti-money laundering (AML) and counter-terrorist finance (CTF) procedures. Some recent examples include: HSBC, which was fined a record \$1.92 billion (£1.28 billion) by US authorities in 2012 (Peston, 2012); Barclays Bank, which was fined £72 million by the UK Financial Conduct Authority (FCA) in 2015 (FCA, 2015a); EFG Private Bank, which was fined £4.2 million (FCA, 2013); Standard Bank, which was fined £7.6 million (FCA, 2014a); Commerzbank, which was fined \$1.45 billion (£973 million) (Henry, 2015); Sonali Bank (UK), which was fined £3.25 million (FCA, 2016); and Deutsche Bank which was fined £163 million (FCA, 2017), all for not having appropriate AML and CTF (hereinafter referred to collectively as ‘AML’) measures in place.

In its defence HSBC stated: “We are committed to protecting the integrity of the global financial system. To this end we will continue to work closely with governments and regulators around the world” (HSBC, 2012, para. 4). Indeed, the

bank reported that it had spent over \$290 million, as of 2012, on remedial measures, improving its structures, controls and procedures to try to avoid a re-run of events, and was recently reported as having spent \$800 million on compliance resources in the first quarter of 2017 alone (Ogilvie, 2017). As a result, HSBC, along with many other banks, has worked extremely hard to implement new policies that meet global regulatory expectations, such as the risk rating of customers, adequate transaction monitoring, and appropriate levels of governance, at an estimated cost of £5 billion annually in the UK alone (Artingstall, Dove, Howell & Levi, 2016). Nevertheless, little consideration has been given to the specific training requirements of the staff who undertake the enquiries and investigations. These individuals are tasked with questioning customers to establish their source of wealth or to understand unusual transactions that fall outside the expected parameters. Thus, whilst attention has been centered on *what* it is that banks need to uncover, precisely *how* they go about establishing this is less clear.

Of course, it is not just a fear of being fined that prompts banks to undertake appropriate measures to mitigate their risks. Being used for money laundering or terrorist financing damages the reputation of not only the individual bank, but the whole of the financial sector in which it operates. Furthermore, in addition to fines, regulators could elect to revoke licences, without which the bank could not trade and would subsequently fail (Home Office, 2016a).

Regulatory Framework

International regulation, legislation and AML guidance is extremely complex and overwhelming (Ruce, 2011). It therefore goes without saying that even with teams of compliance officers, lawyers and advisors, certain elements may be overlooked from time to time. It is nonetheless important that all relevant aspects of an effective AML programme are documented or codified for each country in order that they are, at the very least, adequately informed as to how they ought to be operating.

The UK (London), US (New York), Singapore and Hong Kong top the Global Financial Centres Index (GFCI, 2017) and have dominated the leading four positions for several years. This index ranks five broad factors of competitiveness; ‘business environment’, ‘financial sector development’, ‘infrastructure’, ‘human capital’ and ‘reputation’ and is therefore a useful source for identifying those countries that might be viewed as leading the way in terms of financial crime mitigation. Although these countries collectively produce extensive instruction and guidance, scant attention is paid to interviewing or questioning skills and investigation processes. The following sections explore precisely what guidance and recommendations are available within the above-mentioned financial markets, presented in order of ranking within the GFCI.

UK

The FCA is the primary regulatory body that is responsible for the conduct supervision of financial services firms within the UK. As part of their remit they focus on material weaknesses within firms’ money laundering controls, through both individual assessment and thematic review. Within its handbook the FCA states under

SYSC 3.2.6G that “A firm should ensure that the systems and controls include...appropriate training for its employees in relation to money laundering” (FCA, n.d.) but it does not specify precisely what this training should include. In its additional guidance (FCA, 2015b) clear instruction is provided as to *what* information and clarification should be sought at various points from customers, but there is no indication or direction provided as to *how* staff might need to consider obtaining such detail. This is common with regulatory guidance, as it allows firms to tailor their approach to fit their specific needs, commensurate to the risks they face. However, the drawback to this is that attention is not drawn to the specific skills required to undertake tasks effectively. Furthermore, the absence of any acknowledgement of the complexities associated with effective questioning may lead to firms adopting a complacent approach, regarding their AML obligations simply as a tick box exercise (Molloy, 2016; Sofia de Oliveira et al., 2017), as evidenced by numerous unsatisfactory regulatory findings uncovered during the FCA’s thematic review (FCA, 2014b).

The FCA has also published an Occasional Paper (FCA, 2015c) that refers specifically to vulnerable customers. This paper acknowledges the importance of frontline staff and although it is stated that training should be “sufficient to facilitate a proper conversation” (p. 11) it makes no specific mention of any evidence based communication tools. However, reference was made to letting “the conversation take a natural course” and encouraging disclosure. The paper also provided example good practice case studies, one of which highlighted a firm that was using speech analytics software to identify specific key words that might indicate vulnerability. The identified calls were then reviewed by managers who would provide feedback if

required. The issue here is that those managers may not necessarily have adequate interviewing experience themselves and consequently might not identify problematic areas. Another firm trained its staff on the use of emotional intelligence, encouraging the identification of subtle clues and indicators of vulnerability, through role-play and specialist training. The problem with the FCA paper is that as it has only focused on vulnerable customers, banks may not recognise the relevance of using any of the techniques indicated in other situations, such as whilst undertaking enquiries into suspicious activity.

The UK is also home to the Joint Money Laundering Steering Group (JMLSG), which is comprised of leading financial services Trade Associations. Its purpose is to promulgate good practice and give practical assistance in countering money laundering. This is achieved through the publication of industry guidance, which interprets the various UK Money Laundering Regulations and European legislation such as the Fourth Money Laundering Directive (JMLSG, n.d.). The guidance is submitted to HM Treasury for Ministerial approval prior to publication.

The JMLSG guidance states that “Any approach to the customer or to the intermediary should be made sensitively” (JMLSG, 2014, p. 147) and that “Reasonable enquiries of a customer conducted in a tactful manner, regarding the background to a transaction or activity that is inconsistent with the normal pattern of activity is prudent practice, forms an integral part of CDD measures and should not give rise to the tipping off offence.” (p. 153). However, beyond this, no mention is made as to the techniques that should be employed in order to conduct such enquiries effectively.

As far as staff training is concerned, the guidance only mentions that relevant employees should be “trained in the firm’s procedures and in how to recognise and deal with potential money laundering or terrorist financing or activity” (JMLSG, 2014, p. 160). The guidance does indeed recognise that alert and well-trained staff are “one of the most important controls over the prevention and detection of money laundering” and that the “effectiveness of the training will therefore be important to the success of the firm’s AML/CTF strategy”. Whilst the guidance extensively details the requirements for staff to have appropriate knowledge of suspicious activity and to understand the obligations set out under various legislative acts such as Proceeds of Crime Act 2002 (POCA) and the Terrorism Act 2000 (TACT) no reference whatsoever is made to ensuring that staff possess adequate questioning skills or have access to investigation tools.

Importantly, in 2016 the Home Office released their ‘Action Plan’ aimed at combatting money laundering and terrorist financing. Whilst they acknowledge the enormity of the problem, and admit that compliance functions are not always an effective measure against money laundering, there is still no comment on the questioning skills of front line banking staff. Disappointingly, this ‘Action Plan’ describes itself as “the most significant change to our anti-money laundering and terrorist finance regime in over a decade” (Home Office, 2016b, p. 3).

US

Broadly aligned with UK regulation is the US, although the country has taken a much more aggressive stance to AML measures. The US is a major international component of the financial services industry as a large proportion of global trade is

conducted using the dollar, which is purported in the media as being “the most powerful [currency] in the world” (Amadeo, 2016, para. 3).

The key US AML legislation is codified in the Bank Secrecy Act (BSA) and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), which in turn are enhanced by numerous federal laws. The USA PATRIOT Act was introduced following the events of 11 September 2001 and requires financial institutions to adopt comprehensive AML programmes. Violations of AML laws and regulations are assessed by the Financial Crimes Enforcement Network (FinCEN) and are reported to five primary federal banking regulators, all of which have a slightly different remit. Additionally, FinCEN supports law enforcement through the collection, analysis and sharing of information. They also collaborate internationally to develop AML initiatives worldwide (Protiviti, 2014). Although FinCEN has produced an archive of guidance dating back to 1996, none of these reports examine interviewing practices or questioning skills (FinCEN, n.d.).

FinCEN (2010) identified that some of the most common problems with the quality of Suspicious Activity Reports (SARs) filed in the US were empty narrative fields or inadequate narratives. As the narrative should explain precisely why the transaction is considered to be suspicious, the absence of such detail could be indicative of a poorly executed investigation, leading to a scarcity of reportable material. Such problems could also be attributable to lack of training on the SAR process requirements, failure to appreciate the consequences of inadequate detail, or simply indicative of defensive

filing. Whatever the underlying cause, there is clearly an issue that needs to be addressed.

Comprehensive guidance issued by AML consulting firm Protiviti (2014) details a number of skills and experiences that are useful when selecting investigative personnel, such as product knowledge, system functions and fraud training. However, once again there is no reference made to interviewing or questioning techniques. Protiviti acknowledges that the US financial services industry continues to struggle to meet AML regulatory expectations, yet despite now being in its sixth edition, spanning an eleven year period, the complexities around asking difficult questions has not been addressed. It is possible that it is taken for granted that appropriate training will include conversation tools and investigation techniques. However, considering the poor execution of SAR filings and the hefty fines being applied globally to banks for failure to properly implement and manage AML controls, this does not necessarily appear to be happening in practice.

Singapore

In third position on the GFCI is Singapore. The Monetary Authority of Singapore (MAS) oversees over 200 financial institutions in Singapore and is a member of both the Financial Action Task Force (FATF) and the Asia Pacific Group on Money Laundering (MAS, 2017). Whilst the guidance it has issued outlines the requirements in terms of KYC and escalations, the only reference made to staff is that they should be screened when being hired. In terms of training, the only requirements placed upon banks are to ensure staff members are knowledgeable in respect of AML laws and

regulations, money laundering techniques, and the bank's own internal policies and controls.

Hong Kong

From a financial services perspective, Hong Kong is balanced geographically with the US: the "New York of the East" (HKMA, 1995, para. 6). Hong Kong is a major international financial centre that provides a gateway to China. Like the UK, Hong Kong has a clear and predictable legal system, good accounting practices and an educated workforce. This serves to allow Hong Kong, which ranks in fourth position on the 2017 GFCI, to act as an influential contributor to the global reduction of financial crime.

The Hong Kong Monetary Authority (HKMA) is responsible for banking stability in Hong Kong, which includes ensuring authorised firms' compliance with legal and supervisory AML requirements. In this capacity, they have produced regulatory guidance (HKMA, 2015) affirming that staff training is an important element of an effective AML system. However, whilst it emphasises the fact that training must be frequent and appropriate, the content refers only to statutory and regulatory obligations, how to recognise unusual activity, and the importance of compliance with policies and procedures. Whilst reference is also made to monitoring the effectiveness of any training provided, which includes the quality and quantity of internal reports, no measure or means of assessment is provided, and at no point are the interviewing abilities or questioning skills of the staff brought into consideration.

International Bodies

In addition to local country regulations, financial institutions are expected to follow the guidance that is produced by international associations that promote policies and best practice to improve the economic and social well-being of people around the world. A selection of the guidance issued by four of the world's leading groups that aim to tackle financial crime through mutual co-operation and support is detailed below, presented in the order in which each body was established.

Bank For International Settlements (BIS)

BIS is the world's oldest international financial organisation, having been established in 1930. Their mission is to promote monetary and financial stability amongst their 60 member central banks through research and analysis. Overall, there is very little focus from this organisation relating to AML and in their 2001 Consultative Document they clearly state that it is not their intention to duplicate the efforts of similar organisations. However, this document does comment on the importance of staff training, noting that "Front-line staff members who deal directly with the public should be trained to verify the identity of new customers, to exercise due diligence in handling accounts of existing customers on an on-going basis and to detect patterns of suspicious activity" (BIS, 2001, p. 14). It does not go beyond this, although it does recognise that research, albeit dating back to 1999, revealed that many countries have not developed adequate practices and are looking for insight on the appropriate steps to take (BIS, 2001, p. 3). This indicates that many jurisdictions have sought support and assistance, although whether the guidance that has been delivered in response to this is sufficient is questionable.

International Monetary Fund (IMF)

The IMF was conceived in 1944 and is responsible for the stability of the international monetary system. It currently has 189 member countries and approximately 2600 staff. As money laundering can threaten a country's financial stability the IMF takes an active interest in this area, providing strategic direction for its member countries. Although the IMF's AML programme has evolved over the years, no attention has been paid to questioning techniques. One of the key areas of the IMF's work within AML is the assessment of member countries' compliance with the FAFT Recommendations. However, as these are also silent on questioning skills, any problems associated with this would not be identified during the assessment process (IMF, n.d.).

Financial Action Task Force (FATF)

FATF is an independent inter-governmental body whose objective is to set standards and promote effective legal, regulatory and operational AML measures. Established in 1989, FATF published its first set of Recommendations in 1990, which are recognised as the international AML standards. These Recommendations were revised in 1996, 2001, 2003 and 2012 to ensure they remained relevant (FATF, 2015). FATF not only promotes the adoption and implementation of these Recommendations globally, it also monitors countries' progress against them (FATF, 2016). As a prominent international organisation, free from political agenda, FAFT is in a prime position to influence the means by which information is collected by firms to ensure it is comprehensive, ethical and fit for purpose.

Whilst the Recommendations provide a high level view as to the standard which should be adopted by each country, they stop short of detailing precisely *how* such measures should be implemented. Supplementary Guidance and Best Practice documents provide additional details, such as stating that information relating to the source of funds “should be substantive and establish a provenance or reason for having been acquired” (FAFT, 2013, p. 20). This will generally require a reasonably in-depth and rather personal conversation with the customer, but the manner in which such delicate matters are best approached is not mentioned. The Guidance states that a full overview of source of wealth is not always possible when information is not voluntarily disclosed, but that “Failure to voluntarily disclose this information could also be considered a red flag.” (p. 21). The Guidance goes on to describe some of the red flags as being that the customer “seems generally uncomfortable to provide information about source of wealth or source of funds”; that the information provided is inconsistent; that the customer “is unable or reluctant to explain the reason for doing business in the country of the financial institution” or “provides inaccurate or incomplete information” (p. 28). Whilst these are potentially causes for genuine concern, broader context could have been supplied here as there are copious reasons as to why such circumstances may have occurred, such as cultural differences, lack of education or communication issues. Essentially this Guidance provided the perfect opportunity to share best practice, advocating a holistic and considered approach, using empirically tested techniques. Nevertheless, no such direction was included.

Egmont Group

Formed in 1995, the Egmont Group is comprised of 152 Financial Intelligence Units from around the globe who meet regularly to exchange information and share training

and expertise. This is focused on high level matters such as implementing structures and processes for new members and none of their available literature refers to interviewing procedures or questioning skills (Egmont Group, 2017).

Wolfsberg Group

The Wolfsberg Group aims to develop frameworks, guidance and standards for the effective management of financial crime risks. It was formed in 2000 and is an association of thirteen global banks with a common goal of addressing money-laundering risks (Wolfsberg, 2015). Despite having issued 14 sets of AML principles since their inception, none of these tackle the difficulties faced in obtaining accurate and truthful disclosures from customers, nor do they examine what an effective training programme for bank staff should consist of.

Summary

It was apparent that despite the longevity of influential regulators and key international bodies none had addressed the fundamental aspect that bank staff might not be effective in their questioning techniques, which in turn could be impacting the low level of success seen across banks in combatting money laundering risks.

Accordingly, in order to understand whether improvements could be made to the current practices within banking the following research question was proposed:

Are global banking staff maximising communication strategies to assist in AML investigations?

Aims

The initial aim of the research was to ascertain whether bank staff undertaking AML investigations were adequately equipped to execute their roles effectively. In order to evaluate this the research involved a global assessment of opinions, views and perceptions of bank staff along with an examination of question types deployed in the field. The research also examined the challenges that faced individuals employed within banks, what communication barriers there might be when conducting investigations and what steps could be introduced to address these. Armed with such knowledge it was anticipated that it would be possible to determine whether improvements could be made to current AML questioning practices, which might enable staff to handle difficult situations with more confidence, whilst improving the quality of data captured from customers.

Objectives

The research involved an assessment of confidence, knowledge, perception and questioning skills of banking staff involved with AML investigations. This assessment was comprised of surveys and interviews, to understand beliefs and attitudes held, and case file analysis to observe the quality of the questioning skills employed in AML investigations in practice. Consideration as to how such problems had been addressed in other sectors, both public and private, was then used to determine an appropriate solution.

Thesis Structure

Chapter One has introduced the background to this thesis and has highlighted some of the apparent deficiencies within bank AML investigations and consequently the

importance of researching this under-addressed area. It also outlined the guidance that is both available to, and produced by, banks, regulators and other international bodies and demonstrated that despite extensive direction there is little to encourage banks to consider the skills and training that might be required to conduct effective AML investigations.

Chapter Two, the literature review, examines the current practices within banking and the consequential impact on society if banks are unable to make fair and reasonable decisions. Consideration is then given to the use of different question types, along with the background and effectiveness of various questioning practices that are used within public and private sectors. The purpose of this was to understand how other organisations deal with difficult conversations and whether there are tools or techniques that could be adopted within banks.

Chapter Three outlines the methodology and details the considerations for a mixed methods approach to the research. It also outlines the reasons for selecting three strands of research, which comprised; (i) a survey, (ii) semi-structured interviews, and (iii) case file analysis. This chapter includes detail as to how the participants and case files were selected and what ethical considerations had to be made. It also explains, in depth, the coding, scoring and thematic analysis that underpins the findings of this research.

Chapter Four presents the results of the three strands of research, these being; (i) the survey, (ii) the semi-structured interviews, and (iii) the case file analysis. The findings are structured according to two key areas:

1. *Opinions, Views and Perceptions* - derived from both the surveys (Strand I) and the semi-structured interviews (Strand II). The results of these two strands of research have been blended together, and are presented as such, to facilitate an understanding of *people's beliefs and attitudes* when conducting AML investigations.
2. *Questioning Observations* - summarising the findings from the case file analysis (Strand III) and highlighting *what people do in practice* when conducting AML investigations.

Chapter Five discusses the findings of the research and draws out the primary issues that have been identified across all three strands of research. These reveal five key issues: (i) Poor Quality SAR filings; (ii) Lack of Training and Feedback; (iii) Lack of Questioning Skills; (iv) Conflict of Interest; and (v) Lack of Consumer Awareness. Following assessment of these findings recommendations have been made, where feasible, to address some of the key issues identified.

Chapter Six draws the conclusions from the above study, examines what this ultimately means for the banking sector, and what steps could to be taken to improve current matters.

Chapter Seven is a short personal reflection on the work undertaken to complete this thesis and highlights how the results might be developed further.

Chapter 2 – Literature Review

Introduction

This literature review seeks to identify the current practices within banking and to outline the responsibilities of the key actors. This will provide an understanding as to how and where problems arise within AML investigations. It then examines attitudes to discussions involving finances and explains the consequences and impact to society when banks do not complete thorough investigations. This provides some appreciation as to why this is such an important topic. This chapter then examines different question types and reviews some of the most common questioning techniques that have been developed across both public and private sectors. This examination aids comprehension as to which elements of these techniques could potentially be applied in bank AML investigations.

Current Banking Processes

Banks are obliged to conduct Customer Due Diligence (CDD) when establishing business relationships with new customers (Levi & Reuter, 2006). This ensures that they appreciate who the customer is (in the case of individuals), or who the customer's beneficial owners are (in the case of corporate entities), and that they understand the intent and purpose of the business relationship. This process includes basic name and address identification and verification checks, usually evidenced by the production of formal documentation such as a passport, driving licence, or company formation documents, along with details of the anticipated account activity. Once this information is obtained a customer risk assessment will be conducted using key criteria such as; country risk, industry/occupation risk and product or services risk. The overall risk presented will then be managed through the application of

proportionate controls and oversight (JMLSG, 2014). If the relationship is deemed to be high risk, perhaps due to the occupation of the applicant or where the customer is a Politically Exposed Person (PEP), then additional Enhanced Due Diligence (EDD) measures must be applied (FSA, 2011). This would include open source checks to identify any negative publicity connected to the applicant, such as allegations of bribery or corruption, which might cause reputational damage to the bank, or even legal action if they failed to prevent this (Bribery Act, 2010). The source of wealth will also need to be validated, which means that queries will be raised in order to satisfy the bank that the money being deposited into the account has been acquired through legitimate means. These initial assessments will then determine the regularity of the account activity scrutiny and appropriate financial thresholds will be set within the bank's transaction monitoring system.

Most large, modern banks have automated transaction monitoring systems set with certain scenarios and trigger thresholds which identify questionable activity such as the rapid movement of funds or unusually large credits and debits (Pramod, Li & Gao, 2012). If account activity exceeds these thresholds, alerts will be generated which will require further investigations to be undertaken to examine the purpose of transaction(s). This frequently involves contacting the customer to discuss the account activity in detail (JMLSG, 2014). Such investigations will naturally vary considerably in length and detail according to the concern raised and the initial explanation provided by the customer.

Whilst money laundering is motivated by profit, terrorist financing, in contrast, is motivated by ideology. Consequently, the sources of funds are at odds (Mulligan,

2015). Indeed, terrorist financing is generally, although not exclusively, generated by legitimate activity (Reuter & Truman, 2004) such as employment, or the sale of assets. Whilst there is no universally accepted definition of terrorist financing, the Charity Commission for England and Wales (2012, p. 1) describes it as “the raising, moving, storing and using of financial resources for the purposes of terrorism” and goes on to elaborate that “the primary goal . . . is therefore usually not to conceal the sources of the money, but to conceal both the funding activity and the financial channels”. Due to its nature, terrorist financing is extremely hard to detect. Not just because it often involves smaller amounts than money laundering activity, but also because it involves transactions that are often indistinguishable from legitimate day-to-day activities (Gilmour, Hicks & Dilloway, 2017). Banks therefore require intimate knowledge of the customer and any deviances from normal activity need to be questioned and understood in order to identify such transactions (FATF, 2002).

Whatever the concern raised by the bank, it will generally be extremely difficult to identify any underlying predicate offence (Levi, 2002) or to determine the precise provenience of the funds (Unger, 2007). This is primarily because banks only have access to their own financial records and open source materials, as opposed to holding any criminal intelligence. Nevertheless, the laundering of proceeds from predicate offences is deemed to be particularly significant as it generally derives from high-harm offences, such as drug supply, fraud and modern slavery (Home Office, 2015), facilitates further criminal activity, and has a detrimental impact on the integrity of all financial institutions (Levi, 2002). It is therefore imperative that banks understand how such activities are financed in order that they can identify similar behaviour in customer accounts.

Enquiries are generally undertaken by a relationship manager, who is frequently responsible for all customer contact, from the initial on-boarding processes, to conducting reviews, selling new products and services, and dealing with queries (Cox, 2014; Esoimeme, 2016). A member of the bank's compliance team, or equivalent (hereinafter referred to as a 'compliance analyst') initially contacts the relationship manager, generally via email or through internal systems, expressing their concerns (which are frequently derived directly from the transaction monitoring process) and outlines the detail that is required in order to resolve the query. The relationship manager is then tasked with contacting the customer, which is often by telephone, understanding the nature of the transactional activity, considering whether this aligns with the information provided when the account was opened and reverting to the compliance analyst with an explanation. This process is generally applied irrespective of the fact that there are frequently conflicts of interest (Hayble-Gomes, 2016). Relationship managers often have such close bonds of trust and confidentiality with their clients that they are unable to take an objective view of the situation or press the customer with intrusive questions (Ruce, 2011). This is further complicated by the fact that, historically, relationship managers have extended lavish hospitality and entertainment to their customers, often with personal interaction such as "boarding private planes to take clients skiing in Verbier for a weekend" (Tobin, 2013, para. 10). This situation is exacerbated as many are primarily rewarded on their sales performance (FSA, 2011) and often receive large bonus payments, with some top executives reportedly having received up to \$17 million each by way of bonus alone in 2017 (Hawkes, 2017). Bonus payments such as these, which can form 60-80% of compensation, can drive inappropriate behaviours and activities (Arbogast, 2017; FSA, 2012a) with many banks being unwilling to exit profitable relationships,

despite the unacceptable levels of risk (FSA, 2011). Furthermore, when incentives linked to sales are commonplace they can lead to corruption scandals (de Haldevang, 2017), with profit overtaking ethical expectations (Carr & Jago, 2014; Middleton, 2014). Such conflict of interests has been described as “an important issue that awkwardly seems to have not attracted the attention of professionals and academics in the extent it would be expected” (Demetriades, 2016, p. 85). Whilst lavish hospitality has been somewhat quelled with the introduction of the Bribery Act (2010), this does not appear to have been entirely successful (Blanchard, 2016; Dailyrecord, 2012; FSA, 2012b; Levy, 2014) and remuneration remains an issue, as demonstrated by the value of recent bonus payments. Whilst bonus caps were introduced by the European Union in 2014, these are only limited to 100% (or 200% if shareholders agree) of a banker’s salary (Wallace, 2015).

Relationship managers are expected to develop strong personal relationships with their clients in order to understand their business and source of wealth, particularly as they are expected to sell appropriate products that meet customers’ needs. However, wealthy clients frequently have business affairs and lifestyles that can make it difficult to determine what constitutes unusual behaviour (JLMSG, n.d.). It is imperative that relationship managers ask questions in a sensitive manner, not only to avoid alerting the customer to any investigation, an offence known as ‘tipping off’ under Section 333 of POCA, but also to avoid putting themselves in personal danger.

The closer you get to true criminal activity the more cautious you are required to be. Nobody is asking you to get killed for the bank. If you are reaching areas such as organised crime or drug trafficking, you

may be considering people whose moral code is different to yours. Be careful at all times. (Cox, 2014, p. 243)

The role of the relationship manager is therefore pivotal in determining whether a SAR might be filed with the National Crime Agency (NCA) or equivalent law enforcement agency. However, the manner in which the compliance analyst raises their questions with the relationship manager is of equal importance. If a relationship manager receives a poorly constructed question they will not be in a position to provide a comprehensive response and indeed may convey an inaccurate or incomplete message to the customer. Likewise, it is important that the relationship manager is capable of conveying an accurate description of the customer's response back to the compliance analyst. It is therefore essential that communication is effective throughout the entire process.

It is crucial that the compliance analyst makes their concern or suspicion very clear for two key reasons. Firstly, the attitude and personal values of the relationship manager might not be the same as those held by the compliance analyst. One reason for this might be attributable to the fact that the relationship manager's primary duties are to develop their customer base and meet sales targets. However, it may also result from their culture or background, particularly if they are employed in a jurisdiction such as China where bribery and kickbacks are deemed acceptable (Kwok, 2013). Secondly, suspicion is subjective and does not automatically transfer from one person to another, as demonstrated in *Shah v HSBC Private Bank (UK) Ltd* [2012] EWHC 1283 where it was held that HSBC's Money Laundering Reporting Officer (MLRO) was right to form their own view of the situation, rather than rely on the concerns

brought to them by another employee. It is therefore vital that any concerns that the compliance analyst holds are described in a clear and precise manner, as the relationship manager might not necessarily believe there is anything unusual with the account activity.

Most banks tend to adopt the widely known ‘three lines of defence’ model (Daisley, McGuire, Netherton & Abrahamson, 2015; Durniat, 2014; IIA, 2015; Sofia de Oliveira, Artingstall, Keen, Russell & Luddington, 2017). The relationship managers or branch frontline staff members form the first line of defence. They are ultimately accountable for the risk, along with the business’ processes and controls aimed at mitigating that risk. The compliance and risk management functions form the second line of defence and provide oversight of the first. Internal audit form the third line of defence and are responsible for providing independent, objective assurance on the effectiveness of the internal controls and governance conducted by first and second lines. Such a delineated approach ensures that there are relatively clear boundaries for each to operate within. This enables compliance staff to retain their independence by being remote from the operational business functions; a key point that regulators believe is fundamental to good governance (FSA, 2010; Office of the Comptroller of the Currency, 2014). However, whilst thought has clearly been given to the broad structure of the investigation processes, the same cannot be said of the underlying activities, notably the skill and ability of those who are ultimately faced with posing difficult questions to customers.

A complication with the three lines of defence model is that the person with the suspicion (generally the compliance analyst) has no ability to directly question the

customer. Furthermore, however accurate and detailed the customer's response might be, the compliance analyst will not receive this information direct and instead must rely upon the skills of the relationship manager in conveying an accurate reflection of the information provided. This will ultimately introduce an element of bias as the relationship manager will make the decision whether to record answers verbatim or simply note the key points (Malhotra, 2006).

Money Talks

A fundamental problem exists in that little examination appears to have been conducted to establish the level of discomfort experienced by bank staff when questioning a customer's source of wealth and expenditure. Written policies only provide an outline as to precisely *what* it is that needs to be established, but they do not prescribe *how* an employee should approach such delicate matters. Money is often a taboo subject in most Western cultures (Adler & Adler, 2003; Bradford, 2010; Michie, 2011; Trachtman, 1999), with pro-money talk even being described as "vulgar, inappropriate and the manifestation of a lack of social conscience" (Furnham & Argyle, 1998, p. 6). Such discussions have been referred to in the media as being "impolite or gauche" (Driscoll, 2016, para. 7), with claims that "the British are seven times more likely to discuss their sex lives than their incomes" (O'Grady, 2016, para. 1), and 64% feeling uncomfortable talking about money (The Times, 2018, para. 3). Often the subject of money is simply deemed to be too personal, causing confusion, embarrassment and discomfort (Goldberg & Lewis, 2000). Add to this the complexity of cultural norms and diversity across the globe (Almond & Verba, 1965; Baldock, 2016; Krambia-Kapardis, 2016) and it can become extremely difficult and distasteful, if not entirely inappropriate to discuss finances, with many people feeling offended

by such questions (Webb, 2004). Furthermore, certain cultures, particularly Arab, are built on relationships (Gelles, McFadden, Borum & Vossekuil, 2006) and fear of upsetting this critical and delicate balance can often stand in the way of effective questioning.

A further complexity is that members of bank staff who are obliged to conduct enquiries related to financial matters may feel intimidated by the customer, particularly so when questioning powerful heads of large multi-national organisations, celebrities, government officials, or political figureheads. Indeed, this was borne out during an investigation by the FCA into Barclays Bank whereby the bank admitted that it had failed to apply its usual standards of EDD that were required for PEPs as it “did not wish to inconvenience the clients” (FCA, 2015a, para. 4). This exemplifies the point that bank staff may feel pressurised, embarrassed (Webb, 2004) or awkward when raising confidential matters regarding sources of wealth with powerful, affluent customers. This difficulty can, of course, be compounded in certain corrupt jurisdictions, such as Syria, South Sudan or Somalia (Transparency International, 2018), where fear factors and intimidation may potentially come into play.

Details provided by customers are rarely challenged and answers are frequently accepted at face value. The UK regulator evidenced this in 2011, finding that over 40% of the banks sampled had failed to take meaningful steps to establish the intent and purpose of the proposed business relationship. Furthermore, questions regarding the customers’ requests for services or products that did not make economic sense were frequently left unanswered, whereas in other cases, meaningless replies were not

challenged. Three quarters of the banks in the regulator's sample failed to take adequate steps to establish the legitimacy of the source of wealth or funds. This was explicitly demonstrated by one relationship manager who stated "I don't know where the funds are coming from as I didn't know her at the time, but they are definitely hers", a statement which was readily accepted by the compliance analyst who had initially raised the query (FSA, 2011, p. 28). Almost half of the banks visited stopped asking questions at the first obstacle. This included incidents such as the customer having poor command of the English language, or where cultural sensitivities rendered it unacceptable to ask probing questions regarding the source of wealth and funds.

In its 2014 thematic review, the FCA stated that over a quarter of banks had failed to capture adequate information on the nature and intended purpose of the customer relationship, which was deemed to be an important part of the due diligence process, facilitating effective on-going monitoring. It also found that some banks were not willing to request information from prominent customers (FCA, 2014b). Indeed, the very requirement to even pose such questions was never welcomed by bankers (Levi, 2010) as they were likely to seek ways to satisfy their clients in order to develop the business (Ruce, 2011), or worse still, willfully ignore any concerning behavior (Levi, 2002).

When recently imposing a large fine upon Deutsche Bank, the FCA cited the key significant deficiencies as including inadequate CDD and the failure of the front office (in which relationship managers are based) to take responsibility of their KYC obligations. The size of the Deutsche Bank fine, being the largest financial penalty

imposed by the FCA for AML controls failings, reflected the seriousness of the situation, with the FCA commenting “We have repeatedly told firms how to comply with our AML requirements and the failings of Deutsche Bank are simply unacceptable” (FCA, 2017, para. 3). These comments demonstrate that such problems continue, despite guidance and warnings having been provided.

Suspicious Activity Reporting Processes

Whilst billions of pounds have been spent on developing compliance functions (Home Office, 2016a), policies and procedures, and implementing new technology to identify suspicious transactions, scant attention seems to have been given to those tasked with analysing and investigating such transactions, nor to those staff involved in on-boarding and screening new customers, who are effectively the gate keepers for the banks. Furthermore, banks appear to be struggling to implement basic measures, whereas the very risks that they are trying to mitigate are constantly evolving (Simser, 2012), thereby indicating that a robust yet flexible approach is required.

When UK banks identify suspicious behaviour they are obliged to report this to the NCA. During 2016 the NCA received 419,451 SARs, which are made under Part 7 of POCA and TACT, an increase of 9.84% on the previous year (NCA, 2017). 83.13% were from the banking sector, with building societies contributing a further 3.59%.

Globally, it is not known what percentage of SARs are useful leads for law enforcement as there is no comprehensive data held on the number of prosecutions or convictions (Harvey, 2005; NCA, 2015; Viritha, Mariappan & Haq, 2015). To compound matters, there are numerous examples of so-called ‘defensive reporting’

whereby banks file SARs relating to incomplete, or poorly executed investigations, merely to avoid criticism by the authorities for failing to act promptly (Axelrod, 2013; Favarel-Garrigues, Godefroy & Lascoumes, 2011; Grossey, 2016; Harvey, 2005; Home Affairs Committee, 2016; Marron, 2008; Sofia de Oliveira et al., 2017; Wesseling, 2013). According to Section 330 of POCA, regulated entities (such as banks) have an obligation to act on the basis of a mere suspicion and as such, SARs may be filed based on inconclusive results. SARs are frequently being submitted with the reason for suspicion merely being provided as ‘not in client profile’, or simply providing a list of client names (Grossey, 2016). In a recent report from Transparency International, it was stated that 42% of the most serious type of SARs, on an international level, were assessed as being incomplete or of poor quality, whilst a third of banks dismissed serious allegations of money laundering without adequate review (Transparency International UK, 2015). Applying such findings to the number of SARs filed during 2016 in the UK by banks alone would suggest that 176,169 (42% of the 419,451 recorded by the NCA in 2016 (NCA, 2017)) were inadequate to some degree. Clearly this is a significant issue, yet feedback from law enforcement does not systematically occur (Axelrod, 2017).

Consequential Impact

The impact of a deficient investigation not only fails to properly identify crime, it has repercussions for those who may be incorrectly associated with money laundering or terrorist activity. As Robin Booth, general counsel at BCL Burton Copeland and a veteran UK legal expert on money laundering commented:

I can't think of any other law which produces so much collateral damage . . . there are numerous instances where accounts have been

closed, banking references refused and innocent people have found their lives or their businesses disrupted or destroyed merely on the basis of a suspicion. (Money Laundering Bulletin, 2015, p. 24)

The consequence of filing a SAR without sufficient grounds for suspicion is an important perspective that seems to have been given little consideration, particularly if banks tend to err on the side of caution and take a defensive approach, or submit reports based on ambiguous findings. This is comparable to various miscarriages of justice that have occurred due to reliance being placed on circumstantial evidence (Poyser & Milne, 2015). The chances of a court requesting disclosure of a SAR during criminal or civil proceedings are increasing (Fisher, 2014) and indeed this is borne out by numerous examples in recent case law, namely *Iraj Parvizi v Barclays Bank* [2014] EWHC B2 (QB), *R v Da Silva* [2006] EWCA Crim 1654 and *Shah v HSBC Private Bank (UK) Ltd*. In *R v Da Silva* it was established that any suspicion must be ‘more than fanciful’ and that a ‘vague feeling of unease’ would not constitute suspicion, whereas *Shah v HSBC Private Bank (UK) Ltd* established that it was for the bank to establish the primary fact of suspicion in order to justify not having followed the customers’ instructions. This helped to define a clear benchmark that banks would need to be able to articulate precisely what their suspicion was. In *Iraj Parvizi v Barclays Bank*, the bank’s SAR was criticised for its lack of logic and detail, and evidence from the compliance analyst responsible for raising the suspicion was relied upon instead. However, the court mentioned that it was difficult to understand why the compliance analyst had failed to make contact with the relationship manager in order to clarify the situation. Indeed, the judge stated “It may well not be for this court to make this observation but I am surprised that she did not

take the obvious step of making an enquiry to Mr Parvizi’s relationship manager” (para. 13). This serves to illustrate the importance of the relationship manager’s role in the investigation process. Those firms submitting SARs must be prepared to stand by the content of the reports they file and justify their decisions; something that may be difficult to do when inconclusive or incomplete investigations are conducted.

The Impact of De-Risking

The overall cost of any compliance programme should also be carefully considered. Most banks adopt a risk based approach, as advocated by the FATF, applying AML methods that are proportionate to the risks identified within their business (FATF, 2015). However, if regulation and legislation become too expensive to implement efficiently, banks may choose to exit certain markets rather than innovate and find ways to make it work (Furst & Wagner, 2017), particularly as banks receive little or no recognition for proactive investigations (The Clearing House, 2017). Two large UK banks are closing 1000 personal and 600 corporate accounts each month between them due to the customer’s profile falling outside their risk appetite, whilst the UK Financial Ombudsman Service (FOS) reports seeing around 1000 complaints each year connected to account closure (Artingstall et al., 2016).

Needless to say, the media has picked up on this activity and has criticised banks, stating that the FOS receives “several hundred complaints relating to this each year” (Connington, 2016, para. 5). Another report suggests that “Over the past year 2,000 people have complained to the FOS about bank accounts being closed – often seemingly without any cause” (Boyce, 2017) and that the FOS found in favour of the customer in a third of such cases. It is not clear from such reports precisely how many

complaints are closed without a clear explanation, nor indeed how many of those complaints are associated with suspicious activities. Furthermore, as the NCA is exempt from the Freedom of Information Act (NCA, n.d.) it is difficult to establish a connection between account closures and suspicious activity. However, what is clear is that if banks are not undertaking adequate investigations, customers may find their accounts are closed and they have no opportunity to understand the reasons.

Whilst the FOS has dealt with many complaints from customers whose bank accounts have been closed without explanation, it is somewhat unusual for them to find in favour of the customers. As a recent Ombudsman decision states:

I should first explain that it's not for me or this service to tell the bank who it should offer accounts to. It's also up to the bank if it decides to close any existing accounts, which is exactly what its done here. I would however expect the bank to give reasonable notice to a customer if it is intending to close an account. (FOS, 2017, para. 6)

So aside from ensuring that practical steps have been taken, such as sending adequate notification to the correct address, the FOS is not in a position to comment on whether the decision to close the account was appropriate or not. To a large degree this is to be expected, as they would only be able to opine on a situation if they were given full access to the details of any suspicion. As banks are under a legal obligation to report their suspicions, they should not later be criticised by another organisation for doing so, even if their suspicions were unfounded. Furthermore, to enable the FOS to explain the circumstances to the customer they would need to divulge the

nature of the bank's concerns, which might constitute a tipping off offence (POCA, 2002). The consequence of this rather complex situation is that customers who may have been unfairly treated have no genuine recourse through this service. The position is further complicated by the fact that even if a customer makes a Subject Access Request to the bank under the Data Protection Act an exemption would likely apply as the data held relates to the prevention or detection of crime (ICO, n.d.).

As customers will not be advised of the reason for their account being closed if it is linked to suspicious activity, analysis of the FOS published cases reveals little to indicate whether such decisions were fair or reasonable. Of 50 recent decisions listed on the FOS website (FOS, 2017) that were identified using the search phrase "bank account closed" 12 clearly demonstrated that the complaint surrounded the fact that banks had closed the accounts without providing any explanation (see Appendix 1, Page 252). In all 12 cases, the FOS did not uphold the complaint as the bank was perfectly entitled to take such action and did not need to provide any explanation. It is notable, however, that in all of the remaining 38 cases descriptions were included relating to the reason for the account closure, such as dormancy or the breakdown of the relationship. Whilst it therefore remains unclear, it is possible that those cases that do not have explanations associated with them are those where the bank has detected some degree of unusual activity, or perhaps where the customer simply fell outside of the bank's risk appetite. Whether any suspicions were reasonable and fairly investigated is another matter.

This de-risking approach can have potentially serious consequences, impacting financial inclusion, consumer protection, competition and profitability (Darby, 2015).

By way of illustration, several banks that are struggling to make returns by providing correspondent banking services (the provision of banking services by one bank to another) in certain jurisdictions have decided to leave these markets. Whilst on the surface this may seem like an innocuous decision, the global impact can be significant. This is particularly so as correspondent banking services provide the key element of cross-border transactions and therefore any reduction can result in geographical imbalances, with smaller banks in particular being affected, isolating them from international markets (BIS, 2015). Similarly, high-risk clients, such as money service businesses and charities have made headline news when their banking services have been withdrawn (Fisher, 2016). Of note was the case involving money transfer service Dahabshiil, where an injunction was granted to prevent Barclays Bank from closing their accounts. It was argued that such closures could have catastrophic human consequences due to the reliance of Somali people on receiving remittances from the UK, totaling more than £100 million per year, and the lack of any conventional banking system (Darby, 2015; Lane, 2013). Likewise, HSBC implemented an extensive de-risking programme in which all accounts held by money service businesses were exited with just 30 days' notice (ACAMS, 2014).

Financial inclusion is regarded as a key enabler to the reduction of poverty. It is therefore important that all adults, many in some of the poorest areas in the world, have access to banking services (GPII, 2016; Leong, 2007; World Bank, 2016). Electing not to provide such services in these regions due to the difficulties of implementing an effective AML programme is therefore not a suitable solution. Furthermore, the Payments Account Directive (2014) ensures that EU residents are entitled to open and use a basic bank account, thereby limiting the extent to which

banks can impose selective criteria against undesirable customers. It is therefore vital that banks have a credible and effective AML program that does not discriminate arbitrarily, but facilitates fair and reasoned decisions.

Incomplete or inadequate AML investigations not only allow criminal activity to continue unreported, but can also have a detrimental effect on those wrongly accused. This is comparable to the impact of poor investigations within the police that can result in dangerous offenders walking free and the innocent being wrongly convicted (Gross & Shaffer, 2012). Understanding what tools might be available to assist when undertaking the difficult conversations that surround AML investigations is therefore imperative when considering how banks might improve.

For many years now, the police have used two key interviewing techniques to help with their enquiries; the Cognitive Interview (CI), which is designed to enhance memory and recall with cooperative witnesses and suspects (Clarke & Milne, 2016; Kebbell, Milne & Wagstaff, 1999) and Conversation Management (CM), which assists when dealing with difficult interviewees (Clarke & Milne, 2001; Milne & Bull, 1999; Schollum, 2005; Shepherd & Griffiths, 2013). The objective of these procedures is to view the investigation as a search for a reliable account as opposed to merely obtaining a confession that could ultimately lead to a conviction (Williamson, Newburn & Wright, 2007).

The effectiveness of both the CI and CM has been extensively examined (see Meissner et al., 2014 for a meta-analysis). There is also academic writing that examines the application and implementation of the CI and CM when applied within

the public sector (Shawyer & Milne, 2015; Walsh & Bull, 2011; Walsh & Bull, 2015). However, there is little available literature concerning the use of either the CI or CM within the private sector (Walsh & Milne, 2007). The lack of academic literature in this area means that it is an extremely poorly examined field, with scant supporting evidence to determine whether there are any elements that might be suitable for implementation within banking. Furthermore, much of the available literature relating to the private sector refers to the application of interviewing practices within fraud investigation whereas this thesis is concerned specifically with AML investigations. That is not to say of course that fraud is not also a major issue for banks to contend with; it is merely that this was not the nucleus of this research. Nevertheless, international best practice guidelines have a common underlying tenet that the use of non-leading, open-ended questions maximises the accuracy of the information obtained and minimises confusion or mis-understanding (Milne & Powell, 2010).

Social skills are comprised of behaviours that can be learned and developed and as such, it should be possible to train individuals to undertake interviewing tasks in a more structured, appropriate manner using open questions that encourage respondents to talk freely (Hargie, Saunders & Dickson, 1994). Indeed, the superiority of asking open questions to obtain accurate and complete information has been overwhelming demonstrated amongst academic researchers (Bull, 2010; Lamb, Sternberg & Esplin, 1998; Myklebust & Bjørklund, 2006; Oxburgh, Myklebust & Grant, 2010b; Poole & Lamb, 1998). Both the CI and CM encourage the appropriate use of different question types, hence this important topic is examined further in the next section.

Question Types

The categorisation of question types can vary significantly between different academic researchers, although the majority agree that open questions produce longer and more detailed, accurate responses (Oxburgh et al., 2010b) as there is less undue influence of the interviewer over the interviewee (Milne & Bull, 2016) and subsequently less contamination of the detail provided (Fisher, Geiselman & Raymond 1987; Meissner, 2002). Griffiths and Milne (2006) argue for a more functional definition of question types, which they term productive and unproductive. The productive category should be used when obtaining an initial account from the interviewee and includes both open questions (those tending to start with ‘Tell’ or ‘Describe’) and probing questions (those requiring a substantive response, usually commencing with ‘Who’, ‘What’, ‘Why’, ‘Where’, ‘When’ or ‘How’). The unproductive category, which is associated with poor questioning, includes closed questions (those that would prompt a ‘yes’ or ‘no’ response, or a single word reply), leading questions (those that suggest an answer), multiple questions (those which contain a number of different questions, all asked at once), forced choice questions (those that only offer a limited number of responses) and opinions or statements (instances where no actual question is posed yet a response is expected). Research has shown that the use of unproductive question types can affect the quality of the information supplied, or can contaminate details of the event being recalled, according to the conditions at the point of retrieval (Fisher, Milne & Bull, 2011). This is because such question types encourage the interviewee to withhold information, particularly that which they are unsure of, to provide brief responses, and to withhold unsolicited information (Fisher & Geiselman, 2010). Interviewer-driven questioning styles and the use of unproductive question types can cause a decrease in the accuracy

of memory and further contamination upon subsequent interview attempts (Meissner, 2002).

Memory involves three distinct processes; that of encoding, storage and retrieval, and if any one of these stages fails, the information may be lost (Brainerd, Reyna, Howe, Kingma & Guttentag, 1990). Numerous factors can affect the encoding of complex events, such as the level of alcohol consumption (Read, Yuille & Tollestrup, 1992), stress (Yuille, Davies, Gibling, Marxsen & Porter, 1994), or the level of violence associated with an incident (McLeod & Shepherd, 1986). In order to reduce contamination or interference with memory, particularly with those who may be deemed vulnerable, such as those with learning disabilities, certain practices, such as asking leading or forced choice questions, should be avoided (Powell, Fisher & Wright, 2005). Open questions such as ‘Tell me what happened’ have been shown to elicit the most accurate recollection of events (Lipton, 1977; Snook, Luther, Quinlan & Milne, 2012). Conversely, leading or misleading questions such as ‘You did see him pull out the knife, didn’t you?’ are likely to result in inaccurate responses (Griffiths & Milne, 2006). Multiple questions such as ‘How did you get there and what did you do inside?’ are particularly confusing as it is not clear which part the interviewee is responding to (Griffiths & Milne, 2006; Milne & Bull, 1999). Although there are instances where closed questions are deemed appropriate, these are generally used at the conclusion of a discussion topic and follow open and probing questions to confirm or clarify information already supplied, or to establish a legal point. Using closed questions at an inappropriate stage of an interview, for example during the initial opening stages, renders them unproductive and can encourage the interviewee to expect short-answer questions throughout (Milne &

Bull, 1999). It is therefore important to consider not only what type of question is used, but also the point at which it is posed within an interview (see Griffiths Question Map (GQM) in Griffiths & Milne, 2006 for a detailed discussion on question types and the importance of context). The GQM plotted eight codified question types across a time sequence to show at which point they were asked during an interview. Griffiths and Milne (2006) thereby identified that a skilled questioning strategy should commence with open questions to help encourage a free recall, followed by probing questions that would provide finer details, with closed questions only being used to verify or validate previously supplied information. Such appropriate questioning helps to reduce the risk of false confessions or the production of unreliable information and avoids interference with information that has been encoded by the individual (Shawyer, 2009). Accordingly, the question types used in AML investigations, and the effect these have on the level of information obtained, warrants consideration.

Inadequate or inappropriate questioning, such as the use of leading, complex or forced choice questions, can result in events being recalled incorrectly (Griffiths & Milne, 2006; Milne & Bull, 1999), which is a key concern within banking. If an applicant is asked to disclose their source of wealth and they provide an ambiguous or unreliable explanation, this would likely be regarded as an indication of deception, potentially to disguise the true origin of their finances. However, the reality may simply be that the interviewer is not using the appropriate strategy to help the customer tap into the correct memory type in order to recall the detail of an event to the standard required (Milne, 2004). Episodic memory holds information relating to specific, context bound events, such as getting married, and retrieval of these events

is generally thorough and detailed, whereas semantic memory holds general knowledge, such as the name of the Prime Minister, and information about what to expect and how to behave in various situations, for example, what routinely happens when visiting a restaurant (Tulving, 1972). Consequently, semantic memory is less detailed and precise. When questioning customers about their banking activities, consideration has to be given to the fact that for the vast majority of customers, they will be relying on their semantic memory to recall everyday events. As such, vague responses should not necessarily be considered as an indication of deceit. However, when questioning an exceptionally large transaction, which is out of character with the general account activity, it is likely that these funds will be associated with a specific event, such as the sale of a house. Accordingly, the information should be far more detailed as it will have been stored in episodic memory. Open questions are preferable as they encourage the respondent to provide as much detail as they remember, this being associated with more accurate and full accounts. Conversely, closed questions engage recognition memory processes, which tend to narrow the retrieval of information and are prone to error (Oxburg, Ost & Cherryman, 2010a; Sternberg, Lamb, Esplin, Orbach & Hershkowitz, 2002).

When examining question types, particularly when limited to written formats, such as those in AML investigations, it is useful to establish the open-closed ratio (OCR), as originally formulated by Fisher, Geiselman and Raymond (1987). They considered that a high proportion of open questions would enhance the overall quality of information received. Their initial study reported an OCR of 1:9, meaning that for every open question raised, there were nine closed questions. More recent research indicated that almost half of the interview questions analysed were closed questions

(MacDonald et al., 2016) indicating the continuing prevalence of this issue. However, there are discrepancies over the definitions and categorisation of open and closed questions amongst academic researchers (Oxburgh, 2011; Oxburgh et al., 2010a). This means that conducting such analysis in isolation cannot provide conclusive results. Instead, such findings should be considered as part of a package of analysis (as has been conducted for this thesis), with a clear framework of question types being pre-determined.

Whilst open questions may elicit longer and more accurate responses, this does not necessarily equate to the information being relevant to an investigation (Phillips, Oxburgh, Gavin & Myklebust, 2012). The ‘ingredients’ of such quality information, termed as *investigation relevant information* (IRI), can be used to code the responses provided by interviewees using certain category headings such as *Person, Action, Location, Item* and *Temporal* details (Oxburgh et al., 2010a, p. 263-264). The presence of these ‘ingredients’ establishes who was involved, what happened, where it happened, what items (if any) were involved, and when each aspect of an incident took place. Comparing the amount of IRI received in response to appropriate questions versus inappropriate questions can demonstrate which question types are most suitable in different settings. This can be a particularly useful measure when assessing the level of detail provided by customers that are the subject of AML investigations.

Stokoe and Edwards (2008) studied the use of ‘silly questions’ in police interviews; these being questions that have an obvious ‘yes’ or ‘no’ answer and, to a large degree, are self-incriminating. The purpose of such questions is often to obtain and confirm

evidence of criminal intent for later use in court, an example being ‘Did you know it was wrong to smash your neighbour’s window?’. Such questions are generally presented after the suspect has already confessed to the allegations. Whilst such questions may well have a suitable place in a police environment, they are less appropriate in other settings, particularly those that are intended to gather initial information. To illustrate, it would generally not be advisable for a compliance analyst to ask a relationship manager ‘Are you happy with your customer’s account activity?’ as a negative response could raise the question as to why they had not already taken action to mitigate the risk identified (potentially filing a report with law enforcement), and hence this could be self-incriminating. Such questions not only prompt a ‘yes’ or ‘no’ reply, but also are far too vague and ambiguous for the relationship manager to provide any meaningful response (Bryman, 2012). Furthermore, it unclear as to whether the relationship manager should be commenting on the value or the volume of transactions, or perhaps the specific counter-parties with whom the customer is dealing. If the account is generating a healthy profit for the relationship manager, they are likely to be delighted with the activity, irrespective of any financial crime risks. The problem with such questions is that some recipients, despite finding them *meaningless*, may still attempt to answer them, providing responses that they believe will be satisfactory (Payne, 1950).

Whilst the use of open or appropriate questions forms the foundation of a good quality investigation, it is also important to understand precisely *how* those questions are asked (Clifton, 2006). Conversation analysis is a highly sophisticated way of studying talk in interaction, including the utterances themselves, pauses, emphases and sounds (Bryman, 2012) and is examined in the following section.

Conversation Analysis

There are three contributing factors that are regularly deployed when questioning across languages: grammar, prosody and epistemic asymmetry. Polar (yes / no) questions can be asked in different formats, such as the inverted interrogative (e.g. Did she attend the meeting?), a negative interrogative (e.g. Didn't she attend the meeting?) or phrased as a tag question (e.g. She attended the meeting, didn't she?) (Hayano, 2013). Interrogative prosody is commonly deployed with such questions, for example, rising intonation (Hedberg, Sosa & Görgülü, 2014). However, intonation does not necessarily denote a polar question and it is "recipient-tilted epistemic asymmetry that contributes to hearing an utterance as a question" (Hayano, 2013, p. 397). This means that a declarative sentence, without rising intonation, might be treated by the respondent as a polar question based on shared understandings as to who is expected to have the knowledge to confirm or disconfirm the statement. This could certainly apply to most communications between compliance analysts and relationship managers as the very purpose of making contact would be to obtain clarification, even if the utterance was not phrased as an actual question. However, there are significant differences of intonation between native and non-native English speakers (Verdugo & Trillo, 2005) and as bank communications are frequently conducted on an international basis, this presents opportunity for misunderstanding, particularly where cultural differences are also present. Furthermore, as many bank communications take place in writing, precisely what implied intonation might be applied is subject to the recipient's own interpretation. Understanding precisely how questions are constructed is therefore an important element when examining the reasons why poor quality answers might be provided.

The act of raising a question suggests that the questioner has the social right to ask, and the recipient has a corresponding social obligation to respond (Heritage & Raymond, 2012). However, as outlined earlier, many bank customers may not wish to discuss their personal wealth and relationship managers are not necessarily comfortable asking potentially intrusive questions, so this social norm is perhaps missing in AML enquiries. Furthermore, different question designs can adjust the epistemic gradient between the questioner and the respondent, suggesting different levels of knowledge already held and different levels of information required by response. By way of illustration, ‘Who did you pay?’ (a content question) or ‘Did you pay Jane?’ (an interrogative question) or ‘You paid Jane, didn’t you?’ (a tag question) suggest that the level of information already held by the questioner is different in each instance (Hayano, 2013). The first of these utterances invites elaboration, whereas the second and third seek to confirm information already held (Heritage, 2012). Consequently, each will illicit different quantities of information from the respondent. Individuals’ understanding of any utterance will often unfold only as the conversation sequence itself unfolds, as opposed to being directed by their existing views and beliefs (Hutchby & Wooffitt, 2008), with each speaker displaying an understanding of turn-taking, with one party talking at a time (Bryman, 2012; Hargie, 2011; Sacks, Schegloff & Jefferson, 1974). It is therefore important that if a limited response is obtained, the construction of the question itself should be examined.

In addition to understanding how questions can impact upon the level of detail provided, individuals employed in commercial industries such as banks need to maintain an appropriate relationship with the customer, which naturally means observing certain norms of politeness and deference. Requesting information from a

customer is inherently an imposition (Hultgren & Cameron, 2010) and as such, the questions used require careful negotiation. The relationship between the relationship manager and the compliance analyst is also one that requires scrutiny as different identities and hierarchy may be apparent through the discourse (Gee, 2014). Whilst the relationship manager brings business into the bank, the compliance analyst can report customers to law enforcement and ultimately close the account. Hence both warrant respect for their respective duties and it is therefore important that the language used in any discourse reflects this.

As illustrated earlier in the literature review, AML investigations generally have several parties involved in the conversation: the compliance analyst, the relationship manager and the customer. That being the case, the relationship manager will usually be in a position of 'brokering' the conversation. This means that the questions ultimately presented to the customer will not necessarily be those originally raised, but will instead reflect the relationship manager's interpretation of what needs to be asked. This will naturally impact upon the grammar, prosody and epistemic asymmetry factors, particularly the latter as the relationship manager, by virtue of their job, should possess far more knowledge about the customer than the independent compliance analyst. Consequently, this may mean that the epistemic gradient shifts and the question format may vary, which in turn could produce very limited amounts of detail from the customer. The compliance analyst could subsequently interpret this as the customer being obstructive. Conversely, the relationship manager may actually assist the course of the enquiry by facilitating the customer's understanding of the compliance analyst's requirements, particularly if the enquiries are being translated across different languages. As Raymond (2014)

observed in studies of epistemic brokering in interpreter-mediated medical visits, co-participants to the conversations (in this case language interpreters) were often noted to bridge the knowledge gap between doctor and patient, thereby improving the understanding of both parties.

There are no known studies that examine the effect that relationship managers may have on the course of enquiries when in brokering positions and this is an area in which further research is warranted. There has been relatively little research that specifically examines the communications that take place in a commercial business environment (Clifton, 2016; Forey, 2004; Hayano, 2013), yet alone one which is also tasked with undertaking enquiries related to matters of financial crime, despite the fact that the relevance of conversation analysis within business is obvious (Greatbatch & Clark, 2017). Many of the studies over the years have used general, everyday conversations, such as those between family members (Hedberg et al., 2014; Heritage, 2012; Jefferson, 2004; Stivers & Rosano, 2010), or those involving sales and marketing (Woodside, 2016). Although Woodside's study covered the somewhat delicate topic of life insurance, the conversations did not appear to include difficult or personal questions and did not broach awkward matters such as mortality. The interactions between doctor and patient have been more extensively analysed (Beach, 2013). However, most patients are likely to understand the purpose and benefit of personal questioning, unlike bank enquiries, which may appear inappropriate and intrusive. Defining institutional discourse can be problematic, although interactions between doctor and patients or the police and the public are perhaps more obvious examples (Haworth, 2006). However, the discourse (and associated power, control and hierarchy) between a relationship manager and their

customer could vary significantly depending on the length and intimacy of that relationship. One of the most comprehensive collections of studies (Wooffitt, 2005) was drawn together by Drew and Heritage in 1992. They set out to examine conversations across a wide variety of different institutions and although their research included court proceedings, job interviews, news interviews and health consultations, dialogue between an organisation and its paying customers was not included.

Recognition should also be given to the linguistic argument that the phrasing of a question alone does not determine its function and that “the meaning of an utterance is mostly determined by contextual influences” (Oxburgh et al., 2010b, p. 55). Even when questions or utterances are poorly constructed the intention can often be clearly understood, dependent on the social, legal and physical context, along with the background knowledge of the participants and shared assumptions, resources and jargon (Holmes & Stubbs, 2015). Of course, where such questions occur during a spoken or ‘live’ conversation any inappropriate response can immediately be clarified or rectified, whereas such opportunity does not exist in protracted written communications. Hence the correct phrasing of questions is considerably more important when the ‘conversation’ is not being conducted in real-time.

Written Communications & Linguistic Analysis

In a commercial environment there are likely to be many instances where conversations cannot take place face-to-face, perhaps due to geographical restraints or where internal systems or email are preferred in order to retain an audit trail. People seek to accomplish things when they write and will use different strategies to create

different effects (Bryman, 2012). Choices are made in the way the language used is constructed, which will reflect the disposition or opinion of the person drafting it.

In 1999 Gains demonstrated that 92% of the 62 commercial emails that were sampled contained no opening greeting at the beginning of the message, which was interpreted as a convention for use of the system. Furthermore, 42% of email senders provided only their name to close the message and 40% employed some variation of 'thank you'. In general the writing style within the emails was largely consistent, grammatically correct, and could be "characterised as using the semi-formal tone of co-operative business colleagues" (Gains, 1999, p. 86). Subsequent studies into language used on the internet (Crystal, 2001; Gimenez, 2000; Li, 2000) commented on the emergence of a universal email language, characterised by the absence of grammatical rules (in contrast to Gains' earlier findings), the adoption of abbreviations, and an informal style. However, such comments were subsequently contradicted due to the enormous diversity and purposes for which email might be used, with language variation being attributed to age, gender and region (Androutsopoulos, 2006). Moreover, greater formality of opening and closing formulae can be expected in situations where there is a degree of social distance (McKeown & Zhang, 2015) such as a student-teacher relationship.

In addition to email related studies, several researchers have conducted text analyses using the Linguistic Inquiry Word Count (LIWC) tool. LIWC is a transparent text analysis software program that tabulates the number of words that fall into psychology-relevant categories or 'dimensions', providing a 'fingerprint' of the language used (Lin, Lin, Wen & Chu, 2016; Pennebaker & Graybeal, 2001). The

majority of LIWC output is expressed as a percentage of total words used. The program codes each individual word into appropriate categories and where words fall into multiple categories, all categories are incremented. LIWC then calculates the percentage that each category was used in the given text (Tausczik & Pennebaker, 2010). There are six exceptions to this process: the overall Word Count; the number of Words per Sentence; and four Summary Variables, which are based on algorithms that reflect a scale ranging from 0 to 100. The Summary Variables are: Analytical thinking – with higher numbers indicating more formal, logical and hierarchical thinking; Clout – with higher numbers suggesting more expertise and confidence; Authentic – with higher numbers suggesting a more honest, personal and disclosing text; and Emotional tone – with higher numbers being associated with a more positive, upbeat style (Pennebaker, Booth, Boyd & Francis, 2015). Each of the Summary Variables are standardised composites based on previously published research (LIWC, 2015). However, one of the limitations associated with these Summary Variables is that they are not transparent (Pennebaker, Boyd, Jordan & Blackburn, 2015) as the precise algorithms are not available due to commercial agreements (Pennebaker et al., 2015). Hence it is not possible to fully comprehend how the scores for the four Summary Variables are calculated, meaning that their application is somewhat restricted. A further limitation of LIWC is that it is rather crude in that context, irony, sarcasm and idioms are ignored (Tausczik & Pennebaker, 2010).

Using LIWC, Simmons, Chambless and Gordon (2008) observed that the use of first-person plurals (we, our, us) and second-person pronouns (you, your, thou) had a negative effect on close relationships, with increased levels of hostility and criticism.

Conversely, the use of first-person singular words (I, me, mine) were shown to have positive effects. However, the usage of particular words is highly contextual and findings may differ across various settings, such as under laboratory conditions or in the workplace, or across different groups of people (Tausczik & Pennebaker, 2010). Nonetheless, it remains interesting to establish whether the use of particular pronouns can have an impact upon the output of specific conversations and communications.

A study by Sexton and Helmreich (2000) examined critical communications that took place within flight cockpits and analysed the links between the language used and the performance achieved, again using LIWC. When considering the difference in language used as a function of position and workload within flight cockpits, they found that first-person plurals (we, our, us) were used most frequently by Captains, possibly to encourage team building and co-operation. Unlike the findings of Simmons et al. (2008), the use of first-person plurals (we, our, us) were positively correlated with performance and communication. There was also a positive correlation between the number of words used and the overall team performance, in line with previous research (Foushee & Manos, 1981; Ruffell Smith, 1979; Siskel & Flexman, 1962). Conversely, words with more than six letters tended to have a negative impact, indicating that concise vocabulary was preferable. Their use of LIWC was, however, limited to just four categories (Word count, Sixltr, We and Achieve) and only a small sample size was used. Notwithstanding the limitations, the output from this study applies not only to flight cockpits, but to many areas where communication is key to success and formation of relationships can be driven by the language used.

Similarly, Burcu Bayram and Ta (2018) evaluated diplomats' linguistic style using LIWC. Their aim was to measure the extent to which international diplomats matched each other's speaking style, particularly in terms of the function words used. Their research indicated that the style of language influenced the outcome of negotiations by allowing the establishment of common ground and mutual understanding. LIWC was deemed an important component of their research as it facilitated analysis of crucial constructs that were essential to international negotiation, such as trust and intention to compromise. Whilst a key strength of their research was that their data came from actual diplomats discussing real political issues, the negotiations were not dyadic. Instead, negotiators each had one speaking turn, thus the ebb and flow of language was limited. Their study concluded that future researchers may wish to analyse whether linguistic styles influenced negotiation success. The knowledge gained from this study and the other studies cited indicated that a similar approach, using LIWC to complement additional research, could be valuable when examining the communications that take place within AML investigations.

Irrespective of the quality of the relationship between two parties, a well-written email is considered more credible than one that is poorly constructed and is consequently more likely to achieve its aim (Ofulue, 2010). Furthermore, it is imperative that communications are polite, as treating colleagues with consideration is more likely to result in cooperation, which in turn will achieve the workplace goals (Eelen, 2014; Holmes & Stubbe, 2015). Accordingly, studies set within the workplace should consider the tone, courtesy and politeness of any relevant communications.

With considerable divergence over the basic language adopted in email, it seems that certain social skills and pleasantries that may often be employed during face-to-face conversations or in more formal forms of writing are likely to be absent, or of variable quality. Likewise question formats and styles may differ to those raised verbally and subsequently may be interpreted differently, particularly due to the absence of prosody and the lack of understanding that develops through turn-taking in spoken dialogue. How an utterance is interpreted often only unfolds as the conversation sequence itself unfolds (Hutchby & Wooffitt, 2008) and in the case of written communication this opportunity is lost. In order for any communication to be fully understood it needs to be clear both who is saying it and what the person saying it is trying to achieve (Gee, 2014). In the case of email exchanges between a compliance analyst and a relationship manager, this would require a degree of introduction and background information relating to the concerns.

Written narratives may also be problematic in terms of relaying accurate detail as the writer (which could be either the relationship manager or the compliance analyst depending on the stage of the process) is in complete control of what is reported. How the story is constructed and edited by the relationship manager is subject to his or her own frame of reference, attitude and motivation (Shepherd & Mortimer, 1999). This means that they will reproduce what is deemed to be appropriate from their perspective, based on their aims and ideologies, with dialogue gaps or overlaps being omitted (Caldas-Coulthard, 2008). Negative inferences are often drawn when there are gaps in the conversation (Wooffitt, 2005) and if these gaps are not reported, any difficulties encountered in obtaining the information will not necessarily be apparent. It is therefore not possible for the compliance analyst to know whether the customer's

explanation was delivered spontaneously, or whether the relationship manager has directed or prompted the customer in some way. The accuracy of the detail provided is therefore difficult to measure. Whilst it is acknowledged that in many instances the basic story does not change, the associated circumstances and details often do (De Fina & Georgakopoulou, 2012). Additionally, if elements of the story are poorly understood or are unfamiliar they may be inferred when the story is being reconstructed (van Dijk & Kintsch, 1978). This could therefore present a problem to the compliance analyst who is attempting to ascertain the veracity of the explanation provided.

Research by Sturges and Hanrahan (2004) suggests that when collecting qualitative data, as would generally be the case in an AML investigation, the quality of that data remains consistent, irrespective of the medium used (either face-to-face or over the telephone). However, this was somewhat contradicted by Irvine, Drew and Sainsbury (2012), who observed a number of key differences between the two mediums. This latter study drew upon conversation analysis techniques and concepts (such as turn-taking and overlapping speech) to ensure a detailed and systematic approach to the research. From an investigation perspective, the most positive findings from Irvine, Drew and Sainsbury's 2012 research were that the use of the telephone increased requests for clarification and checks by the interviewee on the adequacy of the responses provided. Whilst the telephone interviews were slightly shorter than the face-to-face interviews, the important aspect in an AML investigation is that the detail captured is accurate. The assumption that telephone interviews are inferior to face-to-face interviews may emanate from concern that a lack of visual cues could lead to data loss or interpretation difficulties. However, there is little evidence of this

occurring in practice (Bryman, 2012; Novick, 2008; Stephens, 2007), although there are few studies that compare the two mediums in practical, non-research settings (Shuy, 2003). Nevertheless, it is considered that talking to someone face-to-face provides a greater richness of social cues and consequently it is the medium most preferred by organisations (Hargie, 2011).

Some of the advantages that may be obtained when conducting either a telephone or face-to-face interview are lost when the questions are raised in writing (Marshall, 2016). Written communications, whilst often well suited to quantitative research such as a questionnaire with a finite list of response options, are less appropriate when conducting qualitative interviews in which the possibility remains that the emerging details might be very different to those predicted (Britten, 1995). Furthermore, when the written format is used during the course of an investigation, the opportunity to introduce unexpected questions, that generate descriptive and spontaneous responses from those telling the truth (Vrij et al., 2018), is also removed as the respondent has plenty of time to contemplate their reply (Hartwig, Granhag & Strömwall, 2007). In the context of an AML investigation, it would therefore seem pertinent that written enquiries are only directed to customers as a last resort, despite the potential time and cost benefits associated with doing so (Akbayrak, 2000; Opendakker, 2006).

In order to appreciate how some of these different questioning techniques and considerations might be applied within banking the following section examines the steps have been introduced across public and private sectors and the extent of their success. Although much of the available academic literature relates to public sector fraud, this still provides a useful comparison. There is less published material

available for the private sector and consequently the benefit of applying various questioning techniques in this field is rather more difficult to assess.

Public and Private Sectors

The CI first appeared in training materials for the Department of Work and Pensions (DWP) in 1999 (Walsh & Milne, 2007). Other public sector counter fraud specialists, such as those in the National Health Service (NHS) (Frimpong, 2013) and Inland Revenue (now HMRC) also adopted similar techniques during the late 1990s as standard (Shawyer & Walsh, 2007). However, it was noted within the Butterworth Report that whilst enhanced interview techniques training was compulsory, normally being delivered to HM Customs and Excise investigators during their first two years, regular formal training ceased after this period. This deficiency was clearly identified, although a prescriptive solution was not provided (HM Treasury, 2003).

The Scampton Report (2000) and the Grabiner Report on *The Informal Economy* (2000) both called for high degrees of professionalism within counter fraud investigations, which led to improvements and the development of a training package for investigators, part of which incorporates interviewing practices (Button, Johnston, Frimpong & Smith, 2007; Shawyer, 2009). Both the DWP and the NHS introduced means to create professional counter fraud infrastructures through the implementation of accredited training packages, developing counter fraud specialists with interviewing skills being pivotal to their role (Doig, 2006; Shawyer & Milne, 2015). This evolved further to include other government departments and the private sector and the creation of the Counter Fraud Professional Accreditation Board (CFPAB). However, there was a distinct absence of empirical data analysing these measures

(Button et al., 2007), yet alone examining the interviewing abilities of the staff employed. Nevertheless, the foundations of disciplined interviewing practices had been implemented, upon which developments and improvements could be made. The approach adopted by both the DWP and the NHS is one that could act as a basis for the development of appropriate questioning skills within the banking industry.

In their 2007 study Walsh and Milne detected that 68% of benefit fraud investigators had already prejudged the suspect as being guilty prior to the interview taking place. They noted that interviewing fraud suspects was an important task and it was therefore surprising that such little analysis of this had been conducted. This is particularly significant when considering the fact that recent meta-analysis of both field and laboratory studies revealed that an information-gathering approach was found to be far more effective in eliciting accurate responses than accusatorial methods (Meissner et al., 2014). Confirmation bias can lead those conducting interviews to only seek evidence that supports their expectations or hypotheses, whilst simultaneously disregarding details that contradict their beliefs (Hill, Memon & McGeorge, 2008). This is exacerbated by the fact that many DWP interviews are conducted under caution and are recorded, with a large amount of evidence having already been collected by the time the interview takes place (Walsh & Milne, 2008). Interviews within banks tend to take place either at account opening stage or following unusual account activity. Whilst the latter might prompt some form of concern, suspicion at the account opening stage would generally only develop if the customer presented incomplete or incomprehensible responses to the initial questions posed.

Walsh and Milne (2008) also examined the interviewing abilities of benefit fraud investigators working in the public sector. The study determined that interviews were conducted on a professional and ethical basis whether the interviewer was trained or not. The study concluded that the majority of investigators still needed to develop their skills further. Shawyer (2009) revealed through her research that whilst there were some mixed views, notably regarding timescales, 61% stated that the training had positively influenced their interviewing style. These findings broadly reflect those of Walsh and Milne (2007) and Clarke and Milne (2001). Shawyer's results also indicated that as the DWP interviews were generally much shorter than those of the police a basic format should be adapted to suit different types of interview.

Walsh and Bull (2010) analysed a sample of 142 DWP interviews, the findings of which indicated that the interviewing techniques displayed were mediocre. The reasons for this apparent low quality included the seemingly trivial nature of the offences in question, when compared to the police, combined with the lack of external scrutiny. Additionally, the cases examined were frequently concluded outside of the criminal justice system, with the quantity of sanctions imposed being the measures of success. This was deemed to be misleading as it was suggestive of high quality interviewing skills when this was not necessarily the case.

Naturally, the skill of the individual interviewer also comes into play, with Walsh and Bull (2010) observing that inferior DWP fraud investigators would lose confidence and struggle when presented with complex fraud cases or denials of guilt and adopt a submissive approach. Indeed, this incompetence was exacerbated by attempts to complete the interview quickly as soon as any vague acknowledgement of

wrongdoing was proffered. Reinforcement and expert instruction are essential components of skilled behaviour and feedback is crucial to effective performance, otherwise such skills will not improve or may even deteriorate (Collins & Collins, 1992; Ericsson, Krampe & Tesch-Römer, 1993; Powell, Hughes-Scholes, Smith & Sharman, 2014). This supports the concept that follow up supervision must be provided to those who undertake any form of interview training to ensure that the learned skills are developed and maintained (Clarke & Milne, 2001; Clarke & Milne, 2016; Davies, Bull & Milne, 2016; Milne & Bull, 2003a; Stockdale, 1993; Walsh & Bull, 2011). The infrequency of self-evaluation and examination of interviews was something that Milne and Bull (2003a) considered to be quite bewildering.

Gee, Button and Cook (2010, p. 3) created the “most extensive and most comprehensive report yet undertaken into the resilience of UK public sector bodies to fraud”, evidencing that overall, public sector bodies were better protected than the private sector or charities. Their research revealed that specialist counter fraud training varied widely from just 49% of professionally trained staff within central government to 94% within the NHS, although the majority of participants did not ensure that such training was updated or refreshed regularly. The interviewing process itself was not examined as part of this study, which could perhaps be an interesting area for further development. Nevertheless, this research serves to again demonstrate that even within public bodies, such as the NHS, where training is extensive, this is still not being appropriately refreshed, despite the clear need to do so.

Walsh and Bull (2012) reviewed 85 interviews with suspects of benefit fraud in order to examine interviewer skill levels. Their research found that confessions were more likely when a skilful interviewer displayed certain tactics such as disclosing evidence or summarising regularly. Shawyer and Milne's later study (2015) sought to identify the beliefs and attitudes of those interviewing within the police ($n=35$) and the DWP ($n=76$). Of some concern was that 97% of the police and 92% of DWP investigators believed that the suspect was guilty prior to the interview taking place. Furthermore, they held common, but distorted, beliefs that deception could be detected from body language. All found the interviewing skills they had learnt useful and whilst each had reservations regarding suitability, these were for different reasons. The police cases were long and complex, which created difficulty, whereas the DWP found the processes too cumbersome for their interviews, which were much shorter in comparison. These findings indicate the importance of the flexibility of the format to suit the requirements, something that would certainly need to be factored in if used within the private sector due to the commercial considerations.

There is an abundance of research into the implementation, development and success of the CI, albeit predominately within the laboratory (see Köhnken, Milne, Memon, & Bull, 1999; Meissner et al., 2014; Memon, Meissner, & Fraser, 2010 for meta-analyses). Whilst this is informative, it does not directly relate to financial services, nor does it apply in a customer service scenario, which must also cater for genuine cases in an effective manner. It has recently been estimated that each bank customer costs between £10 and £140 to investigate, rising beyond this where senior experts are involved (Artingstall et al., 2016). It is therefore vital that investigations can be conducted in a commercially viable manner and that associated regulation is able to

“minimise the illegitimate exploitation without wrecking the economic dynamism”
(Levi, 1996, p. 3).

There are numerous similarities between banking and insurance in terms of preventing, investigating and resolving matters, and the forensic skills required in one field apply equally to the other (Silverstone, Sheetz, Pedneault & Rudewicz, 2012). As such, successes observed within the insurance sector should be capable of being transferred into the banking sector. However, there was limited evidence found of insurance related academic research that could offer insight into the value of applying different questioning techniques.

Morley, Ball and Ormerod (2006) conducted research into insurance fraud detection methods. Even though this was limited to assessment within two companies and explored various attitudes, training and practices, rather than being specifically focused on questioning techniques, their findings demonstrated a general deficiency in training, experience and resource, with much reliance being placed upon procedure. These conclusions broadly mirrored those noted several years earlier by Doig, Jones and Wait (1999) who had observed that high-volume, low cost practices were resulting in many frauds simply going unreported. Later studies indicated that the problems observed as inherent within the industry did not appear to have improved in over a decade (Ormerod, Ball & Morley, 2010).

One of the complications identified by Ormerod et al., (2010) was that insurance companies were not only looking to increase the number of fraudulent claims detected, but were actively seeking measures to improve the processing speed of

legitimate claims. These are perhaps objectives that are at odds with each other considering that any form of thorough analysis of information and validation of data can be time consuming. They indicated that many claims handlers processed over 40 cases each day, leaving little opportunity to plan or reflect upon suspicious scenarios. They submit that specialist fraud investigation units within insurance companies show a large return on investment, yet despite this, insufficient attention is given to understanding the nature of fraud detection and investigation expertise itself. Banks face similar issues in that they are trying to identify small pockets of concern amongst a vast customer base that demands first class service.

Referring specifically to insurance fraud, Dobie (2012) outlined that not only do insurance companies have technical complexities to contend with, they have to balance robust investigation procedures against good customer care, whilst operating in a competitive market place, very much like banking. Whilst an insurance investigation needs to be conducted as quickly and economically as possible, the investigator needs to bear in mind that the case could ultimately proceed to prosecution, so the enquiries must be conducted as close to the evidential requirements for a criminal investigation as possible (Dobie, 2012). Various investigative tools can be used, such as open-source enquiries and screening against a variety of insurance fraud databases to validate information provided. Only when such investigations are complete does Dobie (2012) advocate engaging with the claimants themselves.

There appears to be very little documented research into the employment or effectiveness of the CI, CM, or the use of different question types to identify

customer fraud within the private sector, with the majority of available literature being predominately focused on the investigation and prevention of corporate fraud (Coenen, 2008; Kovacich, 2007; O’Gara, 2004; Pedneault, 2010; Vona, 2008; Wells, 2011) or simply avoiding the topic of questioning practices altogether (Busch, 2008; Gottschalk, 2010; Ryder, 2011). As such, it has not been possible to determine any current accepted views on best practice. Many companies are hesitant to admit the extent of fraud within their business to shareholders and customers and indicate a general reluctance to share information (Doig et al., 1999).

When Crawford and Company (2009) published their fraud investigation results, they claimed that their personal research had revealed that up to 35% of customers elected to withdraw their claims as a result of applying CM techniques. Likewise, Absolute Customer Management reported a saving of £37,000 for every 100 insurance claims they dealt with using the CI, whereas Churchill confirmed the technique was used for certain types of claim, producing good results. Others remained sceptical regarding the use of the CI or CM and were seeking “to balance the twin goals of enhanced fraud savings with minimum impact on our genuine customers” (Challiner, n.d., para. 11). Several firms reportedly applied CI techniques to detect insurance fraud, such as Absolute Fraud Management (BBC, 2009), Esure (n.d.), and Agria (2014), although none quoted any analysis that would suggest how this has enhanced their fraud detection rates or improved cost savings. Kuhnt, Lorenz and Müssig (2014, para. 8) reported that CI techniques were already being utilised to “great economic success in the UK and southern Europe, but are rarely used elsewhere in Europe”. However, no evidence to support this statement was provided.

Button, Pakes and Blackburn (2014) conducted a study examining a dataset of dishonest insurance claims that were processed by VFM Ltd, a company that used CM to identify higher risk claims. This research was intended to profile insurance fraudsters rather than assess the benefits of CM itself. The researchers were confident that the process would have identified the vast majority of fraudulent or non-plausible claims. However, as an additional piece of research, it would be advantageous to compare these results against another company that did not use CM in order to measure its impact. It would also be interesting to assess how effectively VFM Ltd was employing CM techniques, perhaps by analysing the calls themselves.

The results from several studies indicate that the absence of appropriately trained employees has been an on-going issue for a number of years, with emphasis frequently being fixed on quantity rather than quality (Doig et al., 1999; Morley et al., 2006; Ormerod et al., 2010). Whilst processing figures remain of paramount importance and staff members continue to be assessed on the basis of their productivity, it appears that the quality of investigations will suffer. If firms are to improve, sufficient to meet regulatory objectives, as well as substantially reduce reported fraud losses, additional investment in staff will be required (Crawford & Company, 2009). Many companies may be reluctant to develop questioning skills as standard practice until the benefits are clearly defined or the relevant industry regulators advocate the approach. Whilst there is plenty of fraud analysis available to firms, there is little information from influential sources regarding effective counter-fraud solutions. At present, details of the benefits are absent in the private sector and firms are reluctant to share methods and results with their competitors due to commercial sensitivity.

Whilst improved questioning skills will certainly not eradicate financial crime, they could go some way in identifying those cases that require further attention. There will always be a large number of processes and procedures that require human interaction and it is here that firms should perhaps direct their attention. Training is of utmost importance and whilst there is evidence that both the public sector and insurance companies have embraced elements of the CI and CM, banks appear to have been much slower to acknowledge the value of appropriate questioning methods, as indicated in the following section.

Data Within the Banking Sector

Banks often hold little, if any, detail about the customer beyond their name, address and date of birth. Whilst steps are being taken to improve the extent of information held on bank records, the remediation exercise is extensive. For example, HSBC serves around 38 million customers globally (HSBC, 2018) and reviewing and updating this number of records is both a costly and extensive exercise. It was only with the introduction of the Third EU Money Laundering Directive in 2007 that a standard approach for customer identification and verification was implemented across Europe (CPA Audit, 2008; JMLSG, 2014) and banks appear to have been slow to respond to this guidance, as evidenced by the numerous recent regulatory fines imposed. With such scant customer detail being held, it will be difficult to recognise those individuals or businesses that may pose an increased risk, perhaps due to a history of crime, or who may perhaps be vulnerable and require additional support.

Many cash intensive businesses are extremely vulnerable to money laundering exploitation, particularly if they are struggling (Gilmour & Ridley, 2015) and will act

as fronts, co-mingling laundered money along with their genuine takings. Likewise, individual victims of human trafficking or modern slavery, which are extremely profitable forms of transnational crime (Dando, Walsh & Brierley, 2016) may find themselves at the mercy of criminal networks and be forced to pay their wages into bank accounts which are controlled by their exploiters and to which they have either limited or no access (NCA, 2015b; NCA, 2016). Customers may also become victims of the banks themselves if they fail to provide adequate responses to the questions posed, perhaps due to their vulnerability, and subsequently find their banks accounts closed. As discussed earlier, banks do not need to provide the customer or FOS with any explicit reason as to why an account has been closed and the NCA is exempt from the Freedom of Information Act. As such, assessing the extent to which customers may have become victims of an inappropriate process is extremely difficult. Nevertheless, this is perhaps an area that banks themselves should look to examine in order to be satisfied that they are protecting their vulnerable customers.

The Youth Justice and Criminal Evidence Act 1999 defines vulnerable witnesses as: children aged under 17; or those whose quality of evidence might be diminished due to a mental disorder (as defined within the Mental Health Act 1983), significant impairment of intelligence and social functioning, or a physical disability or disorder. Gudjonsson (1995) proffers that police officers and forensic medical experts should be provided with specific training as to how to identify vulnerable interviewees, such as those with mental health issues, and subsequently ensure they are interviewed appropriately. No such considerations or distinctions are made within banking. Indeed there is no industry guidance to suggest that the reliability of responses obtained from customers who might be considered vulnerable should be taken into

account. Although the FCA has started to make some recommendations in respect of vulnerable customers (FCA, 2015c) this places no specific obligations or requirements on firms at the moment. This is further complicated by the fact that there is no fixed definition of a 'vulnerable customer' and that vulnerability itself should be viewed as a fluid state, requiring a flexible and tailored response. In order for banks to identify and deal with vulnerable customers appropriately throughout any relationship with them, it would appear that guidance and training is required.

Research has demonstrated that the use of appropriate question types not only improves the quality and quantity of information obtained, but it also ensures that interviewees are not unduly influenced. Ensuring that appropriate question types are used within AML investigations could therefore be an initial step towards fair and justified outcomes for all customers. Accordingly, the level of training, research and knowledge across the banking sector is of paramount importance and this is further examined in the following section.

Training Within the Banking Sector

The extent of published research covering training within the banking sector is somewhat restricted and those studies that were identified were both outdated and narrow. Simwayi and Wang (2011) examined the effectiveness of the role of the MLRO within banks in Zambia, however, their research was limited to just 14 responses. Whilst this touched on the subject of training, noting that it was generally inadequate, it did not examine investigation or questioning techniques specifically. This is particularly disappointing as the findings make reference to the large extent of corruption and forgery prevalent across the country, which may have revealed

additional complexities when undertaking enquiries. Analysis as to precisely how regulations and guidance have been implemented within the banking sector appears to have eluded academic research.

Webb (2004) examined the approach and attitude of 30 London based MLROs and specifically raised the question of training. Whilst the majority of MLROs had been trained, this was generally comprised of short courses, meetings or conferences. None made reference to specialist training that related to investigations and the academic literature surrounding this subject was described as “neglected” (Webb, 2004, p. 367).

Research by Bosworth-Davies (1998) does little to enrich the scarce information available regarding the quality of investigations. As with Webb’s subsequent study, questions were raised relating to training, which revealed that 34% of the MLROs questioned had not received appropriate training for their roles. One of the conclusions from Bosworth-Davies’ research related to the participants’ own perception of training needs, as all 34% considered that they had received enough training. Furthermore, in many cases, MLROs who had received no training whatsoever were themselves responsible for training others.

All three of the above studies indicated that the training available within banks, notably at a senior level, appeared to be deficient, despite the MLRO having ultimate accountability for reporting all money laundering offences or suspicious activity. The consequence of this is that poor practices might percolate throughout the entire hierarchy of the organisation. Furthermore, if those who are ultimately in control are oblivious to the problems that they themselves are perpetuating, then the issues are

unlikely to be recognised and rectified. It is clear from the limited studies available that further research is required to ascertain whether such problems continue today. More recently, Sofia de Oliveira et al. (2017) specifically examined the obstacles that precluded the implementation of an effective AML programme in the UK. They identified that the most common challenges encountered were: “lack of clarity over laws; fear of penalties; misguided investments and lack of resources; conflict between business priorities and regulatory obligations to implement AML systems and controls; and poor implementation of a culture of compliance” (Sofia de Oliveira et al., 2017, p. VI). One of their key recommendations was that the hiring and training of efficient compliance staff was vital; but what form and shape should this training look like? This paper, which is crucial in understanding the range of issues currently faced by the banking sector, did not seek to examine any aspect of the investigation process itself. Hence it did not identify whether the questioning techniques were flawed.

Conclusion

To conclude, there seems to be little in the way of guidance to help banks conduct effective AML investigations, with no regard to the difficulties that might be faced when raising difficult questions. Whilst problems in conducting investigations have been identified and addressed, at least to some degree, in public bodies and several insurers, the very concept that effective questioning is an acquired skill that generally requires specific training seems to have escaped the attention of both banks and regulators alike. Despite significant evidence that appropriate question types elicit more accurate information from interviewees (Bull, 2010; Fisher, Geiselman & Raymond, 1987; Fisher & Geiselman, 2010; Fisher et al., 2011; Griffiths & Milne,

2006; Lamb, Sternberg & Esplin, 1998; Lipton, 1977, Milne & Bull, 1999; Milne & Bull, 2016; Myklebust & Bjørklund, 2006; Oxburgh et al., 2010b; Oxburgh, Myklebust & Grant, 2010; Oxburgh, Ost & Cherryman, 2010a; Poole & Lamb, 1998; Shawyer, 2009; Sternberg, Lamb, Esplin, Orbach & Hershkowitz, 2002) this does not appear to have been recognised within banking. Little published material was available for review that examined the questioning abilities of bank staff, and the few studies that were located accentuated poor internal practices and inadequate skills. None of the regulatory frameworks or guidance reviewed suggested that the questioning process itself should be examined, despite the failings that have been identified and called out through various thematic reviews (FCA, 2014b; FCA, 2015a; FCA, 2015b) and regulatory fines (FCA, 2013; FCA, 2014a; FCA, 2015a; FCA, 2016; FCA, 2017; Henry, 2015; Peston, 2012). Extensive legislation and regulation is in place on an international scale, alongside global guidance that has existed since the 1930s; however, despite this longevity, there appears to be little consideration of the specific problems that are encountered with AML investigations.

Whilst some of the techniques advocated by the CI and CM, notably the use of open questions, could perhaps be beneficial within AML investigations, the position is complicated by the situation that exists between relationship manager, compliance analyst and customer. There are numerous factors at play, including the fact that the relationship manager may not actually want to pose any questions at all to their customer for fear of losing the business and ultimately impacting their own remuneration. In addition, there may be a perceived imbalance of power or knowledge between the parties which may affect the way the questions are constructed and the amount of detail subsequently supplied, complicated by the lack

of direct interaction between the compliance analyst and the customer. The position becomes even more problematic where communications are conducted in writing as limited introduction and background may be supplied, intonation is absent, and the ability for clarity to be obtained is diminished.

This literature review has created an understanding as to: i) some of the problems faced by banks when undertaking AML investigations; ii) the consequences of poor quality questioning within banks; iii) the importance of both written and spoken discourse and how language can be interpreted differently; iv) the limitations when brokering or relaying conversations; and v) the attempts that have been introduced to improve investigations in other fields.

The research for this thesis therefore set out to examine whether there were problems with the existing questioning techniques employed by bank staff and whether they were comfortable when raising difficult questions. This was achieved through surveys and interviews with those involved in AML investigations and case file analysis in which the questions that were posed by compliance analysts to relationship managers were examined, along with the responses these questions generated. The following chapter outlines the methodology that was used in these assessments.

Chapter Three – Methodology

A mixed methods form of research was adopted as it allowed for analysis of both quantitative and qualitative information, combining the best aspects of both paradigms (Bryman, 1988; Howe, 1988) within a single study (Burke Johnson & Onwuegbuzie, 2004). It also permitted corroboration and triangulation of the data collected (Bryman, 2012; Noaks & Wincup, 2004; Wisker, 2001). Qualitative research was deemed to be an essential component as it allowed an understanding of intangibles, such as ideas, values, descriptions and beliefs (Wisker, 2001). However, quantitative research was also considered vital to the project in order to provide statistical, objective data (Robson, 2013) to demonstrate the extent of any problems identified. It was anticipated that by approaching individuals employed across numerous organisations the data would reveal a global picture of questioning skills and training within AML investigations. It was hoped that this could be achieved by adopting three strands of research, as follows: Strand I - Survey - To gather the opinions, views and perceptions of bank staff involved in AML investigations; Strand II - Semi-Structured Interviews and; Strand III - Case File Analysis. Each will now be considered in turn.

Strand I - Survey - To gather the opinions, views and perceptions of bank staff involved in AML investigations

Firstly, a survey strategy was initiated using a questionnaire to collect primary data (Appendix 2, Page 255). This provided empirical quantitative statistics as well as qualitative data in the form of views and opinions. A survey strategy allowed a large number of individuals across the globe to be contacted quickly and simply, ensuring a reasonable selection of data, with a broad geographical spread, was made available

(Denscombe, 2010). An electronic questionnaire was used as this format was practical, inexpensive to produce, and quick to distribute via email. However, it was acknowledged that the response rate might be disappointing. The questionnaire was produced using Qualtrics, which resulted in a document that was simple for participants to access and complete. One of the additional benefits of using Qualtrics was that the questionnaires were straightforward to design and could be easily manipulated and customised to suit the specific requirements of the research. This facilitated a mixture of question formats, with each response being automatically validated before allowing progression to the next, which guaranteed that questions would not be omitted in error, and ensured that each question was answered, at least to some degree, in accordance with the instruction provided. This was particularly important with multiple-choice questions that demanded only a single response. Whilst these features helped to limit spoilt and incomplete questionnaires there was no means of ensuring that appropriate responses were entered into free text fields.

Demographic data was collected to allow for some basic analysis. Additionally, individual experiences and perceptions were captured, in order to gain some insight into current practices. The questions were carefully structured to avoid any need to divulge specific processes or procedures and many of the questions were multiple-choice, or required Likert scale responses, thereby ensuring that generic, rather than company-specific information was revealed. At no point was the name of any employer requested.

Sample Population

The aim was to contact a large number of people, globally, who were involved in AML investigations. By approaching individuals who were employed in a variety of organisations, spanning numerous countries, a broad spectrum of data could be obtained, which helped mitigate the risk of any skewed or biased opinions. A snowball sampling approach was adopted whereby each individual that was initially contacted was asked to forward the survey to at least one colleague. The snowball sample was initially comprised of individuals who were identified and carefully selected through the social media site, LinkedIn. Social media provides an efficient and cost effective means of obtaining high-quality responses from participants across an extensive geographical reach (Allsworth, 2015; Maloney et al., 2015) and as such, this method was deemed to be suitable. The email addresses that were used to make contact were all publicised personal email addresses and no contact was made via LinkedIn 'Inmail' addresses or similar messaging services. Such individuals were identified through a general search using terms such as 'KYC' or 'AML' and could subsequently be contacted by anyone subscribing to the free LinkedIn service. The researcher had no special rights or access to privileged information.

Individuals were individually selected by the researcher based on their job title, their job description and the name of their employer, all of which were displayed on LinkedIn. This manual process was deemed necessary to ensure that the responses contained relevant data (Denscombe, 2014). Due to the geographical distribution of the participants, it was not possible to deliver the questionnaires in person and accordingly, reliance was placed solely on electronic methods of communication. All

those identified were sent a personal email with the appropriate information and consent forms, along with a link to the survey itself.

Participants were requested to email the survey link and accompanying participant information details to at least one colleague who undertook a similar role within banking. As such, not all of the potential participants were recruited through LinkedIn, which helped to eliminate bias. In order to measure responses from across the industry, as opposed to only analysing how one or two organisations operated, contact was made with employees from as many different banks across the globe as possible. However, due to the anonymity involved, it was not possible to measure how many different banks were represented in the responses. It was acknowledged that, as with most surveys, there was no obligation for the participant to respond and that many may be reluctant to do so (Iarossi, 2006). Hence it was hoped that a personalised email from a professional employed in the same field would enhance the response rate (Rugg & Petre, 2007).

In total 628 individual emails were sent. As the survey responses were anonymous, it was not possible to determine which individuals had responded. This meant that follow up emails had to be carefully worded and could only be sent to the original distribution list, rather than those to whom the link may have been subsequently forwarded. 131 responses were received representing a response rate (against the original distribution) of 20.8%, which was considered reasonable. Cook, Heath and Thompson (2000) reported that the mean response rate for 68 electronic surveys across 49 studies was 39.6%. According to some popular online survey tools the average response rate for email surveys is reported as 24.8% (FluidSurveys, 2014),

25% (SurveyMonkey, 2011) or 10-15% for external surveys (Surveygizmo, 2015). The number of replies received would therefore appear to be acceptable. Indeed, Denscombe (2014) believes there is no benchmark figure as to what is an adequate response rate as this will depend entirely on the circumstances.

Questionnaire Design

The questionnaire itself was simple to complete and was deliberately kept fairly short in order to preserve the engagement of participants. In designing the questionnaire, care was taken to ensure that questions were positioned sensitively, so as not to deter participants from completing the majority of the survey. Certain individuals may be reluctant to provide descriptive, free text responses, preferring instead to select from multiple-choice questions or Likert scale responses. Asking complex questions at the very start of the survey may deter some participants from continuing. As such, questions that required considerable input and thought were positioned towards the end.

The questionnaire was divided into four main themes:

1. **About You** - which captured basic demographic details. The eight multiple choice and free text response questions within this section covered gender, age, country of employment, years of banking experience, current role, and professional qualifications held. Questions were also posed to establish whether the participants dealt directly with customers and/or raised concerns relating to account activity through third parties, such as relationship managers.

2. **Suspicious Activity Reporting & Escalation Processes** - which queried the extent of direct interaction with the authorities and the degree of comfort felt when escalating or closing cases. The questions within this section were a mixture of two Likert scale questions (each with five options), three multiple-choice questions, and two free-text response questions which allowed additional information to be provided if appropriate.
3. **Culture & Behaviour** - which examined the extent that bank staff felt protected by their employer and questioned the manner in which a customer's background might influence the investigation process. This section also queried whether participants had encountered situations where their questions had not been properly addressed. This section was comprised of two Likert scale questions (each with five options), two multiple choice questions, and four free-text response questions.
4. **Enquiries & Investigations** - which sought to establish the degree of comfort felt when raising difficult questions and queried the level of training provided. The questions within this section were a mixture of five Likert scale questions (each with five options), six multiple choice questions, and five free-text response questions.

The full version of the questionnaire can be found in Appendix 2 (Page 255).

Aside from the simplicity of completion and overall length of the survey, consideration was given to the structure of each of the questions. The questions allowed for a range of answers from individuals to demonstrate their level of

knowledge, to determine any specific level of training, and to draw out both facts and opinions. These details were obtained through multiple-choice questions, which helped to limit illegible, incoherent, or out of context answers (Rugg & Petre, 2007). This was particularly important considering the anticipated language barriers. Additionally, Likert scale response format questions were included which presented the participant with a range of options that allowed for attitudes to be measured (Cohen, Manion & Morrison, 2000). Questions were designed to flow in a logical order and were clearly worded to ensure comprehension at all levels (Iarossi, 2006) with different response styles being incorporated throughout in order to maintain the interest of the participants (Warwick & Lininger, 1975). The questionnaire design also incorporated an element of logic to ensure that questions were only raised when relevant, based on responses already provided. As such, not all questions were presented to all participants. Although each question raised required a response, the option of ‘prefer not to say’ was available as an option throughout, with ‘not applicable’ and ‘don’t know’ also included, where appropriate. This allowed participants to continue with the survey even when confronted with a question that they could not answer, or simply did not wish to.

Pilot

Prior to distribution, the questionnaire was piloted with five colleagues to ensure it was grammatically correct, operational and quick to complete (Denscombe, 2010), as well as to check the email link and website functioned well (Bryman, 2012). These responses were not included in the final analysis. All feedback received was positive and as such, no adjustments were required.

Ethics

The link to the questionnaire was accompanied by a personalised email that explained the purpose of the study and included contact details of those involved with the research. Along with a request for completion, a clear explanation was provided that participation was voluntary and completely anonymous. Participants were supplied with an information sheet providing full details of the research so that they were appropriately informed and they were able to provide their consent by electing to take part in the survey. It was made clear that the research was being conducted as part of a Professional Doctorate. The purpose of the research was fully explained which allowed each participant to have informed consent. The questionnaire did not require the participant to provide any identifiable information and by assuring confidentiality and anonymity it was hoped that honest responses would be provided (Denscombe, 2010). All responses were coded and any reference to individual comments within the research was made using 'Participant 1' or 'Participant 2' and so on, in order to retain anonymity. For those that were willing to take part in semi-structured follow-up interviews an optional field was provided whereby participants could provide their email address. It was made explicitly clear that this was only to be completed where further participation was proffered. It was also explained to those offering to take part in the interviews that whilst their anonymity would be compromised with the research team, coding arrangements (as described above) would be implemented to ensure that they could not be identified within any published material. Ethical consent was obtained from the University to undertake this research (Appendix 3, Page 264).

Reliability and Validity of Questionnaire

Once the survey responses were received, attempts were made to test the reliability and validity of seven of the Likert scale questions that endeavored to measure confidence and ability. Whilst there were nine Likert scale questions included within the survey, one related to levels of employment protection and the other asked about a customer's cultural background. These were not necessarily associated with levels of confidence / comfort, which was a common thread across the remainder of the Likert scale questions. As such, these two questions were excluded from the reliability and validity testing. Despite attempting to align the overall theme of the survey questions, the fact remained that they related to different items and variables and there was a lack of coherence across the scales used. Furthermore, there was not necessarily an expectation for there to be any specific correlation between the various questions. For example, the fact that someone might have sufficient time to complete their enquiries thoroughly would not necessary mean that they felt comfortable in raising difficult questions. Additionally, there were three subsets of individuals acting as participants: those who contacted customers directly (38.2% / $n = 50$); those who directed questions only to third parties, such as relationship managers (81.7% / $n = 107$); and those who did both (29% / $n = 38$). Consequently the questions that were capable of comparison were limited. Nevertheless, analysis was completed using Cronbach's Alpha and the results are shown in Table 1.

Table 1 - Cronbach's Alpha Results

Case Processing Summary			
		N	%
Cases	Valid	24	18.3
	Excluded ^a	107	81.7
	Total	131	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.702	.718	7

Whilst this result is considered to be a sufficient measure of reliability (Taber, 2017), in this instance it is not deemed to be dependable due to the limited number of valid cases included, combined with the above-mentioned factors.

A similar problem arose when considering the application Guttman's lambda in that there were insufficient parallel measures to make the exercise worthwhile. Instead, triangulation of quantitative data was performed from the qualitative data within the free text responses in the survey itself, along with the information supplied from the semi-structured interviews. These qualitative aspects served to support the fact that the quantitative data made sense.

Coding and Scoring

Following the closure of the survey, the responses were collated and data analysis was performed. Initially this was conducted using the tools within Qualtrics that automated part of the process, allowing a basic level of analysis. This initial analysis

helped to quickly identify trends and patterns as each set of results clearly displayed vital information, such as the number of participants that had completed each question and the percentage each answer option received. It was also possible to view and download each individual response in full, which was essential when validating the detail provided to obtain a complete picture of each person who took part in the survey.

The responses were subsequently downloaded and detailed quantitative analysis was conducted using SPSS, in addition to the results being sifted and sorted manually. Frequency distribution was calculated for both multiple-choice questions and Likert-style questions. Some limited coding was required to support this, for example, applying numeric codes to the free text responses related to professional qualifications. The tools available within SPSS enabled tables to be created which helped to visually demonstrate the results (Appendix 4, Page 269). The software also facilitated statistical analysis, allowing percentages and standard deviations to be easily identified and *t*-tests to be conducted. This information was then formulated into frequency charts, which in turn assisted with the subsequent qualitative analysis. The data was also downloaded into Excel in order to create various pivot tables to assist with the easy manipulation of data and facilitate additional quantitative analysis.

There is no clear and universally accepted means of analysing qualitative data (Robson, 2013). Thematic analysis was selected as it not only offers the systemic element characteristics of content analysis but also combines both the frequency and context of codes (Joffe & Yardley, 2004). The context of the qualitative data was

considered critical to the study as it was not only the number of times that an issue was raised (for example ‘training’), but also the circumstances in which this was discussed. For instance, whether a participant was explaining that adequate training had been provided, or whether there was a complete absence of training would indicate two entirely different situations.

In order to conduct the thematic analysis of the free text comments that were provided by the survey participants, a matrix was created for each question that contained free text responses. Each free text response was listed (verbatim) down the left hand side and was then coded as a theme that was noted across the top of the matrix. As each individual response was reviewed a notation was made under the appropriate cell (if a suitable theme already existed) and new themes were added across the top of the matrix as they emerged. For example, “Making contact with clients can sometimes be difficult” was noted under a newly created theme of ‘Contact difficulty’. The next comment of “Clients sometimes feel this is not any of our business and refuse to co-operate” was not directly related to ‘Contact difficulty’ and so a new theme of ‘Client refusal’ was created. This process of allowing themes to evolve continued until each response was examined and coded. The number of notations under each theme was then counted, although prevalence was not considered crucial for inclusion in the results (Braun & Clarke, 2006).

This approach was effectively a form of thematic coding analysis, with the matrix forming the analytical framework (see Appendix 4, Page 289 for an example). This allowed key views, opinions and themes to be extracted from the data. There is a tendency for people to perceive what they want to perceive (Heuer, 1999), which can

influence the analysis and interpretation of information. Adding this level of structure, and capturing every single comment, ensured that the logic behind the analysis was transparent (Wheaton & Chido, 2006) and helped to limit confirmation bias and improve objectivity. The number of themes that were identified varied for each question depending on the content and type of comments received.

Strand II – Semi-Structured Interviews

In addition to the survey, it was deemed necessary to gain more in-depth views from the participants. This was intended to capture supplementary, detailed information and allow participants the freedom to articulate their views without the constraints of the electronic written format. Interviews also allowed for additional probing, triangulation and clarification that were not possible within the survey itself.

Question Design

Each of the survey responses provided by those who agreed to be interviewed was reviewed to ensure there was an appropriate framework for the interview. The questions raised during the interviews were dependent on the responses each of the individuals supplied in their survey and were tailored to draw out more specific detail and examples of various situations they had encountered. For example, if the participant had indicated in their survey responses that they had never felt threatened or intimidated, this topic would not warrant discussion. This ensured best use of the limited time available and ensured that participants were not asked questions concerning scenarios to which they had previously confirmed they had not been exposed. The key topics for discussion remained focused, as in the Strand I survey: 1. About You; 2. Suspicious Activity & Escalation Processes; 3. Culture & Behaviour;

and 4. Enquiries and Investigations. An interview guide was prepared outlining the pre-determined issues that were to be explored to ensure that the same basic lines of enquiry were pursued with each participant. As some of the questioning relied upon the researcher's reactions to the information provided during the interview, exact replication of this part of the study would be difficult, although the precise questions raised were transcribed. This is a known limitation of qualitative research (Bryman, 2012); however, the pre-determined agenda ensured that all necessary topics were discussed in each interview (Stephens, 2007).

Sample Population

The population for Strand II was derived from all of the Strand I survey participants who volunteered to take part. Thus it was a convenience sample. Any participant who volunteered their email address was contacted and asked to complete a consent form, giving their express permission for the interview to proceed.

Mutually convenient times and places were then agreed for the interviews to take place. As it was only possible to meet with three of the individuals face-to-face, two of interviews, which lasted around 20 minutes, were conducted using Skype and two were conducted over the telephone. All participants were reminded that their identity would not be disclosed.

All interviews were recorded electronically and then transcribed verbatim. Personally transcribing the data allowed the development of clear and thorough understanding of the data (Braun & Clarke, 2006; Vaismoradi, Turunen & Bondas, 2013). A fellow student then independently validated three of the transcriptions for accuracy to add

dependency and credibility to the findings (Harper & Cole, 2012). The data and recordings were then stored on secure password protected devices, in accordance with Data Protection Act obligations.

As all participants were originally identified from the survey, the naming convention used in Strand I was maintained. This allowed for easy identification and analysis across both survey and interview responses. Thus, Participants 5, 12, 15, 38, 43, 54 and 80, who took part in the interviews, all retained their Strand I identities.

Ethics

For those who volunteered their email addresses, a full explanation of the purpose of the research was provided in writing and potential participants were asked to complete a consent form prior to any interviews taking place. Where participants inadvertently revealed the name of their employer, this was redacted during the transcription process. As all volunteers were assured of anonymity, no ethical concerns were identified. Ethical consent was obtained from the University to undertake this research (Appendix 3, Page 264).

Thematic Analysis

Each interview took a slightly different path as each conversation was unique. The questions were also adapted to the interviewees' specific roles, and as such, the same questions were not necessarily raised with each participant. Although the initial aim was to follow the Strand I survey topics: 1. About You; 2. Suspicious Activity & Escalation Processes; 3. Culture & Behaviour; and 4. Enquiries and Investigations, once the participant had described their role and duties (About You), the subsequent

questions were tailored to suit them. However, the pre-determined topics for discussion were adhered to. As the conversations were permitted to follow a natural path, rather than being scripted and ordered, this allowed more detail to be provided. Where the participants introduced new topics, these were explored in order to ascertain their relevance to the study.

Manual qualitative thematic analysis was undertaken, this being the preferred approach due to it offering an accessible form of analysis that was both flexible and detailed (Braun & Clarke, 2006). This began with reading and re-reading the interview transcripts and noting down different topics as they appeared in the data (Taylor & Ussher, 2001). For example, when a participant mentioned difficulty raising questions with customers, this was noted as 'Questions - Difficulty'. From this initial detailed analysis the themes were blended into wider thematic categories that represented the overall segments of conversations from the interviews. Five key themes were ultimately identified, these being: 1. Irrelevant / Background Material (including introductions, pleasantries and so on); 2. Training; 3. Question Style; 4. Culture, Language and Background; and 5. Communication Difficulties. The interview transcripts were then colour-coded (see Appendix 5, Page 340 for an example) to provide a visual means of identifying the different themes within the data (Fox, 2004). This manual approach was considered to be the most accurate and complete method of analysis relative to the small number of interview transcripts. Such an approach had the added benefit of ensuring that the researcher was fully immersed in the responses. These key themes were then used to shape the results formulation and were linked with the survey responses. As the questions for both the surveys and the interviews followed the same specific pre-defined topics (as

previously outlined), identifying the commonalities between the two strands of research and blending the results was a straightforward process.

When transcribing the final results from both the surveys and the interviews numerous quotations were included to enable the reader to reach their own conclusions concerning the fairness and accuracy of the analysis (Corden & Sainsbury, 2006).

Strand III – Case File Analysis

The first two strands of the research examined the opinions, views and perceptions of the participants in relation to their ability to undertake effective AML investigations. However, what people say they do and what they actually do in practice are not necessarily one and the same (Johnson & Fendrich, 2002; King & Bruner, 2000; O'Neill & Milne, 2014; Walsh, Milne & Bull, 2015). Hence, the views stated in the surveys and interviews might not necessarily be replicated in real life situations. An analysis of case files was therefore undertaken in order to examine the questioning practices that were displayed in the workplace.

Sample Selection

This final part of the research involved the evaluation of recent case files within a large, international banking group situated in the UK. It is acknowledged that access to such information was likely only to have been possible due to the fact that the researcher was employed by the host organisation. Despite this, it was made clear that the study was for independent research purposes and appropriate consent was obtained. The host organisation made no requests to view the results of the analysis,

nor was any attempt made to influence the direction of the research. The only constraint imposed was that all identifiable customer data should be redacted. As the focus of this section of the research related to the question types used and the information generated, such a restriction did not impede the analysis. The cases themselves were all originally derived from automated transaction monitoring alerts and as such, only one aspect of client interaction was capable of being examined, that being the investigations that followed these alerts. Hence only one element of the questioning process could be examined, that being the questions raised by the compliance analyst and the information subsequently collected. All of the cases related to existing customers of the host organisation. The research did not seek to review the questions that could have been raised when opening or reviewing an account, but instead concerned only the questions and responses surrounding unusual account activity.

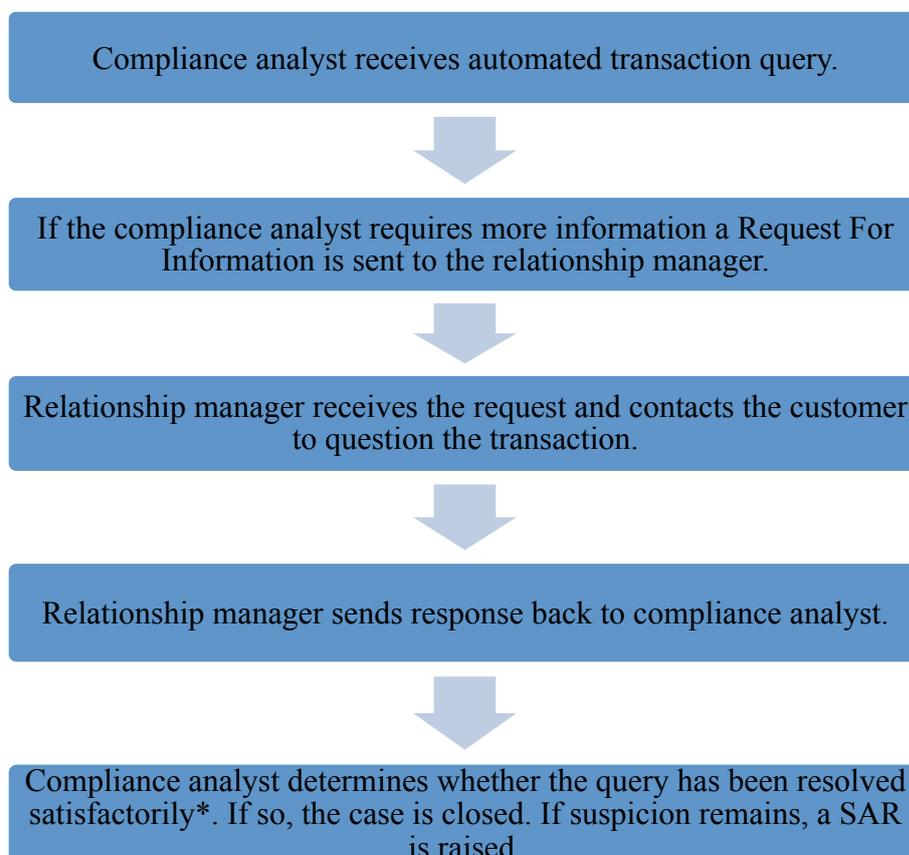
Discussions were held with the AML investigations department of the host organisation to establish what data could be extracted from their systems with relative ease (in an attempt to limit any administrative difficulties this request might place upon them). A demonstration was provided by the host organisation outlining what information was readily available and highlighting the limitations. It was noted that whilst the original verbatim questions raised by the compliance analyst were formally recorded on the AML investigation system (as the system itself was capable of sending the message), the responses from the relationship managers could be received by various means, sometimes by email (outside of the specific system being interrogated), sometimes verbally, and sometimes through an internal instant messaging service. As such, there was generally no verbatim record of the

relationship manager's response. Instead, the compliance analyst would make a note of the information supplied by the relationship manager and this would support their rationale as to whether they would be closing or escalating the case.

The original request was made for at least 40 recent cases to be provided, with each containing the verbatim questions raised by the compliance analyst along with the rationale and justification for the decision that was made following the response from the relationship manager. It was also requested that each case be marked as to whether or not a SAR had been filed. Subsequently, 56 case files were provided, having been selected at random by a third party gatekeeper from the AML investigations department. The shared characteristic of the group being that a 'Request For Information' had been made at some point during the review of the automated transaction monitoring alert. This meant that the compliance analyst looking at the case had needed to make enquiries with the relationship manager or branch staff in order to better understand the customer's account activity or behaviour. The only other selection criterion specified was that the cases should include a mixture of those that had resulted in a SAR being filed and those that had been closed without further escalation (see Figure 1). This was required in order to assess the quality of both those cases that warranted referral to the NCA and those that did not. No specific guidance was provided as to how many cases should fall into each category. This was due to the fact that the ratio of SAR filing to non-SAR filing was not known. Furthermore, the system used by the host organisation was quite antiquated and it was rather difficult for the third party gatekeeper to identify and extract cases based on the final outcome. Instead cases handled by the organisation during the previous month were reviewed to see if they met the simple selection

criteria. These cases were noted in a list that was then passed to a second gatekeeper (a business analyst employed in the financial crime compliance department who had unrestricted access to all of the organisation's AML data) for data extraction. In view of the fact this was a manual process, it was not practical to implement a probability sampling approach. The same limitation also meant that it was not possible to identify the sample size in proportion to the wider population. As all of the samples were selected from cases that had been handled in the preceding month, confidence was obtained that the observations noted would be reflective of recent practice.

Figure 1 - Description of the Referral and Response Process



* If the query has not been entirely resolved, the compliance analyst can refer again to the relationship manager for further detail, if required. However, such activity was not indicated in the case files that were analysed.

The second gatekeeper then extracted all of the relevant components for the analysis from the host organisation's AML investigation system. In preparing this data, care was taken to ensure that all customer details were redacted, thereby complying with the requirements of the host organisation and avoiding any data privacy issues. The redactions included the names and account numbers of all customers and counterparties, the amounts and currency of the transactions, the bank branch details, details of any companies or employers, and the details of any countries involved.

During the subsequent analysis it was noted that none of these data points remained in error, thereby providing assurance that the second gatekeeper had performed the exercise efficiently.

One of the limitations with this approach was that the process involved data being copied from the host organisation's system and transferred into a Word document, before being heavily redacted. This introduced a potential risk of contamination, exclusion of information and human error. The data was also subject to the second gatekeeper's own interpretation of relevance, although clear instructions to provide all of the case details were supplied, these being redacted, as previously outlined, but not edited in any other way. The redacted data was then compiled into a large table for further analysis, meaning that it was not necessary for the researcher to access the original customer records. The final document presented included a column with the case reference number; a column with the verbatim, redacted copy of the Request For Information (including the exact questions) that had been sent to the relationship manager or branch; a column with the verbatim, redacted copy of the background to the query, the concerns identified, an outline of the response received and the rationale for the decision; and a column with the final outcome as to whether a SAR was raised. Having reviewed the data presented, it appeared that the details provided were complete as they provided a logical chronology of events.

The cases were inspected with a view to examining the nature of the enquiries that were undertaken, the types of questions asked, and the quality of the responses obtained. The review was limited to these documented records only. Whilst this restricted the assessment scope, the host organisation confirmed that their AML

investigations were normally conducted in a written format, as with many other organisations, as this provided a clear audit trail. Written communication also helps to overcome language problems and time-zone differences, both of which can be problematic when attempting to conduct global investigations, hence it is frequently the preferred method. The particular sample obtained related entirely to UK cases, although the researcher was informed that the same approach was adopted internationally across the host organisation.

Ethics

As the case files only involved historical reviews of cases, there were no individual participants to consider. The consent of both the host organisation and its data protection officer was obtained, once the research objectives had been explained. All data was heavily redacted prior to being released by the host organisation and as such, there were no ethical concerns raised. Ethical consent was provided by the University to undertake this research (Appendix 3, Page 264).

Data Analysis

The research that was conducted as part of the literature review did not identify any single analytical methodology that would suit the requirements of this rather specific data set. Accordingly, elements of three different approaches (Question Type Analysis, IRI Analysis and Linguistic Analysis) were adopted which, when blended together, provided a holistic view of the available data.

Question Type Analysis

As the literature review had indicated that open questions were fundamental to effective investigations, it was believed that assessing the number of open and closed questions raised would hold value for the analysis. To complement the benefits associated with open questions a series of inappropriate, unproductive questions was also identified, which included leading, forced-choice and multiple questions (Milne & Bull, 1999; Oxburgh et al., 2010a). Whilst it was acknowledged that most prior research referred specifically to questioning styles during spoken conversations, it was considered that many of the same principles would apply to questions posed in writing. One of the clear limitations and differences being that during a conversation it is possible to vary question types in order to clarify responses, whereas this is not possible in written format. Nevertheless, it was considered that the use of open questions should still elicit more comprehensive, productive responses than inappropriate questions.

For the purposes of this research, the questions were divided into *productive* and *non-productive* categories, based on the criterion developed in 2006 by Griffiths and Milne. The *productive* category included:

1. *open* questions - defined as those that required more than a few words as a response, such as ‘Tell me about the customer’s business’ or ‘Explain the transaction to me’. This did not include questions such as ‘Can you confirm the reason for the transaction?’ as such questions were likely to prompt limited or one-word responses, such as ‘car purchase’, which would not provide the compliance analyst with sufficient information to assess whether

the transaction was reasonable. Such questions could possibly even provoke a 'yes' or 'no' response.

2. *probing* questions - defined as those requiring a substantive response, usually commencing with *who, what, why, where, when, which* or *how*.

Non-productive questions included:

3. *closed* questions - defined as those that would prompt a 'yes' or 'no' response, or a single word reply.
4. *leading* questions - defined as those that suggest an answer (e.g. 'I assume you inherited this exceptionally large sum of money?').
5. *multiple* questions - defined as those which contain a number of different questions, all asked within one sentence. It was accepted that as the data for this research was in written format that numerous different questions might need to be asked. Hence only those instances where different questions were posed *within the same sentence* were included in this category.
6. *forced choice* questions - defined as those that only offer a limited number of responses (e.g. 'Does the payment relate to income or inheritance?').
7. *opinions* - defined as instances where no actual question is posed yet a response is expected (e.g. 'I think this is drug related money').

Whilst it was acknowledged that there are many opportunities where appropriate closed questions might be used, these tend to follow open and probing questions and are best used when confirming information previously supplied (Griffiths & Milne, 2006). The data available for this exercise was rather limited and the questions were brief and in written format. Furthermore, the questions were sent to the relationship manager in a single electronic communication as opposed to being part of a back and

forth written or real-time ‘conversation’. Accordingly it was not considered that there would be many (if indeed any) situations where the use of closed questions could be deemed as appropriate as the responses to any preceding open or probing questions would not have been known at the point of construction.

An additional question type was included under the *non-productive* category, which was labelled *meaningless* (Payne, 1950). This was added as a sub-category of *closed*. The reason for this inclusion was that the initial analysis had noted a number of extremely vague closed questions such as ‘Are you happy with the overall activity on the account?’. In this example it is unclear what type of account activity is under scrutiny. As highlighted in the literature review, such questions prompt only a ‘yes’ or ‘no’ answer and, as evidenced by Stokoe and Edwards (2008), can be self-incriminating, potentially calling into question the lack of appropriate action from any relationship manager who might confirm that they were not ‘happy’ with their customer’s activity.

The distribution of question types was also analysed to establish the OCR. Whilst it was acknowledged that there are discrepancies over the definitions and categorisation of open and closed questions amongst academic researchers (Oxburgh, 2011; Oxburgh et al., 2010b), it was considered that the above definitions should provide sufficient analysis of the somewhat limited data available for this research. It was believed that the use of open questions should prompt more detailed, informative responses from the relationship managers, which in turn would assist with the assessment of the case. As such, calculating the OCR was deemed to be a useful piece of analysis to include.

The details that were available for review were limited only to the written AML investigation records held by the host organisation. As such it was not possible to examine the prosody of any conversation, or the relevance and impact of any turn-taking. Analysis was therefore restricted to examining only the grammatical construction of the questions in terms of whether they were *polar* questions, requiring a yes / no response, and if so, whether the question type was an *inverted interrogative (polar)*, such as ‘Did he make the payment?’ or a *negative interrogative (polar)*, such as ‘Didn’t he make the payment?’, or a *tag (polar)* question, such as ‘He made the payment, didn’t he?’. Additional analysis was then conducted to determine whether any measurement of epistemic gradient could be undertaken by examining whether the questions raised were *content* questions, such as ‘What was the payment for?’, *interrogative* questions, such as ‘Was the payment for a house?’, or *tag* questions, such as ‘The payment was for a house, wasn’t it?’. For the purpose of this exercise statements that were not entirely clear but appeared to be seeking content, such as “Also the reason for electronic transfers totalling *CCY* received from *PERSON* and *PERSON* at *BANK*?” were treated as *content* questions.

Investigative Relevant Information (IRI) Analysis

In the process of any investigation it is vital that good quality information is elicited. This provides the opportunity to establish *what* happened and to ascertain *who* did what (Milne & Bull, 2006). Additionally, this particular research set out to establish the purpose, the *why*, of the activity. This was fundamental to the study as it is the rationale for the transactional activity that is key as to whether suspicion will be formed or not.

The response to each case file was coded for the presence of IRI items. However, one of the limitations of the case file analysis was that the compliance analyst conducting the review was responsible for summarising the responses received, rather than the case record holding the verbatim response from the relationship manager. As such, the actual phraseology employed by the relationship manager was not available for analysis. As mentioned earlier in the literature review, this introduces an element of bias as the compliance analyst is likely to record only the noteworthy points.

The approach taken to tabulate the number of IRI items was loosely based on Yuille and Cutshall's (1986) research, which has been emulated in several other studies (Milne & Bull, 2003b; Oxburgh, 2011; Oxburgh et al., 2010a). Findings were divided into five categories: *Person*, *Action*, *Location*, *Item* and *Temporal*. The *Person* being the parties involved in both making and receiving the payments in question, including, where necessary, details of their occupation, salary or source of wealth or funds; the *Action* being the means by which the transaction was made, such as cash or cheque, and the amount involved; the *Location* being the country or address of those involved in the transaction; the *Item* being the underlying purpose or rationale for the payment, such as making a payment to purchase a house; and *Temporal* being the timing or date of the payment(s). At least one IRI item under each of these categories was regarded as being essential in order to provide the compliance analyst with the minimum information required to make a justified disposition, outlining whether the circumstances were suspicious or not. However, it was not possible to determine whether more IRI items were absolutely necessary under each category as this would depend entirely on the nature of the concern and the type of activity being described. Nevertheless, the more IRI items that were included, the more comprehensive the

response was deemed to be as the compliance analyst would be in a better position to assess the activity if provided with sufficient detail. The following example details the coding scheme: ‘£5000 cash (1 x *Action*) was paid into the Edgware Road branch (1 x *Location*) on 12 January 2017 (1 x *Temporal*) by the primary account holder, Mr Smith (1 x *Person*). This payment resulted from the sale of his car, a 2015 Vauxhall Astra’ (1 x *Item*).

Linguistic Analysis

Linguistic analysis was undertaken to assess whether the type of language used had any impact on the quantity of IRI items obtained. The literature review outlined several studies (Burcu Bayram & Ta, 2018; Sexton & Helmreich, 2000; Simmons et al., 2008) where linguistic style had been evaluated using LIWC. Thus this tool was deemed appropriate to use as part of the research for this thesis. By using LIWC (2015 version) and examining which questions or cases generated the largest number of IRI items it was possible to assess whether the language used had any bearing on the responses provided.

Each of the default categories within LIWC is composed of a list of dictionary words.

Table 2 provides a list of the default dictionary categories in LIWC 2015.

Table 2 - LIWC 2015 Output Variable Information

Category	Abbreviations	Examples
Word count	WC	-
Summary Language Variables		
Analytical thinking	Analytic	-
Clout	Clout	-
Authentic	Authentic	-
Emotional tone	Tone	-
Words per sentence	WPS	-
Words > 6 letters	Sixltr	-
Dictionary words	Dic	-
Linguistic Dimensions		
Total function words	Funct	It, to, no, very
Total pronouns	Pronoun	I, them, itself
Personal pronouns	Ppron	I, them, her
First person singular	I	I, me, mine
First person plural	We	We, us, our
Second person	You	You, your, thou
Third person singular	Shehe	She, her, him
Third person plural	They	They, their they'd
Impersonal pronouns	ipron	It, it's those
Articles	Article	A, an, the
Prepositions	Prep	To, with, above
Auxiliary verbs	Auxverb	Am, will, have
Common adverbs	Adverb	Very, really
Conjunctions	Conj	And, but, whereas
Negations	Negate	No, not, never
Other Grammar		
Common verbs	Verb	Eat, come, carry
Common adjectives	Adj	Free, happy, long
Comparisons	Compare	Greater, best, after
Interrogatives	Interrog	How, when, what
Numbers	Number	Second, thousand
Quantifiers	Quant	Few, many, much
Psychological Processes		
Affective processes	Affect	Happy, cried
Positive emotion	Posemo	Love, nice, sweet
Negative emotion	Negemo	Hurt, ugly, nasty
Anxiety	Anx	Worried, fearful
Anger	Anger	Hate, kill, annoyed
Sadness	Sad	Crying, grief, sad
Social processes	Social	Mate, talk, they
Family	Family	Daughter, dad, aunt
Friends	Friend	Buddy, neighbour
Female references	Female	Girl, her, mom
Male references	Male	Boy, his, dad
Cognitive processes	Cogproc	Cause, know, ought
Insight	Insight	Think, know

Causation	Cause	Because, effect
Discrepancy	Discrep	Should, would
Tentative	Tentat	Maybe, perhaps
Certainty	Certain	Always, never
Differentiation	Differ	Hasn't, but, else
Perceptual processes	Percept	Look, heard, feeling
See	See	View, saw, seen
Hear	Hear	Listen, hearing
Feel	Feel	Feels, touch
Biological processes	Bio	Eat, blood, pain
Body	Body	Cheek, hands, spit
Health	Health	Clinic, flu, pill
Sexual	Sexual	Horny, love, incest
Ingestion	Ingest	Dish, eat, pizza
Drives	Drives	
Affiliation	Affiliation	Ally, friend, social
Achievement	Achieve	Win, success, better
Power	Power	Superior, bully
Reward	Reward	Take, prize, benefit
Risk	Risk	Danger, doubt
Time orientations	TimeOrient	
Past focus	Focuspast	Ago, did, talked
Present focus	Focuspresent	Today, is, now
Future focus	Focusfuture	May, will, soon
Relativity	Relativ	Area, bend, exit
Motion	Motion	Arrive, car, go
Space	Space	Down, in, thin
Time	Time	End, until, season
Personal concerns		
Work	Work	Job, majors, Xerox
Leisure	Leisure	Cook, chat, movie
Home	Home	Kitchen, landlord
Money	Money	Audit, cash, owe
Religion	Relig	Altar, church
Death	Death	Bury, coffin, kill
Informal language	Informal	
Swear words	Swear	Fuck, damn, shit
Netspeak	Netspeak	Btw, lol, thx
Assent	Assent	Agree, OK, yes
Nonfluencies	Nonflu	Er, hm, umm
Fillers	Filler	I mean, you know

Note: Adapted from The Development and Psychometric Properties of LIWC2015 by Pennebaker, Boyd, Jordan and Blackburn, retrieved from https://repositories.lib.utexas.edu/bitstream/handle/2152/31333/LIWC2015_LanguageManual.pdf

All data variables were checked to ensure they were correct. To illustrate, the phrase “second hand car dealer” created a match with the Feel dimension, and “above said accounts” created a match with the Hear dimension. Such automated interpretations were inappropriate and therefore the associated output was deleted. This process took the form of a line-by-line manual review to ensure that where LIWC output was recorded, each category indicated was relevant to the text.

Upon initial analysis of the LIWC output it was noted that 21 of the available dimensions did not produce any matches with the data. Consequently, these dimensions (SheHe, They, Negemo, Anx, Anger, Sad, Family, Female, Male, Bio, Body, Health, Sexual, Ingest, Focusfuture, Home, Relig, Death, Swear, Assent, and Filler) were filtered from subsequent analysis to allow focus to remain on the relevant areas. The results were then exported to Excel for further scrutiny. Additional columns were added to include the case reference number, the number of IRI items generated in each case, the number of questions raised in each case, and the total LIWC output score for each individual question. The results were then examined, using filters within Excel, to determine whether there was any correlation between the number of IRI items obtained and the number of words used within the questions. This was then repeated to identify any correlation between the number of IRI items obtained and questions that contained words with more than six letters.

Analysis was then undertaken to ascertain whether the use of any particular pronouns had influenced the quantity of IRI items obtained. Previous research had indicated that the use of first-person plurals (we, our, us) could have either a negative effect (Simmons et al., 2008), or a positive effect (Sexton & Helmreich, 2000) on

relationships. As such, this warranted closer examination within the data. This analysis was undertaken by comparing the LIWC scores for the various categories of pronouns against the number of IRI items obtained for each case.

Additionally, the questions were analysed line-by-line to establish whether they contained any opening salutations such as 'Hello' or 'I hope you are well', or closing valedictions such as 'thank you' or 'kind regards', along a similar vein to the research conducted by Gains (1999). This established whether there were any particular conventions adopted by the bank and if so, what impact these had on the on the number of IRI items received.

Further line-by-line analysis of the questions established whether they contained any courteous or polite words such as 'please', 'grateful' or 'kindly'. This was conducted in order to ascertain whether such language had any positive correlation on the number of IRI items received, which would be in line with previous research that suggested politeness strategies resulted in improved levels of cooperation (Eelen, 2014; Holmes & Stubbe, 2015).

Finally, the results were examined, again using filters within Excel, to determine whether there were any particular dimensions that correlated with higher levels of IRI items being received.

Inter-Rater Reliability

In order to assess reliability, the researcher initially reviewed all of the cases and a similarly experienced professional practitioner (employed as a senior compliance

manager within a large global bank), possessing academic research experience (Professional Doctorate in Criminal Justice), received training from the researcher on the rating scale and then independently examined an arbitrary blind sample of just over 10%. This included both the classification of the question types (six cases), as well as the amount of IRI obtained (a different set of six cases). As the second rater was also an employee of the host organisation, no additional access issues were anticipated and none were encountered. In any event, the data available to both raters was heavily redacted so as to retain total anonymity. To analyse the data effectively and ensure that inter-rater reliability could be tested, a comparison table was incorporated into the analysis (see Appendix 6, Page 351). It was necessary to keep this table simple and brief due to the short length of each of the case files. To examine the question types, the second rater selected six cases, without having prior sight of the case details, and reviewed all of the questions within each case. Each question was then marked as either *open*, *probing*, *closed*, *meaningless*, *leading*, *multiple*, or *forced choice* (or a combination thereof) as defined earlier. These results were then compared against the first rater's view. This process was then repeated for the question types of *polar*, *inverted interrogative (polar)*, *negative interrogative (polar)*, *tag (polar)*, *content*, *interrogative* and *tag*, as defined earlier. To examine the quantity of IRI, the second rater selected six cases, without having prior sight of the case details, and identified the various IRI items under the categories of *Person*, *Action*, *Location*, *Item* and *Temporal* as defined earlier. These results were then compared against the first rater's view.

Due to the limited amount of data, there was little scope for subjective analysis and the assessments were therefore primarily factual observations as opposed to matters

of opinion. Cohen's kappa was run to determine if there was agreement between both raters in relation to both question types and the number of IRI items. Due to the nature of the available data, for both question types and the number of IRI items, there was complete agreement between the two raters, with $\kappa = 1.000$, $p < .001$. Additionally, a Pearson product-moment correlation coefficient was computed to assess the relationship between the number of IRI items identified by Rater 1 and the number of IRI items identified by Rater 2. There was a strong positive correlation between the two variables; $r = 1.00$, $n = 6$, $p < .001$.

In one case, although both raters had indicated that the question type used was *closed* this led to subsequent discussion as the grammar used was unclear. It was agreed that the intention of the question was apparent, hence both raters had previously confirmed the same question type. The full results, along with the output of Cohen's kappa can be found in Appendix 6, Page 351.

Chapter Four – Results

Results Structure

This chapter presents the data from all three strands of research and outlines the major themes that were identified. A more detailed discussion of the findings will be reserved for the subsequent chapter. Firstly, the demographic findings from both the survey and the semi-structured interviews are presented. The remaining responses are then examined and grouped into two over-arching areas: **Opinions, Views & Perceptions**, developed from the responses provided in both the survey (Strand I) and the semi-structured interviews (Strand II), and **Questioning Observations**, derived from the question types observed in the case file analysis (Strand III). The responses from the survey and the semi-structured interviews have been blended together to provide an overview as to *what people say* and the findings are presented together. These findings can then be compared and contrasted with the case file analysis, which outlines *what people do in practice* when raising AML related questions.

Strand I & Strand II Demographics

Response Rate

Strand I

131 responses to the survey were received, representing a response rate of around 20.8%. 107 of these questionnaires were fully completed. The 24 partially completed questionnaires were not disregarded as they still contained some useful information. The percentage of progress through the survey is broken down in Table 3.

Table 3 - Percentage Amount of the Questionnaire that was Completed

Percentage Complete	Number of Responses
< 20	2
20	7
28	2
38	2
43	2
48	4
55	1
57	2
80	1
90	1
100	107

Unless otherwise specified all percentages stated throughout this paper have been calculated based on the number of valid responses to each particular question, thereby allowing the incomplete questionnaires to be included. Full details of the number of responses received for each question can be found in Appendix 4, Page 269.

Strand II

Contact was initially made with all 25 participants who volunteered their email address when completing the survey. This was reduced to just eight, as interviews could only proceed with those who signed and returned the consent form and 17 failed to do so. This subsequently reduced to seven as one of the participants failed to attend the interview and stopped responding to emails.

Gender, Age & Experience

Strand I

Of those who took part 60.3% ($n = 79$) were male and 35.1% ($n = 46$) were female, with 4.6% ($n = 6$) preferring not to say. 56.5% ($n = 74$) of the participants were aged between 25 and 34 years, with a further 28.2% ($n = 37$) aged between 35 and 44

years. Only two participants over the age of 55 years participated in the survey. The mean age of participants was 33.91 years, with the mode being 32.34 years and the median being 29.19 years (SD = 8.02) and a range of 59 years. The length of employment within the banking sector spanned a range of 36.5 years, with the mean being 8.3 years, the median being 6 years, and the mode being 5 years (SD = 7.01). Full details of the gender, age and experience of the survey participants are shown in Tables 4, 5 and 6.

Table 4 - Participants' Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	79	60.3	60.3	60.3
	Female	46	35.1	35.1	95.4
	Prefer not to say	6	4.6	4.6	100.0
	Total	131	100.0	100.0	

Table 5 - Participants' Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Prefer not to say	1	.8	.8	.8
	16 to 24 years	7	5.3	5.3	6.1
	25 to 34 years	74	56.5	56.5	62.6
	35 to 44 years	37	28.2	28.2	90.8
	45 to 54 years	10	7.6	7.6	98.5
	55 to 64 years	1	.8	.8	99.2
	65 to 74 years	1	.8	.8	100.0
	Total	131	100.0	100.0	

Table 6 - Banking Experience of Participants (in years)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0.5	1	.8	.8	.8
	1	2	1.5	1.7	2.5
	1.5	4	3.1	3.4	5.9
	2	14	10.7	11.9	17.8
	3	11	8.4	9.3	27.1
	4	10	7.6	8.5	35.6
	5	16	12.2	13.6	49.2
	6	3	2.3	2.5	51.7
	7	3	2.3	2.5	54.2
	8	8	6.1	6.8	61.0
	9	5	3.8	4.2	65.3
	10	10	7.6	8.5	73.7
	11	3	2.3	2.5	76.3
	12	4	3.1	3.4	79.7
	13	3	2.3	2.5	82.2
	14	1	.8	.8	83.1
	15	8	6.1	6.8	89.8
	16	2	1.5	1.7	91.5
	17	2	1.5	1.7	93.2
	20	1	.8	.8	94.1
21	1	.8	.8	94.9	
25	2	1.5	1.7	96.6	
26	1	.8	.8	97.5	
33	1	.8	.8	98.3	
35	1	.8	.8	99.2	
37	1	.8	.8	100.0	
	Total	118	90.1	100.0	
Missing	Blank	13	9.9		
Total		131	100.0		

Strand II

Of the seven interviews that were conducted all except one of the participants were male. Two were aged between 25 and 34 years, three were aged between 35 and 44 years, one was aged between 45 and 54 years and one was aged between 65 and 74 years. The mean length of employment was 13.14 years, with the median being 12

years and the mode being 4 years (SD = 9.21). There was a range of 22 years of employment.

Location of Participants

Strand I

58% ($n = 76$) of those who took part were employed within the UK. 17 countries were represented in total, with Poland forming the second largest population of participants at 12.2% ($n = 16$). The global nature of the research was important in establishing whether or not any issues identified were confined to certain countries. 17 countries were represented in the results and the geographical spread of the survey participants is set out in Table 7.

Table 7 - Country of Employment of the Survey Participants

	Frequency	Percent
United Kingdom	76	58
Poland	16	12.2
Pakistan	9	6.9
United States	8	6.1
India	5	3.8
Austria	2	1.5
China	2	1.5
Other	2	1.5
Singapore	2	1.5
Belgium	1	0.8
Cote d'Ivoire/Ivory Coast	1	0.8
France	1	0.8
Ireland	1	0.8
Lebanon	1	0.8
Qatar	1	0.8
Saudi Arabia	1	0.8
Turkey	1	0.8
United Arab Emirates	1	0.8
Total	131	100

Strand II

Of the seven interviews that took place two were conducted over the telephone (one participant was in the UK, the other in the US), two were conducted over Skype (one participant was in Ireland on secondment from Poland, the other was in Pakistan), and three were conducted face-to-face in the UK. There were some technical difficulties during the Skype call to Pakistan, causing a loss of connection and subsequently stifling the flow of conversation. There were also some minor language difficulties. Whilst all the participants spoke English, in two cases this was not their native language.

Professional Qualifications

Strand I

50.4% ($n = 66$) of the survey participants held professional qualifications in connection with their role in banking (for the purposes of this research those who were progressing towards qualifications, or who cited non-professional qualifications were not included). 18.3% ($n = 24$) were noted to hold internationally recognised certification through the Association of Certified Anti-Money Laundering Specialists (ACAMS). A full description of all qualifications held can be found in Appendix 4, Page 273.

Initial analysis was undertaken to examine whether the holding of professional qualifications had any discernible effect on the responses provided. It was considered that if professional qualifications significantly increased the participants' levels of confidence, knowledge and comfort when raising difficult questions, then a simple solution to the problems identified within the literature review relating to AML

investigations might be to ensure that all staff involved with such enquiries were professionally qualified.

In order to examine whether those with professional qualifications felt differently to those without, *t*-tests were conducted on nine questions that were extracted from the survey, as shown in Table 8. The questions selected for this exercise were all of the survey Likert scale questions, hence suitable for this analysis. For the *t*-tests the independent variable used was whether the participants were professionally qualified (qualified / not qualified) and the dependent variable was the response to each of the nine questions shown in Table 8.

Table 8 - T-Test Results For Survey Questions In Conjunction With Professional Qualifications

	Group Statistics							
	Please list any professional qualifications you hold that are directly relevant to your role	N	Mean	Std. Deviation	Std. Error Mean	t	df	Sig. (2-tailed)
Q9 - When escalating suspicious cases, do you generally find that your opinion is supported by clear and conclusive information?	Qualified	59	2.02	.731	.095	.125	114	.901
	Not Qualified	57	2.00	.732	.097			
Q10 - When closing cases without further escalation, or allowing transactions / business activity to proceed, do you generally find that your opinion is supported by clear and conclusive information?	Qualified	58	1.66	.849	.112	-.677	113	.499
	Not Qualified	57	1.75	.714	.095			
Q14 - Do you feel sufficiently protected by your employer to conduct your enquiries effectively?	Qualified	60	1.85	1.071	.138	-.615	116	.540
	Not Qualified	58	2.00	1.545	.203			
Q15 - Does a customer's background (religion, political position, social standing, age etc.) influence the way you deal with them?	Qualified	60	3.53	1.512	.195	-1.472	116	.144
	Not Qualified	58	3.95	1.549	.203			
Q19 - Speaking generally, do you have enough time to complete enquiries thoroughly and to the best of your ability?	Qualified	57	2.09	.872	.115	-.977	107	.331
	Not Qualified	52	2.25	.860	.119			
Q21 - When raising AML / KYC queries with customers, how important is it for you to build rapport with the person you are dealing with?	Qualified	18	1.44	.616	.145	-.980	36	.333
	Not Qualified	20	1.65	.671	.150			

Q22 - When raising AML / KYC queries with third parties (such as Relationship Managers), how important is it for you to build rapport with the person you are dealing with?	Qualified	46	1.72	.720	.106	.697	84	.487
	Not Qualified	40	1.60	.841	.133			
Q23 - When asking customers awkward or difficult questions, how comfortable do you feel?	Qualified	17	2.18	.951	.231	-1.212	35	.234
	Not Qualified	20	2.60	1.142	.255			
Q24 - When asking third parties (such as Relationship Managers) awkward or difficult questions, how comfortable do you feel?	Qualified	48	1.90	.778	.112	-.604	85	.548
	Not Qualified	39	2.00	.827	.132			

Non-significant statistical differences were noted, hence it was concluded that professional qualifications were not beneficial in terms of raising difficult questions with customers. The full results are contained in Appendix 7, Page 357.

Strand II

Of the seven interviewees 57% ($n = 4$) held professional qualifications related to their employment. One was currently in the process of becoming qualified at the time of interview.

Job Role

Strand I

91.6% ($n = 120$) of the survey participants stated that they were actively engaged in AML or KYC related work on a daily basis, directly on-boarding customers or refreshing customer data, monitoring banking transactions, or conducting AML investigations. 8.4% ($n = 11$) reported their employment as 'Other', one of which

described their role as both client on-boarding and refreshing client data, and two were Nominated Officers (effectively Deputy MLRO positions with ultimate responsibility for filing SARs). The remaining eight had roles that were linked to AML or KYC, although their extent of customer or third party contact was less obvious. Only one of these eight held a role that involved neither direct nor indirect customer contact. Table 9 outlines the full set of employment roles.

Table 9 - Job Title / Position of Survey Participants

		Frequency	Percent	Valid Percent	Cumulative Percent	
Valid	Relationship Management / Wealth Management	9	6.9	6.9	6.9	
	Client On-boarding - KYC / CDD / EDD	36	27.5	27.5	34.4	
	Client Refresh - Renewal KYC / CDD / EDD	33	25.2	25.2	59.5	
	AML Transaction Monitoring / Analysis	19	14.5	14.5	74.0	
	AML Investigations	18	13.7	13.7	87.8	
	MLRO / Deputy MLRO	5	3.8	3.8	91.6	
	Other - please specify:	11	8.4	8.4	100.0	
	Total	131	100.0	100.0		
	Other - please specify:					
	Client On-boarding & Client Refresh - KYC/CDD/EDD					
QA						
Business Analyst/MiFID Analyst						
Compliance And AML/CTF						
Director of AML/BSA/OFAC						
Compliance Liaison Officer						
Nominated Officer						
Internal investigations manager						
Business Analyst - KYC Projects for Utilities						
FATCA/KYC						
Nominated Officer						

Strand II

All of those who were interviewed were actively engaged in AML or KYC related roles. Participants 5, 38 and 54 all selected their job category as being AML Transaction Monitoring / Analysis, Participants 43 and 80 both selected Client Refresh – Renewal KYC / CDD / EDD, Participant 12 selected AML Investigations and Participant 15 selected Relationship Management / Wealth Management. For ease of reference the following codes have been used alongside each Strand II participant throughout this research to indicate their various roles:

AML Transaction Monitoring / Analysis – ‘AMLTM’

Client Refresh – Renewal KYC / CDD / EDD – ‘CR’

AML Investigations – ‘AMLI’

Relationship Management / Wealth Management – ‘RM’

Customer Contact

Strand I

Of the overall survey population 38.2% ($n = 50$) stated that they had direct customer contact, whilst 81.7% ($n = 107$) confirmed they made contact with customers through a third party such as a relationship manager, with 29% ($n = 38$) stating that they did both. 8.4% ($n = 11$) claimed they did neither (although one of these responses was subsequently found to be incorrect when the participant was interviewed). Tables 10 and 11 outline the responses.

Table 10 - Number of Participants Whose Role Involved Direct Contact With Customers

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	50	38.2	38.2	38.2
No	79	60.3	60.3	98.5
Prefer not to say	2	1.5	1.5	100.0
Total	131	100.0	100.0	

Table 11 - Number of Participants Whose Role Involved Directing Questions Through a Third Party (such as a Relationship Manager)

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	107	81.7	81.7	81.7
No	22	16.8	16.8	98.5
Prefer not to say	2	1.5	1.5	100.0
Total	131	100.0	100.0	

Strand II

Of the seven interviewees two had direct contact with both customers and third parties (Participants 15 (RM) and 43 (CR)). The others raised their enquiries through third parties, such as relationship managers. These details correlated with the information previously supplied in the survey, with the exception of Participant 12 (AMLI), who had initially indicated that he had no customer contact whatsoever, either directly or indirectly. It transpired that his original response in the survey was incorrect and that he did, in fact, contact customers indirectly through the appropriate relationship manager.

Time to Complete Enquiries

Strand I

74.3% ($n = 81$) of participants confirmed that they had sufficient time to complete their enquiries to the best of their ability either all or most of the time. 18.3% ($n = 20$) confirmed that they sometimes had enough time available and only 6.4% ($n = 7$) felt that this was rarely the case. The full details of the responses are shown in Table 12. This meant that time pressure was not generally perceived as being a major contributing factor to any investigation deficiencies.

Table 12 - Results To The Question “Speaking generally, do you have enough time to complete enquiries thoroughly and to the best of your ability?”

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	20	15.3	18.3	18.3
	Most of the time	61	46.6	56.0	74.3
	Sometimes	20	15.3	18.3	92.7
	Rarely	7	5.3	6.4	99.1
	Prefer not to say	1	.8	.9	100.0
	Total	109	83.2	100.0	
Missing	Blank	22	16.8		
Total		131	100.0		

Strand II

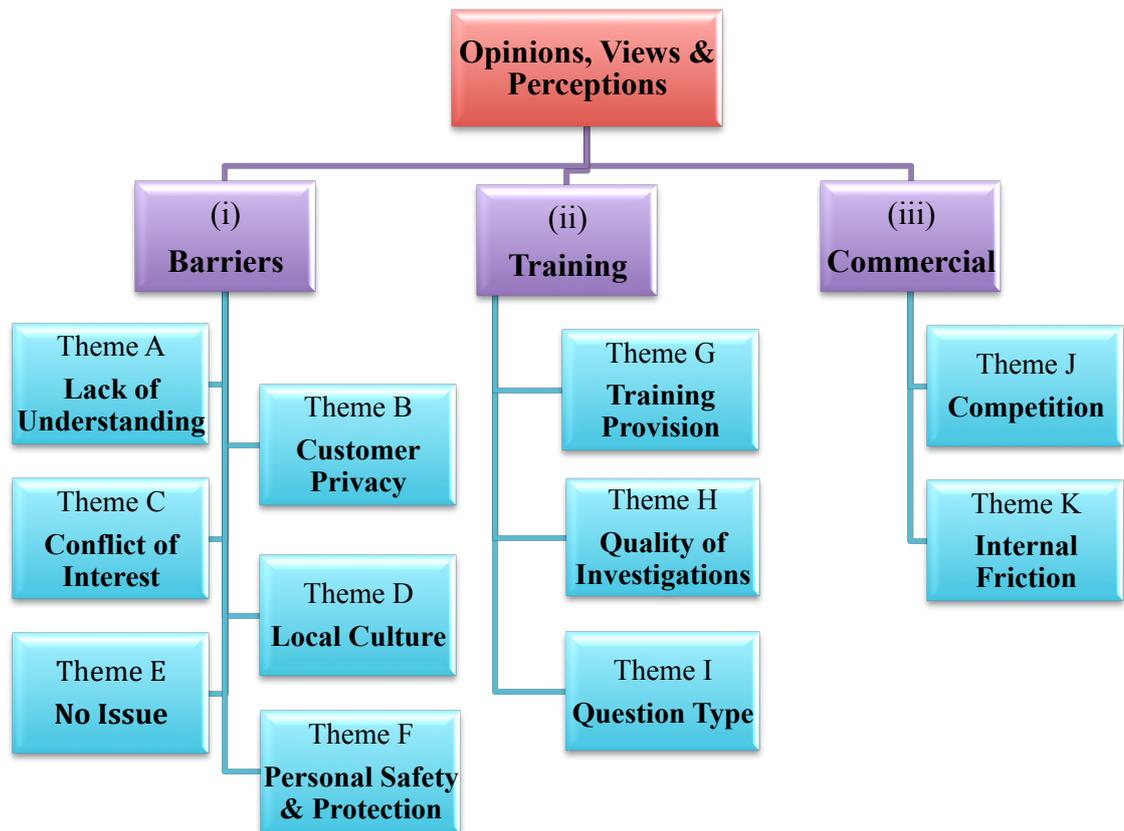
As 74.3% ($n = 81$) of the survey responses confirmed that they generally had sufficient time to complete their enquiries to the best of their ability, time pressure was not specifically explored further in the interviews.

Strand I & Strand II - Opinions, Views & Perceptions

Thematic analysis was performed on the survey responses (see Appendix 4, Page 289 for an example) and colour-coded thematic analysis was conducted on the interview transcripts (Appendix 5, Page 340). This allowed for key themes to be identified based on the topics that were mentioned. This approach also ensured that subjects that were less frequently discussed were still captured and documented. The results structure is visualised in Figure 2 below and each category and theme is subsequently detailed and discussed in more detail below. 11 themes emerged from these analyses, which were firstly grouped into three broad categories: (i) Barriers; (ii) Training; and (iii) Commercial. The 11 themes were identified as: (A) *Lack of Understanding*; (B) *Customer Privacy*; (C) *Conflict of Interest*; (D) *Local Culture*; (E) *No Issue*; (F) *Personal Safety & Protection*; (G) *Training Provision*; (H) *Quality of Investigations*; (I) *Question Type*; (J) *Competition*; and (K) *Internal Friction*. These themes emerged by examining the frequency with which each topic was mentioned, both within the survey responses (including the free text) and the semi-structured interviews and blending these topics together. The tables produced within SPSS indicated which questions received the highest number of positive or negative views and the thematic analysis allowed for a 'count' of comments, which were then formed into common themes. The thematic analysis of the interviews involved colour-coding the interview transcripts into different topics, which were again derived from the comments provided rather than being pre-determined. These were then compared and aligned to the themes already identified from the surveys. Where new topics were introduced that were not mentioned within the surveys, these were given a theme of their own, for example, Local Culture (discussed further below).

Whilst presented together, each theme description indicates which results were derived from Strand I, the survey, and which were derived from Strand II, the interviews.

Figure 2 - Results Structure, Strand I & Strand II - Opinions, Views & Perceptions



Key: Red – Area Heading; Purple – Category Title; Blue – Theme Title

Category (i) – Barriers

A pivotal question for this research related to the specific barriers that were encountered when raising questions regarding a customer’s source of wealth/funds or their transactions. This question was important because if participants had not experienced any barriers then this would imply that effective communications strategies were already in place. 88.4% ($n = 99$) of those still completing the survey at

the point when this question was posed provided comments. 14.5% ($n = 19$) of participants had stopped completing the survey by this point and 9.9% ($n = 13$) simply failed to provide any response to this question. 21.2% ($n = 21$) of those who provided comments gave details that fell into more than one category of the thematic analysis (see Appendix 4, Page 289). As illustrated in Table 13, 20.2% ($n = 20$) of survey responses were excluded from any detailed analysis as the free text responses provided were either not relevant to the question posed or did not provide sufficient clarity to understand the point being made.

Table 13 - Barriers Encountered When Questioning Customers

Issue	Frequency ($n=x$)
Incomplete details	18
Lack of understanding	16
Customer unhappy to supply information	12
RM not happy to ask	12
No issue	10
Client refusal	9
Fear of losing/annoying client	6
Discomfort posing questions	5
No response	4
Incorrect information	4
Contact difficulty	2
Cultural issues	2
Complaints	1

The 20 responses that were excluded from the above analysis were:

-
1. Account balance
 2. Barriers only come into play normally (on the rare occasion) when trying to seek out the true UBO when all evidence suggests that the public face of ownership is a nominee or defacto representative
 3. blocked by bank manager and soe employee
 4. Difficult to obtain for well known and public individuals
 5. Direct response from client.
 6. it is a part of KYC to disclose the source of fund/proof of Income.
 7. n/a
 8. N/a
 9. No idea
 10. Not applicable to my role
 11. Often we are asked to question transactions when details are already held on the bank's systems.
 12. Only bond customers have privacy issues in disclosing info
 13. Our customers know they won't be able to maintain a relationship with the Bank if they are unwilling to answer the above questions.
 14. Prefer to not say
 15. Privacy issues
 16. Proof of source of funds
 17. RM's having a very different mindset to Compliance personnel.
 18. Source of funds relates to transactions. Source of wealth is not about transactions. It is how the individual obtained their wealth. Eg: inheritance. SOW should be provided every time. We need to verify it. We just push back and insist on it.
 19. Time pressures from internal stakeholders
 20. Work in commercial banking no individuals
-

Each of the issues identified in Table 13 is presented below, along with relevant comments that were extracted from the interviews and remaining survey questions.

The percentages shown in relation to this question have been calculated against the 79 individuals who provided valid responses. The issues have been grouped into six themes based on the commonality between the comments made: (A) **Lack of**

Understanding; (B) *Customer Privacy*; (C) *Conflict of Interest*; (D) *Local Culture*; (E) *No Issue*; and (F) *Personal Safety & Protection*. Each theme has been supplemented by additional detail that was provided in response to the connected survey questions and covers some of the key areas that were identified during the interviews.

Incomplete details ($n = 18 / 22.8\%$), *lack of understanding* ($n = 16 / 20.3\%$), *incorrect information* ($n = 4 / 5.1\%$) and *no response* ($n = 4 / 5.1\%$) were grouped together as theme (A) *Lack of Understanding* on the proviso that had complete comprehension of the original request occurred, the full, correct details requested might have been supplied. The issues of *client refusal* ($n = 9 / 11.4\%$), *customer unhappy to supply information* ($n = 12 / 15.2\%$) and *complaints* ($n = 1 / 1.3\%$) have also been grouped together as the comments for each were broadly similar and related to the customer being unhappy to discuss their personal financial affairs. All have been brought together as theme (B) *Customer Privacy*. Likewise, *relationship manager not happy to ask* ($n = 12 / 15.2\%$), *discomfort posing questions* ($n = 5 / 6.3\%$), and *fear of losing/annoying client* ($n = 6 / 8.9\%$) have been considered as a group as the commentary for each was similar and all referred to the reluctance of the relationship manager to question the customer. These are detailed under theme (C) *Conflict of Interest* along with similar issues that were apparent from other areas of the survey responses and interviews. *Cultural issues* ($n = 2 / 2.5\%$), whilst not widely represented in Table 13, warranted its own theme heading of (D) *Local Culture* due to the comments made within the interviews. For example, Participant 54 (AMLTM) mentioned that customers in Pakistan were not familiar with bank confidentiality and were concerned that their personal details might be disclosed. Theme (E) *No Issue* (n

= 10 / 12.7%), whilst not technically an actual barrier, has been included due to the number of participants who indicated that they had not encountered any problems when raising questions. Finally, theme (F) *Personal Safety and Protection* has been added as a sixth category despite the fact that it does not feature in Table 13. Although survey participants did not specifically cite this as being a barrier when raising questions, the comments received in response to other survey questions indicated that this was an issue for some. Hence it warranted inclusion as fear for personal safety could potentially influence the probing nature of questions that might be asked.

Theme A - *Lack of Understanding*

Strand I

20.3% ($n = 16$) of the participants made reference to a *lack of understanding* when enquiring about a customer's finances, either on the part of the bank or the client direct. However, *incomplete information* was the most frequently mentioned issue, with 22.8% ($n = 18$) stating this was a problem. 5.1% ($n = 4$) made reference to *no response* being received and a further 5.1% ($n = 4$) referred to *incorrect information* being supplied.

The subsequent survey question received 112 valid responses, with 71.4% ($n = 80$) of participants confirming that they had experienced a situation where the questions they had raised had not been properly addressed. Table 14 outlines the full set of responses to this question.

Table 14 - Results To The Question “Have you ever experienced a situation where the questions you've asked have not been properly addressed?”

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	80	61.1	71.4	71.4
	No	22	16.8	19.6	91.1
	Don't know	9	6.9	8.0	99.1
	Prefer not to say	1	.8	.9	100.0
	Total	112	85.5	100.0	
Missing	Blank	19	14.5		
Total		131	100.0		

T-tests were conducted for the Yes and No responses provided to this question in order to determine whether there were any specific factors, such as lack of training or employer protection, that might be contributing to the inadequate responses participants had received. Identifying key reasons as to why the participants might find that their questions were not being properly addressed was deemed to be beneficial in helping to identify potential solutions. The questions selected for this exercise were once again centred on all of the survey Likert scale questions that were suitable for this analysis. For the *t*-tests the independent variable used was whether the participants had experienced a situation in which their questions had not been properly addressed (yes / no) and the dependent variable was the response to each of the nine questions shown in Table 15.

These tests revealed non-significant effects, with just one exception, this being the level of comfort felt when raising difficult or awkward questions direct with customers (shown as Q23 in Table 15). Those who confirmed they had encountered instances where their questions were not properly addressed ($M = 2.46$, $SD = 1.02$) indicated that they felt less comfortable raising awkward questions with customers

than those that had not ($M = 1.57$, $SD = 0.79$), $t(29) = 2.11$, $p = .043$. The details of the t -tests are shown in Table 15 and the full results can be found in Appendix 7, Page 357.

Table 15 - *T*-Test Results For Survey Questions In Conjunction With Instances Of Questions Not Being Properly Addressed

	Group Statistics							
	Have you ever experienced a situation where the questions you've asked have not been properly addressed?	N	Mean	Std. Deviation	Std. Error Mean	t	df	Sig. (2-tailed)
Q9 - When escalating suspicious cases, do you generally find that your opinion is supported by clear and conclusive information?	Yes	76	2.08	.762	.087	.419	95	.676
	No	21	2.00	.775	.169			
Q10 - When closing cases without further escalation, or allowing transactions / business activity to proceed, do you generally find that your opinion is supported by clear and conclusive information?	Yes	76	1.72	.810	.093	.196	93	.845
	No	19	1.68	.671	.154			
Q14 - Do you feel sufficiently protected by your employer to conduct your enquiries effectively?	Yes	80	1.81	1.137	.127	-1.199	25.338	.242
	No	22	2.32	1.887	.402			
Q15 - Does a customer's background (religion, political position, social standing, age etc.) influence the way you deal with them?	Yes	80	3.75	1.579	.177	-1.187	100	.238
	No	22	4.18	1.220	.260			
Q19 - Speaking generally, do you have enough time to complete enquiries thoroughly and to the best of your ability?	Yes	79	2.19	.863	.097	.880	97	.381
	No	20	2.00	.858	.192			
Q21 - When raising AML / KYC queries with customers, how important is it for you to build rapport with the person you are dealing with?	Yes	25	1.52	.653	.131	-.191	30	.850
	No	7	1.57	.535	.202			
Q22 - When raising AML / KYC queries with third parties (such as Relationship Managers), how important is it for you to build rapport with the person you are dealing with?	Yes	66	1.61	.677	.083	-1.291	76	.201
	No	12	1.92	1.165	.336			
Q23 - When asking customers awkward or difficult questions, how comfortable do you feel?	Yes	24	2.46	1.021	.208	2.114	29	.043
	No	7	1.57	.787	.297			
Q24 - When asking third parties (such as Relationship Managers) awkward or difficult questions, how comfortable do you feel?	Yes	65	1.92	.777	.096	.288	77	.774
	No	14	1.86	.770	.206			

When asked to describe what happened in situations where questions were not properly addressed only 2.7% ($n = 3$) of the participants articulated the specific details of the conversations itself. Instead, 55.4% ($n = 62$) described the procedures they followed, such as escalating the case to senior management. Of those that spoke about the actual scenarios they had encountered there were some concerning comments raised, notably “People assuming what the client meant, not clarifying what the person actually meant, or simply not understanding the question or the response” (Participant 38 (AMLTM)); “Questions around beneficial ownership structure are rarely answered in a way which are easily understandable” (Participant 78); “RM’s [sic] rephrased questions to suit themselves when asking the client . . . and did not resolve the AML concerns” (Participant 104); “The third party asked questions raised by myself, but the answers given posed further questions, which were not asked (a lack of common sense)” (Participant 82); “Sometimes there is a communication gap” (Participant 81); and “Questions have been misinterpreted, or the full story has not been given” (Participant 63). 4.46% ($n = 5$) of the participants specifically stated that they would just rephrase the questions or simply ask them again.

78.9% ($n = 86$) of the participants stated that email was their primary means of communication when raising queries, with only one participant conducting regular face-to-face enquiries. Table 16 outlines the full set of responses.

Table 16 - Primary Method of Communication When Raising AML / KYC Queries With Customers or Third Parties?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Telephone	8	6.1	7.3	7.3
	Email	86	65.6	78.9	86.2
	Face-to-face	1	.8	.9	87.2
	Other (please specify)	6	4.6	5.5	92.7
	Not applicable	7	5.3	6.4	99.1
	Prefer not to say	1	.8	.9	100.0
	Total	109	83.2	100.0	
Missing	Blank	22	16.8		
Total		131	100.0		

When asked about the importance of building rapport with customers when raising queries 92.1% ($n = 35$) considered this to be either important or extremely important.

Table 17 outlines the full set of responses.

Table 17 - Results To The Question “When raising AML / KYC queries with customers, how important is it for you to build rapport with the person you are dealing with?”

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Extremely important	20	15.3	52.6	52.6
	Important	15	11.5	39.5	92.1
	Neither important nor unimportant	3	2.3	7.9	100.0
	Total	38	29.0	100.0	
Missing	Blank	93	71.0		
Total		131	100.0		

Likewise, 87.2% ($n = 75$) believed that the building of rapport with third parties through whom questions might be directed was either important or extremely important. Only one participant felt that this was not at all important. Table 18 outlines the full set of responses.

Table 18 - Results To The Question “When raising AML / KYC queries with third parties (such as Relationship Managers), how important is it for you to build rapport with the person you are dealing with?”

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Extremely important	42	32.1	48.8	48.8
	Important	33	25.2	38.4	87.2
	Neither important nor unimportant	10	7.6	11.6	98.8
	Not at all important	1	.8	1.2	100.0
	Total	86	65.6	100.0	
Missing	Not applicable	3	2.3		
	Blank	42	32.1		
	Total	45	34.4		
Total		131	100.0		

As it was generally acknowledged that building rapport was an important feature when raising queries, this was not explored further in the research. Instead, focus was directed at the questioning techniques themselves.

Strand II

Lack of understanding was expanded upon during the interviews, in which Participant 38 (AMLTM) stated “with some of the relationship managers . . . potentially their understanding of AML in itself may not be the forefront of their focus. They’re thinking more of a customer service aspect”. She later elaborated that if the

relationship managers “understand the reason that they’re asking” it would assist them with their line of questioning.

Three of the interview participants made reference to the fact that customers did not fully appreciate the reasons for the questions being raised, which in turn made matters more difficult. Participant 15 (RM) made it very clear that “we could do so much more to educate clients”, citing his own learning experience of the process as an example. He explained “when I was first asked to do this, I felt really awkward ‘cause I didn’t understand why the bank was asking for it. And it was only once I was educated that I thought ‘My goodness, right, that completely makes sense’.”. He further provided an analogy as to how the public have been educated not to simply accept the first insurance quote obtained, when they should speak to a financial advisor and how to check that they were qualified. He concluded that “actually if we were all more transparent around the source of wealth and source of funds, actually when you think about it, why would you ever have a problem with somebody knowing where your monies came from?”. Participant 38 (AMLTM) also considered that explaining the background to the situation was an important step that was frequently overlooked, leading to customer confusion.

The significance of rapport was demonstrated during the interview with Participant 15 (RM) who repeatedly made reference to the importance of engaging with customers and making them feel at ease. Likewise Participant 43 (CR) used “reflecting techniques” to gain the confidence and understanding of customers, indicating that he valued the relationship building element of conversation.

Theme B - *Customer Privacy*

Strand I

27.8% ($n = 22$) of the survey participants commented that the barriers lay with the clients' belief that the bank was not entitled to ask such intrusive questions. Such opinions included: "Clients sometimes feel this is not any of our business and refuse to co-operate" (Participant 83); "Clients have issues with talking about their money" (Participant 21); "Clients do not want to tell you this information . . . some clients have point blank refused" (Participant 15 (RM)); "Clients have raised complaints for us asking too much information" (Participant 102); "Customers commenting that this type of information is none of the banks [sic] business and is certainly not required" (Participant 78); "Clients . . . feel the questions we ask are too intrusive" (Participant 16); and "Most of the PEP customers are not willing to provide such information" (Participant 6).

13.1% ($n = 16$) of the survey participants confirmed that they had either closed an enquiry or allowed transactional / business activity to proceed despite knowing that the details of their review were incomplete. Table 19 outlines the full set of responses. The reasons for doing so included comments such as: "Client refused to provide information due to secrecy law of that country" (Participant 30); "No further information can be obtained due to privacy issues. Not enough information is available on the parties involved in the public domain" (Participant 5 (AMLTM)) and "Sensitive client and high revenue from the transaction" (Participant 79).

Table 19 - Results To The Question “Have you ever closed an enquiry, or allowed transactions / business activity to proceed knowing that the details were incomplete?”

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	16	12.2	13.1	13.1
	No	96	73.3	78.7	91.8
	Don't know	5	3.8	4.1	95.9
	Prefer not to say	5	3.8	4.1	100.0
	Total	122	93.1	100.0	
Missing	Blank	9	6.9		
Total		131	100.0		

Strand II

One of the key messages from the interview with Participant 15 (RM) was that customers should be made more aware of the reasons for banks wanting to know personal information and for increased transparency around procedures. Participant 54 (AMLTM) commented during his interview in that “in Pakistan the customer isn’t aware of confidentiality. They think that the bank is going to disclose the purpose and this is why they are . . . reluctant in providing that information”. However, he believed that this issue did not extend beyond Pakistan.

Theme C - *Conflict of Interest*

Strand I

When considering the barriers faced 29.1% ($n = 23$) of the participants indicated difficulty or hesitation in staff communicating effectively with customers. These included statements such as: “Relationship managers...don’t know the customer very well and don’t want to ask the client” (Participant 102); “Front line staff who contact the customer may be reluctant to “annoy” their client” (Participant 93); “Front line staff . . . may not wish to offend the client by asking personal questions” (Participant

24); “Front line staff u[n]willing to go [to] the client for such information” (Participant 1); “RMs reluctant to reach out to clients so as not to disrupt relationships” (Participant 5 (AMLTM)); “Relationship manager’s fear of loosing [sic] the deal” (Participant 28); “RM didn’t [sic] know how to ask a customer” (Participant 80 (CR)); and “The party required to ask the questions feel [sic] uncomfortable doing so as feels they are being intrusive . . . and not further questioning or corroborating the information provided” (Participant 38 (AMLTM)).

Strand II

Participant 80 (CR) commented that “RMs don’t know how to address the question to the client” and attributed many of the issues faced by the bank to the fact that some of their questions touch “sensitive transactions or sensitive relationships” and that the “size of the client or reputation . . . could be the problem”. These comments reflected the findings from the survey.

Participant 38 (AMLTM) also mirrored these views, stating that relationship managers “don’t feel comfortable asking the questions because some of them can be quite difficult and obtrusive. So they feel that if they ask the questions they may upset the relationship they have with their client”. Likewise, she considered that there was a conflict of interest with relationship managers being asked to question customers’ activity, when they were reliant on those same customers to generate income. When asked how this was tackled within her own organisation she stated “Quite badly at times. I think it can cause some very heated discussions . . . they’re there to drive revenue not to answer these sorts of questions”.

Theme D - Local Culture

Strand I

11% ($n = 13$) of survey participants stated that a customer's background would always influence the way in which they deal with them, whereas 38.1% ($n = 45$) said this would never be the case. Table 20 outlines the full set of responses.

Table 20 - Results To The Question "Does a customer's background (religion, political position, social standing, age etc.) influence the way you deal with them?"

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	13	9.9	11.0	11.0
	Most of the Time	13	9.9	11.0	22.0
	Sometimes	29	22.1	24.6	46.6
	Rarely	10	7.6	8.5	55.1
	Never	45	34.4	38.1	93.2
	Don't know	6	4.6	5.1	98.3
	Prefer not to say	2	1.5	1.7	100.0
	Total	118	90.1	100.0	
Missing	Blank	13	9.9		
Total		131	100.0		

Whilst 11.1% ($n = 13$) of the survey participants made reference to the fact that an individual holding a PEP status would result in EDD being conducted, this related only to the standard processes adopted by the bank. Only 1.7% ($n = 2$) mentioned that a customer's age should be taken into account. Another stated that "age, religion and social standing has nothing to do with the way clients are treated" (Participant 36). Although 3.4% ($n = 4$) indicated that customers should be treated as individuals and the investigation approach adapted accordingly, none provided any indication as to what such adaptations should be.

Strand II

A slightly different view was presented during the interviews. Although having stated in the survey that a customer's background would "never" influence the way they were dealt with, Participant 54 (AMLTM) acknowledged that "in Pakistan the people are not that well educated" and that whilst he worked for a international bank, customers treated them like a local bank, where trust and confidentiality were frequently betrayed. This in turn made it problematic to extract detailed information from their clients. Participant 15 (RM) stated that he recognised that individual customers would have been through different experiences and as such, needed an approach tailored to their own specific needs, stating that in certain cases "they've never been through this before, they might actually find this quite daunting and intrusive, so you have to be able to treat them with kid gloves and explain it".

Participant 5 (AMLTM) confirmed that there were frequently problems with answers received to the questions raised and stated that "Sometimes they don't really put their wordings right. Sometimes they ask the questions in a very roundabout way". He cited that one of the reasons for this included language barriers, giving the example that the initial queries were raised in the transaction monitoring hub in Poland, in English, and then perhaps sent to Nigeria, again where the response was produced in English, but as both sides of the communication were taking place in second languages there was "a lot of misunderstanding" and "very vague responses".

Participant 38 (AMLTM) also intimated that language barriers were a problem "because again we deal across different geographies and different types of clientele". She echoed the fact that information provided was "frequently" incomplete. This was

perhaps due to the fact that when queries were raised “they will just ask the question - no background to the situation”. Participant 43 (CR) recognised the language barriers and attempted to overcome these by ensuring his communications were translated into the relevant language, stating that it would be “presumptuous on our part if we’ve got a French customer who’s based in France that we would expect them to interact with us in our native tongue rather than theirs”. As Participant 43 (CR) was not fluent in French himself, this process relied on him using Google Translate, or referring to a colleague who was a native speaker.

Participant 54 (AMLTM) commented on market practice and specifically as to how the cash based economy in his country (Pakistan) made it difficult to fully investigate transactions. He advised that “sometimes the customer is reluctant to provide the purpose [of the transaction]”, so they would make a decision based simply on whether the relationship manager was comfortable with the transaction. This meant that the independence of the compliance function was compromised in that reliance was placed not on its own enquiries, but on the judgement of the first line of defence, the relationship manager, who was directly remunerated by the business brought into the bank.

Participant 54 (AMLTM) also confirmed that there was a problem with customers not actually answering the questions posed. However, he attributed this, at least to some degree, to the fact that local banks have less stringent requirements, which can lead to customers feeling annoyed with the controls which are simply not part of local banking culture. Emphasis was placed on the fact that Pakistan had a cash based economy and that local banks were “not very focused on sanctions and AML”. This

raised the question as to how international banks can integrate with local banking expectations and requirements and could be an area for future research. As found with other interviewees, quality checks were in place. However, these were designed to check accuracy rather than examining the questioning approach itself, with no feedback related to such matters ever having been received.

Theme E - *No Issue*

Strand I

12.7% ($n = 10$) of the survey participants specifically stated that they had not encountered any barriers when raising questions about a customer's source of wealth or funds. This was in contrast to the details that were provided by other participants. Only 2.5% ($n = 2$) of these participants went on to provide examples of questions they might use, all of which were closed questions. Hence there was no clear reason as to why these individuals had not encountered any issues. 2.5% ($n = 2$) of the remaining participants mentioned that they did not personally ask customers for information; hence they would have been unlikely to encounter any barriers.

Strand II

All of those who were interviewed provided multiple examples of difficulties and barriers they had encountered when questioning customers, which are detailed under the appropriate themes. These examples were provided both in their initial survey responses and were further described during the interviews. Accordingly, the *No Issue* theme was not a feature within Strand II.

Theme F - Personal Safety & Protection

Strand I

48.3% ($n = 57$) of survey participants said that they always felt sufficiently protected by their employer to conduct their enquiries effectively. Full details are shown in Table 21.

Table 21 - Results To The Question “Do you feel sufficiently protected by your employer to conduct your enquiries effectively?”

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	57	43.5	48.3	48.3
	Most of the Time	39	29.8	33.1	81.4
	Sometimes	10	7.6	8.5	89.8
	Rarely	6	4.6	5.1	94.9
	Don't know	4	3.1	3.4	98.3
	Prefer not to say	2	1.5	1.7	100.0
	Total	118	90.1	100.0	
Missing	Blank	13	9.9		
Total		131	100.0		

12.1% ($n = 14$) of survey participants confirmed that they had been threatened or had felt intimidated to either close an enquiry or allow a transaction to continue. Table 22 outlines the full set of responses.

Table 22 - Results To The Question “Have you ever been threatened or felt intimidated to close an enquiry or to continue with a transaction / business activity?”

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	14	10.7	12.1	12.1
	No	98	74.8	84.5	96.6
	Prefer not to say	4	3.1	3.4	100.0
	Total	116	88.5	100.0	
Missing	Blank	15	11.5		
Total		131	100.0		

It transpired that only 1.7% ($n = 2$) of these threats were of a personal nature. One of these participants was located in Lebanon, which ranks at position 143 out of 180 countries in the Corruption Perceptions Index 2017, and the other participant was located in the UK, which ranks at position 8 (Transparency International, 2018). The other 10.3% ($n = 12$) of responses related to inappropriate comments from other areas of the business concerning the fact that business deals might fall through.

Strand II

A lack of employer protection was not mentioned in any of the interviews. However, there was an indication that employers were placing staff in difficult situations. In particular, comments such as “you’re not allowed to explain to them [customers] why you’re asking the questions” and “the goalposts changed, depending on the client” (Participant 15 (RM)) were suggestive of a lack of support and restrictions on fulfilling their roles effectively.

Likewise, no threatening behaviour was identified during the interviews, although Participant 15 (RM) mentioned that he was taken aback with the challenging response he received during one conversation with another member of staff that caused him to think “Am I doing something wrong?”.

Category (ii) - Training

The literature review highlighted the importance of appropriate, effective and on-going training. As such, the questions, both in the survey and the interviews, were structured so as to draw out the extent of training, on-going support and quality assessment provided to bank staff. The results are detailed in the three themes below.

Theme G – Training Provision

Strand I

60.2% ($n = 53$) of survey participants confirmed that they had never received any training to help them draft questions for third parties or intermediaries, such as relationship managers. Table 23 outlines the full set of responses.

Table 23 - Results To The Question “Have you ever received specific training to help you when drafting questions which third parties (such as Relationship Managers) have to relay to customers?”

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	33	25.2	37.5	37.5
	No	53	40.5	60.2	97.7
	Don't know	2	1.5	2.3	100.0
	Total	88	67.2	100.0	
Missing	Prefer not to say	1	.8		
	Blank	42	32.1		
	Total	43	32.8		
Total		131	100.0		

Of those who had been trained 35.2% ($n = 31$) provided a description of the training they had received, which appeared to consist primarily of informal or internal sessions. Only 2.3% ($n = 2$) made reference to any external training being provided, one which was intended to help with cultural differences and the other to improve communication with business partners.

When asked whether training had been received to assist when asking customers awkward or difficult questions only 38 survey responses were provided in total. This was primarily due to the small number of participants ($n = 50$) who were directly

engaged with customers and were consequently presented with the question. Table 24 outlines the full set of responses.

Table 24 - Results To The Question “Have you ever received specific training to help you when asking customers awkward or difficult questions?”

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	13	9.9	34.2	34.2
	No	25	19.1	65.8	100.0
	Total	38	29.0	100.0	
Missing	Blank	93	71.0		
Total		131	100.0		

Of the responses received 65.8% ($n = 25$) confirmed that they had never received such training. For those who had received training, this again consisted of informal or internal sessions, with only one individual referring to an external course, which was focused on managing difficult conversations. Despite this apparent lack of training 73% ($n=27$) considered that they were appropriately equipped, experienced and trained to raise awkward or difficult questions with customers. Table 25 outlines the full set of responses.

Table 25 - Results To The Question “Do you feel appropriately equipped, experienced and trained to raise awkward or difficult questions with customers?”

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	27	20.6	73.0	73.0
	No	8	6.1	21.6	94.6
	Not applicable	1	.8	2.7	97.3
	Prefer not to say	1	.8	2.7	100.0
	Total	37	28.2	100.0	
Missing	Blank	94	71.8		
Total		131	100.0		

37 survey replies were received in response to the question asking how comfortable participants felt when asking customers awkward or difficult questions. Limited responses were received due to the number of those having direct contact with customers ($n = 50$). Whilst 45.9% ($n = 17$) said they felt reasonably comfortable, and 18.9% ($n = 7$) were very comfortable, 24.3% ($n = 9$) stated that they were somewhat uncomfortable, of which 8.1% ($n = 3$) were professionally qualified. None stated they felt very uncomfortable. The full set of responses is shown in Table 26.

Table 26 - Results To The Question “When asking customers awkward or difficult questions, how comfortable do you feel?”

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very comfortable	7	5.3	18.9	18.9
	Reasonably comfortable	17	13.0	45.9	64.9
	Neither comfortable nor uncomfortable	4	3.1	10.8	75.7
	Somewhat uncomfortable	9	6.9	24.3	100.0
	Total	37	28.2	100.0	
Missing	Prefer not to say	1	.8		
	Blank	93	71.0		
	Total	94	71.8		
Total		131	100.0		

These results were quite different to those who were faced with asking third parties, such as relationship managers, difficult questions. The level of comfort here, dealing mainly with colleagues, was significantly greater, with 29.9% ($n = 26$) of those who responded stating they felt very comfortable, 50.6% ($n = 44$) felt reasonably

comfortable and only 4.6% ($n = 4$) stating that they were somewhat uncomfortable.

Table 27 outlines the full set of responses received.

Table 27 - Results To The Question “When asking third parties (such as Relationship Managers) awkward or difficult questions, how comfortable do you feel?”

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very comfortable	26	19.8	29.9	29.9
	Reasonably comfortable	44	33.6	50.6	80.5
	Neither comfortable nor uncomfortable	13	9.9	14.9	95.4
	Somewhat uncomfortable	4	3.1	4.6	100.0
	Total	87	66.4	100.0	
Missing	Prefer not to say	2	1.5		
	Blank	42	32.1		
	Total	44	33.6		
Total		131	100.0		

Similarly, 80.7% ($n = 71$) of survey participants considered that they were appropriately trained, experienced and equipped to raise awkward or difficult questions with third parties. Table 28 contains the full set of responses. These individuals were spread across seven different countries and although the UK dominated, this was in keeping with the overall population spread. So despite many participants not having received significant training, and some feeling uncomfortable, as specified above, the majority in each category (73% and 80.7% respectively) still believed they were properly equipped to conduct their roles effectively.

Table 28 - Results To The Question “Do you feel appropriately equipped, experienced and trained to raise awkward or difficult questions with third parties (such as Relationship Managers)?”

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	71	54.2	80.7	80.7
	No	11	8.4	12.5	93.2
	Not applicable	5	3.8	5.7	98.9
	Prefer not to say	1	.8	1.1	100.0
	Total	88	67.2	100.0	
Missing	Blank	43	32.8		
Total		131	100.0		

Strand II

The survey responses were broadly mirrored in the interviews. It was noted that none of the seven individuals had ever had any formal training as to how to conduct interviews, nor any training related to questioning, although this was not necessarily recognised as a gap in knowledge. Participant 12 (AMLI) considered that he had received specific training relating to questioning techniques, although it transpired that this consisted of him attending a presentation at an annual seminar that outlined certain question types and how they should be asked. The only follow up to this was a quality control check, designed to revisit how the questions were phrased, along with the outcome of the case.

Likewise, although Participant 43 (CR) was asked twice whether he had received specific training for his current role, his answers failed to describe any kind of training course. He referred instead to knowledge gained in his previous role and outlined the training that he was personally now responsible for delivering. This training actually related to his previous role related to sales and whilst this involved “managing relationships” he claimed that “you’d only really want to ask a question

where you kind of already know the answer” and that he would employ “disturbing techniques” in order to “paint a pretty grim picture” before advising the customer as to how he could solve their problems.

Participant 15 (RM) was very clear in that he had not been given any specific training and was simply tasked with these duties as he had “supposedly got objection handling skills” and the bank had “relied on the fact that we know how to get information from clients through client meetings in a nice positive way”. He elaborated further to say that he had not been provided with specific training to assist where customers had not wanted to provide full details and confirmed that it had been “trial and error to be honest, with more to do with helping each other as colleagues”.

Participant 15 (RM) also advised that he had previously had “one or two people actually break down crying . . . and get really, really defensive” whilst others would simply hang up. In the example he provided he mentioned that a particular customer “broke down” because she felt the bank was harassing her. He advised that, at the time, he was new to the role and essentially had been presented with a list of twenty points that he needed to cover with the customer. He explained that he was put in a position where he had to ask about her source of funds, which she had inherited from her deceased parents. However, this information alone was not deemed sufficient for the bank. He was therefore asked to go back to the customer to establish precisely what line of employment her parents had been in. Being placed in this difficult scenario, he explained how he “instantly started being apologetic” whilst the customer became “really emotional”. He recognised that showing empathy was important, but that “apologising almost makes it feel like you’re doing something

wrong”. He elaborated by saying that the customer then went “on the attack” due to her thinking “if you’re apologising and you’re asking me this, then you shouldn’t have asked”. He explained that the training within the bank he was employed with was “getting better” and that “the bank has sort of been learning as we go along”, although there was still inconsistency with details that would be acceptable for one client, yet not with another. He added “Most people don’t want to co-operate, if I’m being honest” and “I would say 90% of people don’t want to talk to you”.

Participant 15 (RM) also emphasised the importance of trying to educate the customer, explaining that these questions were not personal, but were part of a “global standards” programme that was being rolled out across the bank. He explained that he would never state “I *have* to ask you this” because this would imply that someone, somewhere, was specifically directing that question at that particular customer. He made specific reference to positioning the questions carefully, preparing ahead of the call, adapting his style to different individuals, and trying not to lead customers. However, none of these techniques had been developed through any formal training process. Despite these efforts, he noted “it can get very uncomfortable very quickly” and that during one call he felt awkward and embarrassed, stating “I didn’t know how else to word it”. He attributed part of the difficulty to the fact that the customers were not “getting anything out of this” as their accounts were already open and the questioning provided no obvious benefit from the customers’ perspective. Furthermore, although a quality check was in place, this did not examine the questioning techniques themselves, but looked at the content of the findings. This participant also noted that those conducting the quality analysis were new to the environment and commented that “it’s almost as if sometimes they’re

listening to you to learn to hear what sort of things that clients are actually saying”. Despite an absence of his own personal guidance and training, he confirmed that he now trained staff as part of his current role.

Participant 38 (AMLTM) confirmed that her only training had developed “just through years of working in financial institutions and speaking with customers, working on the front line, learning and understanding how you can speak to people and get the information you require”. Despite having received no formal training herself, she had recently been posted to her bank’s central monitoring hub to deliver training to a large number of staff in order to “provide some basic questioning technique training”. Although Participant 38 (AMLTM) stated that she frequently encountered obstacles herself when raising questions she did not seem to view this as being of concern. When asked to provide an example of an obstacle she had encountered she cited a closed question that had not generated the full response she had anticipated. This was somewhat in contradiction to a comment she had made earlier in the interview in which she specifically stated she would generally ask open questions to prevent receiving one word answers.

When Participant 54 (AMLTM) was asked whether training had been provided relating to the phrasing or structuring of questions he confirmed that none had been delivered, stating “Not particularly phrasing questions. They don’t go for the details. The training does not go into details . . . they don’t detail how to take information from customers”. Although Participant 80 (CR) had received some training relating to the question types used, this had been provided two years earlier and was delivered by his compliance colleagues as opposed to any form of specialist or bespoke formal

training. This was prompted due to the fact “they were already aware that there were some troubles” with raising questions with the relationship managers. Likewise, Participant 5 (AMLTM) had received no formal training to guide him through the questioning process and he stated that he had “kind of just picked things up” as he went along.

Theme H - *Quality of Investigations*

Strand I

28.7% ($n = 31$) of the survey participants confirmed that their interviewing or questioning skills had been reviewed, analysed, measured or quantified. Table 29 outlines the full set of responses. 48.1% ($n = 52$) of survey participants had not received any feedback on their interviewing skills and a further 11.1% ($n = 12$) stated that they did not know. When asked to describe how these reviews were conducted, it became clear that only 16.1% ($n = 5$) of these 31 individuals had received formal, structured feedback. One participant had received appropriate training whilst in the police, although such reviews would not have continued within the financial services sector. 6.5% ($n = 2$) of the participants cited training and feedback they had received as part of selling financial products. File review was mentioned as the most common form of analysis, with 12.9% ($n = 4$) confirming that role-play was used and 22.6% ($n = 7$) referring to call listening.

Table 29 - Results To The Question “Have your interviewing / questioning skills ever been analysed, measured or quantified in any way?”

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	31	23.7	28.7	28.7
	No	52	39.7	48.1	76.9
	Don't know	12	9.2	11.1	88.0
	Not applicable	10	7.6	9.3	97.2
	Prefer not to say	3	2.3	2.8	100.0
	Total	108	82.4	100.0	
Missing	Blank	23	17.6		
Total		131	100.0		

80.2% ($n = 93$) of survey participants felt that when they escalated suspicious cases their opinion was usually supported by clear and conclusive information. Table 30 outlines the full set of responses.

Table 30 - Results To The Question “When escalating suspicious cases, do you generally find that your opinion is supported by clear and conclusive information?”

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	All of the Time	26	19.8	22.4	22.4
	Often	67	51.1	57.8	80.2
	Sometimes	19	14.5	16.4	96.6
	Rarely	4	3.1	3.4	100.0
	Total	116	88.5	100.0	
Missing	Don't know	1	.8		
	Prefer not to say	2	1.5		
	Not applicable	3	2.3		
	Blank	9	6.9		
Total		15	11.5		
Total		131	100.0		

In a similar vein 87% ($n = 100$) considered that they generally had sufficient information to close a case review. Table 31 outlines the full set of responses.

Table 31 - Results To The Question “When closing cases without further escalation, or allowing transactions / business activity to proceed, do you generally find that your opinion is supported by clear and conclusive information?”

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	All of the Time	53	40.5	46.1	46.1
	Often	47	35.9	40.9	87.0
	Sometimes	11	8.4	9.6	96.5
	Rarely	4	3.1	3.5	100.0
	Total	115	87.8	100.0	
Missing	Don't know	1	.8		
	Prefer not to say	1	.8		
	Not applicable	5	3.8		
	Blank	9	6.9		
	Total	16	12.2		
Total		131	100.0		

34.2% ($n = 41$) of the survey participants stated that they had escalated cases, either internally or to the authorities knowing that the details were incomplete. The full set of responses is shown in Table 32.

Table 32 - Results To The Question “Have you ever escalated a case (either internally or to external authorities) knowing that the details were incomplete?”

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	41	31.3	34.2	34.2
	No	66	50.4	55.0	89.2
	Don't know	10	7.6	8.3	97.5
	Prefer not to say	3	2.3	2.5	100.0
	Total	120	91.6	100.0	
Missing	Blank	11	8.4		
Total		131	100.0		

The reasons provided for doing so included: “It wasn’t possible to establish without alerting the customer” (Participant 62); “Client was unwilling to provide all the required information” (Participant 23); “To avoid tipping off” (Participant 6);

“Information is not provided by the client” (Participant 30); and “to avoid reaching to customer many times” (Participant 41).

25.8% ($n = 31$) of the survey participants confirmed that they had submitted SARs direct to the authorities (Table 33), and of these 11.7% ($n = 14$) also confirmed that they had escalated cases knowing that the details were incomplete.

Table 33 - Results To The Question “Have you ever submitted a Suspicious Activity Report (SAR) direct to the authorities?”

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	31	23.7	25.8	25.8
	No	82	62.6	68.3	94.2
	Prefer not to say	7	5.3	5.8	100.0
	Total	120	91.6	100.0	
Missing	Blank	11	8.4		
Total		131	100.0		

Strand II

The interviews revealed an assortment of responses when asked about feedback. Participant 54 (AMLTM) confirmed “I’ve never had any kind of feedback” and Participant 15 (RM) stated that he felt that he was actually helping to train those who ought to be undertaking the reviews. Although there was some evidence of quality checks or audits taking place (Participants 12 (AMLI) and 43 (CR)) that, to some extent, reviewed the questions posed, there was no evidence of a structured training refresher programme being implemented.

Theme I - *Question Type*

Strand I

The final question in the survey asked for participants to provide three examples of questions they might raise in response to a given scenario. The purpose of this question was not to assess their AML knowledge, but simply to ascertain how they structured their questions. 75 responses were received. Although participants were asked to list the questions exactly as they would phrase them, whether verbally or in writing, 14.7% ($n = 11$) did not follow this instruction and simply provided detail as to *what* they would be seeking to clarify. Of those who did provide example questions only 2.6% ($n = 2$) used open questions, such as “That large sum deposited is somewhat out of keeping with your normal transactions, what can you tell me about it?” (Participant 43 (CR)). 61.3% ($n = 46$) favoured closed questions, examples of which included: “Has the government official been adequately investigated by compliance?” (Participant 2); “Can we have an invoice confirming the payment?” (Participant 16); and “Can you produce evidence to justify the source of the money?” (Participant 44). The participant who described himself as being a Tier 2 police trained interviewer used one closed question and two multiple questions in the examples he provided.

Strand II

Participant 80 (CR) outlined that whilst there was a variety of training on offer covering “quite wide topics from, let’s say, organised crime to fraud” there was very little targeted at the investigation process. He mentioned that many of the questions employed were standardised, leaving little flexibility to the individual posing them. Participant 5 (AMLTM) also made mention of standardised questions being used, describing them as being “generic”. Where the questions did not suit the situation, he

commented that “analysts try to formulate their own questions and that’s where you get most of the confusion because you tell it’s the analyst trying to put together new language and sometimes you get a lot of muddled words”. Participant 38 (AMLTM) also referenced the use of standardised questions and stated that “they can be restricted to the number of questions they can ask as well”. This was apparently the result of a business decision to try to reduce the numbers of Requests For Information that were being sent. Participant 43 (CR) mentioned that standardised templates were used during the first stage of client interaction but thereafter communication would become a little less formal. He considered that these templates helped to ensure consistency, having been compiled with input from numerous senior individuals within the firm.

When specifically asked about the phrasing of questions Participant 5 (AMLTM) said that he tried to keep his communications as straightforward and simple as possible, using bullet points to guide the reader. Participants 5 (AMLTM) and 38 (AMLTM) both confirmed that most communications were conducted via email in order to have an audit trail, although it was acknowledged that this would mean that “they will get just the questions, no background to the situation” (Participant 38 (AMLTM)). Participant 54 (AMLTM) confirmed that care was taken to ensure that the customer was not tipped off. No consideration beyond this was mentioned, aside from asking the business to be diplomatic in their questioning. Participant 15 (RM) included that he was not permitted to challenge the responses provided by customers stating “you can’t let on that you’re not happy with the answer . . . even if you think it’s ridiculous and doesn’t make any sense and they can’t actually give you a proper answer”.

Participant 38 (AMLTM) also commented that a centralised hub analyst, who would have already presented the customer with “quite basic” questions, had already conducted preliminary investigations on the cases that she handled. This could sometimes lead to customers being deliberately obstructive when questioned further as “they feel they may have already been asked these questions by the monitoring hub in the first round of questions”.

Category (iii) - Commercial

The final category drew out the commercial considerations that impacted the quality of the investigations undertaken.

Theme J - *Competition*

Strand I

The surveys did not reveal any issues relating to rival banks.

Strand II

Participant 5 (AMLTM) explained that he dealt primarily with correspondent banking enquiries, where the customer was another bank, processing transactions on behalf of underlying clients. He mentioned that in addition to language barriers, banks “don’t like to disclose information to [other] banks, most especially banks that they feel might be their competitors . . . because they actually feel like we’re looking to poach clients off them . . . like we’re trying to steal customers off of them and they don’t want to tell you everything”.

In a similar vein Participant 43 (CR) mentioned that many of their corporate customers were also their rivals and that “in certain instances we are direct

competitors in certain markets” and commented that “we’re looking at essentially saying to our customer “you’ve got to tell us all these potentially . . . market sensitive pieces of information . . . it could be a situation that they point blank refuse to tell us”.

Theme K - *Internal Friction*

Strand I

Internal friction, politics or conflict was not mentioned in any of the survey responses.

Strand II

Although this was not apparent from the survey responses, one of the interviews revealed some internal politics that had contributed to investigation difficulties. Participant 15 (RM) mentioned that he had refused to raise further questions with a customer as he considered that having contacted them four times already this should have been sufficient. He emphasised the disparity that can exist between front line staff and the compliance function on occasion.

Strand I & Strand II Research Conclusion

The research findings from Strand I and Strand II revealed a broad spectrum of difficulties that were scattered across the globe. Numerous instances of inappropriate questioning were identified and descriptive examples were cited which demonstrated some of the issues faced when discussing delicate financial matters with customers. It was apparent that adequate training had not been offered to staff that were tasked with undertaking AML investigations.

Strand III – Questioning Observations

The case files contained redacted extracts of the host organisation's AML investigation records. Of the initial 56 cases, one held no details, two were erroneous (meaning that no case details could be retrieved), one case was duplicated, one did not contain a Request For Information (the primary selection criterion required) and one was inaccessible as it contained non-UK data. These six cases were therefore excluded from further analysis. As the extraction process had been conducted manually a small error rate was anticipated. 50 cases were therefore available for complete analysis.

The case files contained: (i) a case reference number; (ii) a verbatim, redacted copy of the Request For Information (including the exact questions) that had been sent to the relationship manager or branch; (iii) a verbatim, redacted copy of the background to the query, the concerns raised, an outline of the responses received and the rationale for the decision; and (iv) the final outcome as to whether a SAR was raised. Whilst in 24 cases there were specific comments made referring to the response received from the relationship manager, 26 made no mention of this. As such, it was not always clear whether a response was received but not incorporated into the findings, or whether no reply had been forthcoming.

All of the cases reviewed came from the UK team of a large, international bank and although the data was redacted to the extent that this could not be confirmed, it appeared that the enquiries were being raised with UK based relationship managers.

All of the enquiries were raised in written format (through the bank's internal AML system), which meant that it was not possible to examine prosody. It was not known whether any telephone call or other contact may have taken place outside of the data provided, although considering the manner and tone in which the questions were raised, this seemed unlikely. Whilst the questions were being raised with colleagues, rather than directly with the customer, background information surrounding the case would have allowed the relationship manager the opportunity to appreciate the wider concerns and have some context. However, there was little evidence of this (discussed further below). Neither were opening or closing statements noted that might encourage the relationship manager to engage. It was not possible to review the enquiries that were raised directly between the relationship manager and the customer and these were not recorded in the system. Consequently no assessment could be made as to whether any degree of brokering occurred, nor was it possible to determine how the relationship manager's own bias and interpretation of the information supplied might have affected the response provided to the compliance analyst.

Both qualitative and quantitative analysis was conducted and the observations were grouped into five themes that emerged: (A) ***Limited Background Detail***; (B) ***Vague Rational***; (C) ***No Response***; (D) ***Inappropriate Questions***; and (E) ***Limited Responses***. Each theme is subsequently detailed and discussed in turn.

Theme A - *Limited Background Detail*

Of the 50 cases reviewed 40% ($n = 20$) had resulted in a SAR being raised and 60% ($n = 30$) did not have a SAR raised. The cases included a brief statement of the circumstances or events leading to the query being raised. However, these were frequently isolated sentences, with little supporting information such as “Electronic credits totalling CCY received on Date from Company at Bank” (Case #3) or “A cash deposit for CCY paid into account on Date at Branch” (Case #7). In both of these examples this was the extent of detail supplied to the relationship manager, followed immediately with a closed question such as “Could you confirm the reason for the high credits received?” (Case #3) and “Could you confirm the reason for the cash deposit paid into the account?” (Case #7).

Theme B - *Vague Rationale*

In the example of Case #3 the bank branch stated that the customer had advised that the high credits related to a business investor “who shall be repaid in due course”. The case was then closed on the basis that “the activity identified on the business account is in relation to the customer’s business dealing rather than anything criminal, hence a disclosure will not be made on this occasion”. This suggests that the customer might have been expected to admit to involvement in criminal activity during the course of the enquiry. Furthermore, no clarity was sought as to who the business investor was, what their interest in the company was, or when they would expect to be repaid. Additionally, there was no explanation as to how any comfort had been obtained that these business dealings were normal and reasonable for this particular customer. In the second example, Case #7, the “highly unusual” cash credit was said to be from a late paying customer. The case was then closed on the basis that

“the cash deposit is a one off activity”, although there was no mention of the customer personally confirming that this would not occur again, nor any rationale as to why the late paying customer had opted to pay by cash.

In total 34% ($n = 17$) of cases were closed with statements such as “the activity in the account on the account is personal in nature rather than anything criminal”. It was unclear how such a conclusion could have been reached in these cases. Nor indeed was it known precisely what kind of criminal activity was expected to be identified purely by reviewing banking transactions. In most cases it is the identification of unusual or uncharacteristic banking activity that prompts disclosure to the authorities, as opposed to explicitly exposing criminal behaviour, or the customer admitting to such.

Theme C - No Response

In 48% ($n = 24$) of cases no response from the relationship manager could be identified. It was understood that the host organisation allowed six days for a response from the relationship manager before the matter was escalated, with the final cut off for a response being nine days. In 75% ($n = 18$) of these 24 cases SARs were raised, despite a lack of information or clarity. One such example was noted in Case #2 in which the summary confirmed that a review of the account itself had raised no concerns, there were no concerns identified with the customer in open source research, and no adverse information was identified on World-Check (a subscription based service which facilitates the screening of negative news and sanctions). Despite this, a SAR was filed with the reason cited as “the legitimacy of the funds from *Company* is not established”. In a similar vein, Case #28 revealed no adverse

information or issues identified through World Check and the account activity was stated as being “in line with the stated nature of the business”. Nevertheless, a SAR was filed, despite no response being received from the relationship manager, as “the credit turnover on the account is in excess to the anticipated means quoted by the customer”. It was not clear when the customer had last been contacted to discuss their business activities and income.

Further examples of the reasons for SAR filing included “The origins of cash deposits paid into the account are unknown.” (Case #9); “Origin and legitimacy of the funds received...is not known.” (Case #13); “We are concerned about the credits received from *Company*...and no details can be found about the company in google...” (Case #39).

Theme D - *Inappropriate Questions*

In total 99 questions were raised across the 50 cases. Of these 50 cases 10% ($n = 5$) contained no actual questions but held a statement of facts instead. It was not clear whether this information had been presented to the relationship manager, and no responses were indicated. As these cases contained neither questions nor responses they were excluded from any further analysis, leaving 45 cases in total. This gave a mean number of 2.2 questions per case and a range of 5 questions.

Table 34 summarises the results from the analysis that was conducted on the question types (Appendix 8, Page 363).

Table 34 - Question Type Analysis – Part 1 – Analysis of Productive and Non-Productive Questions

Productive						
Open						Probing
17						0
Non-productive						
Closed	Meaning- less	Leading	Multiple	Forced Choice	Opinions	No Question
63	24	1	14	0	0	4

Of the 99 questions raised 17.2% ($n = 17$) were *open* questions (across nine cases) and 63.6% ($n = 63$) were *closed* questions (across 23 cases), thereby giving an OCR of 1:3.7. Whilst this was not particularly low, it should be borne in mind that these questions were not raised during the course of an interview, where *closed* questions might be used to confirm an earlier statement. Indeed, in 44% ($n = 20$) of the 45 cases these *closed* questions were the only questions used. Examples of the singular closed questions used included “Could you confirm the reason for the high credits received?” (Case #3) and “Could you confirm the reason for the cash deposit paid into the account?” (Case #7). Furthermore, of these 63 closed questions 38.1% ($n = 24$) were regarded as *meaningless* whereby the relationship manager was asked a very ambiguous *closed* question such as “Also, do you have any concerns on the overall activity on the account?” (Cases #27, #32 & #33). No *probing* questions were raised in any of the cases. One *leading* question and 14 *multiple* questions were also noted. There were no *forced choice* questions raised, nor were any *opinions* stated. In 8.8% ($n = 4$) of the cases no actual question was posed, but an indication that a request for detail was being sought, such as “If you have also any concerns on the customer request to confirm regarding the same”. Of the nine cases containing *open* questions

22.2% ($n = 2$) had SARs raised, compared to 52.1% ($n = 12$) being raised against the 23 cases with *closed* questions. This would suggest that the chance of a SAR being filed where *closed* questions are used is 2.36 times more likely than where *open* questions are used. However, as the ratio of *open* and *closed* questions was not proportionate, further research would be required in order to draw any firm conclusions from this. This would require access to many more case files than were available to the researcher. Such cases are treated extremely sensitively as the content relates to potential criminal matters which pose legal, reputational and commercial risks to the host organisation. The data is highly restricted, even internally, and obtaining access to large numbers of these sensitive cases presents numerous barriers.

In order to measure the epistemic gradient and potentially to provide some explanation for some of the limited responses received from relationship managers, analysis was conducted to examine the grammatical construction of questions used. The results of this are shown in Table 35. The full results can also be found in Appendix 8, Page 363.

Table 35 - Question Type Analysis – Part 2 – Grammatical Construction of Questions

Question Type						
	Inverted	Negative	Tag			Tag
Polar	(Polar)	(Polar)	Question	Content	Interrogative	Question
28	0	0	0	70	1	0

Of the 99 questions raised 28.3% ($n = 28$) were *polar* questions, requiring a simple yes or no response. Examples included “Do you have any concerns regarding these transactions? (Case #34) and “Is overall activity in line with the nature of the

account?” (Case #45). 70.7% ($n = 70$) of the questions were *content* questions, generally asking for an explanation of the account activity seen. Examples included “Could you please confirm the reason for the large value credits?” (Case #13) and “Kindly explain the reasons for regular cash deposits paid into the above said accounts and also explain the original source of cash.” (Case #49). Only one *interrogative* question was noted, this being “Could you please confirm if the cash deposits paid in the account are in relation to sale of property?” (Case #47). This case generated no response from the relationship manager and a SAR was subsequently filed. It was therefore not possible to determine what impact using an *interrogative* question may have had compared to other question types. It should be noted that 62.9% ($n = 44$) of the *content* questions were also *closed* questions, as indicated in Part 1 of the Question Type Analysis detailed above. This meant that whilst the question was seeking information, as opposed to a yes / no response, the question was phrased in such a manner as to perhaps only elicit one or two words in response. Examples included “Could you confirm the reason for the cash deposit paid into the account?” (Case #7) and “Could you please confirm the source for the cash deposits totalling CCY paid into the account?” (Case #12).

Theme E - Limited Responses

To measure the quality of the information obtained, the responses were sub-divided into five different categories, these being: *Person*, *Action*, *Location*, *Item* and *Temporal*, as outlined in the methodology. This analysis provided the opportunity to establish the *what*, *who* and *why* related to the account activity. Understanding the rationale for the transactional activity is key as to whether suspicion will be formed or not, so the quality of the detail supplied to the compliance analyst is an essential component of their analysis.

Of the 21 cases where a response was obtained from the relationship manager or branch a total of 100 IRI items was noted, with more *Person* details (45 items) being collected than any other category. The full breakdown can be seen in Table 36.

Table 36 - IRI Results

Person	Action	Location	Item	Temporal
45	11	10	28	6

Examples of the IRI items included “the customer is self employed” (1 x *Person*) (Case #51); “the highly unusual cash credit (1 x *Action*) was from a late paying client” (1 x *Person*) (Case #7) and “funds are received from employer and from sale of property (2 x *Item*) (Case #34). Irrespective of the number of IRI items, only two SARs were raised against cases where a response had been received.

In many cases the amount of IRI obtained was extremely limited, detailing only the bare minimum to provide a response of sorts, indicative of a tick-box approach to the process. However, this made little difference to the overall outcome, with only two SARs being raised against cases once the relationship manager had responded. In some cases the responses provided only one (Case #50) or two (Cases #25 and #52) items of IRI, yet the compliance analyst deemed this sufficient to close the case.

By way of illustration, in Case #50 the only piece of information received from the relationship manger was that the customer held savings with another bank. In addition, the response for Case #23 detailed that large payments were received from the customer’s elderly mother who lived abroad, but provided no rationale as to why

she would be sending funds through to the UK. In a similar vein, whilst the response for Case #52 confirmed that the customer's husband worked for the company that had made the payment, there was no comment on either the purpose of the payment, or the reason why the customer was receiving this, as opposed to her husband. Likewise, the response in Case #34 confirmed that the majority of funds in the account were either from the employer or the sale of property. However, this response did not detail who the employer was, what line of business they were involved in, or whether this was a normal and expected level of income. Similarly, the reference to the sale of property provided no explanation as to what that property was, where it was located, or how the customer came to be in possession of it. The cost, and sometimes the ownership, of certain types of property, such as land, houses or cars, can be validated through publically available resources, such as Land Registry in the UK, which can provide an additional layer of comfort when undertaking investigations. These cases demonstrate that even where an initial enquiry was raised with the customer, only superficial responses were received and no indication of further questioning was observed.

In Case #26 the relationship manager advised that they "had no knowledge regarding the transactions" indicating that not only were they unfamiliar with their client's banking activity, but also that they were not prepared to attempt to contact them to find out. Despite this absence of detail a SAR was filed. Of the remaining 44% ($n = 20$) of cases where more information (providing at least one piece of IRI) was provided from the relationship manager or branch, only one (Case #32) resulted in a SAR being filed, and there was no evidence that any of the detail in the response provided had been challenged. There were no financial crime concerns noted by the

relationship manager and a brief explanation for the unusual activity was provided. However, the analyst considered the response was “not sufficient enough”, although there was no mention as to what additional information was expected. The analyst then elected to file a SAR on the case rather than return to the relationship manager and insist that further detail was provided.

Quantity of IRI Received in Comparison to Question Types

The largest quantities of IRI were received in Cases #10, #20 and #40. None of these cases resulted in a SAR being filed (see Appendix 9, Page 388). Case #40 had 16 IRI items, whereas Case #10 had 11 items and Case #20 had nine items, with the mean across all 21 cases that received responses being 4.76 (SD = 3.67). Case #40, which had the most IRI items, contained two *open* questions. Case #10 contained one *open* question and one *closed* question (which was also noted to be a *meaningless* question). Case #20 contained three *closed* questions, one of which was also a *meaningless* question. The total number of questions raised in these three cases was largely aligned to the overall mean of 2.2.

It was not possible to determine the amount of IRI generated by each individual question as many cases contained several questions and the responses did not directly correlate to each of the questions posed. As such, the analysis of the effectiveness of the different question types was limited to those cases that contained only *open* questions and those that contained only *closed* questions, these being the two largest categories noted.

Although the use of *open* questions prompted the largest amount of IRI for any single case, the same cannot be said of the other three cases where only *open* questions were noted, as demonstrated in Table 37.

Table 37 - Quantity of IRI Obtained In Response to Cases With **Only** Open Questions

Case #40	Case #44	Case #52	Case #56
16	4	2	4

However, the four cases with only *open* questions generated a total of 22 IRI items between them, in contrast to the 20 cases with only *closed* questions, which generated a total of 30 IRI items, as demonstrated in Table 38.

Table 38 - Quantity of IRI Obtained In Response to Cases With **Only** Closed Questions

Case #2	Case #3	Case #4	Case #6	Case #7	Case #9	Case #12	Case #13	Case #15	Case #17
0	4	4	5	3	0	0	0	0	0
Case #20	Case #22	Case #23	Case #25	Case #27	Case #28	Case #29	Case #45	Case #46	Case #55
9	0	3	2	0	0	0	0	0	0

The mean number of IRI items for the four cases with only *open* questions was therefore 6.5 (SD = 6.4), compared to just 1.5 (SD = 2.46) for the 20 cases with only *closed* questions. This indicates that cases with only *open* questions produced 4.3 times more IRI items than cases with only *closed* questions. However, as with SARs, the ratio of cases with only *open* or *closed* questions was not proportionate and further research would be required in order to draw any firm conclusions from this.

Linguistic Analysis

In total, 1565 words were used in the 99 questions across the 45 valid cases. This generated a mean of 15.81 words per question (with a range of 34 words, SD = 6.42) and a mean of 34.77 words per case (with a range of 82 words, SD = 21.38). Table 39 shows the impact on the number of IRI items obtained for each case, alongside the total number of words used.

Table 39 - Number of Words Per Case Compared to Amount of IRI Produced

Case Number	#2	#3	#4	#5	#6	#7	#8	#9	#10
No. of Questions	2	1	1	4	1	1	1	1	2
No. of IRI Items	0	4	4	0	5	3	0	0	11
No. of Words	20	10	10	76	10	13	23	10	32
Case Number	#12	#13	#15	#17	#20	#21	#22	#23	#25
No. of Questions	4	2	1	1	3	2	4	2	4
No. of IRI Items	0	0	0	0	9	0	0	3	2
No. of Words	65	24	10	22	57	34	63	27	65
Case Number	#26	#27	#28	#29	#32	#33	#34	#37	#38
No. of Questions	1	2	2	5	2	2	2	1	1
No. of IRI Items	0	0	0	0	4	0	7	4	3
No. of Words	18	27	23	92	31	35	25	28	13
Case Number	#39	#40	#41	#42	#43	#44	#45	#46	#47
No. of Questions	5	2	3	5	1	2	2	2	3
No. of IRI Items	0	16	3	0	0	4	0	0	0
No. of Words	79	24	69	46	35	24	22	34	54
Case Number	#48	#49	#50	#51	#52	#53	#54	#55	#56
No. of Questions	1	2	2	2	1	2	5	1	2
No. of IRI Items	3	0	1	8	2	0	0	0	4
No. of Words	13	35	33	49	14	51	57	12	51

As shown in Table 39, the number of words within each case did not necessarily generate more IRI items. Indeed, the two questions in Case #40, which generated the largest number of IRI items, only contained 24 words in total (below the mean per case of 34.77 words). This contrasted with the five questions in Case #29 in which 92 words were used, which generated no response at all. Although this research examined an entirely different subject, the findings somewhat contradict Sexton and Helmreich (2000) who found that the more words that were used tended to improve communications.

All 99 questions contained at least one word with six or more letters, with the mean LIWC output score being 29.5% (SD = 8.54). As all questions contained such words, it was not possible to assess the effect these had on the quantity of IRI items produced and accordingly, whether their use had any impact on performance and communication.

LIWC percentage output scores were calculated across all 99 of the questions under the Summary Variables of Analytic (86.6%, SD = 22.69), Clout (89.7%, SD = 14.89), Authentic (23%, SD = 29.08) and Tone (68%, SD = 36.13), generating a cross Summary Variable mean of 66.8% (SD = 30.75). As mentioned previously, higher scores (up to 100) under these Summary Variables would indicate formal, logical thinking, expertise and confidence, and a more honest, personal and upbeat style. An overall mean of 66.8% therefore suggested that there was considerable room for improvement.

In terms of the Function Words used, only three cases contained a first-person singular word (“me”), creating a mean LIWC output score of 6.9% per question (SD = 1.26) and generating a total of three IRI items, with a mean of one (SD = 1.73) IRI item per case, contrasted with 97 IRI items across the remaining 42 cases, with a mean of 2.31 (SD = 3.54) IRI items per case. This suggests that the use of first-person singular words was not particularly effective at encouraging relationship managers to provide more IRI items. Seven cases contained a first-person plural word (“us”), creating a mean LIWC output score of 5.6% per question (SD = 2.74). These seven cases generated 16 IRI items, with a mean of 2.29 (SD = 2.98) IRI items per case, contrasted with 84 IRI items generated by the remaining 38 cases, with a mean of 2.21 (SD = 3.57) IRI items per case. This indicates that a more collaborate approach resulted in the production of marginally more IRI items. A second-person pronoun (“you”) appeared in 72 of the 99 questions raised (75.8%). This created a mean LIWC output score of 7.2% per question (SD = 2.37), across 40 cases, generating 93 IRI items, with a mean of 2.33 (SD = 3.62) IRI items per case, contrasted with seven IRI items across the remaining five cases, which generated a mean of 1.4 (SD = 1.52) IRI items per case. This suggests that second-person pronouns were slightly more effective at increasing the amount of IRI items generated, although the difference noted was again marginal.

Only one case (Case #39) contained an opening salutation (“Hi Team”). However, this appeared to have little impact upon the recipient as no response was received. None of the cases contained any closing valedictions. As these messages were being delivered through an internal system within the host organisation, it was deduced that company practice did not encourage such convention, broadly aligning with the

findings of Gains (1999). As such, it was not possible to measure whether or not such comments had any impact on the level of detail received in response.

In terms of politeness strategies, 42 of the 99 questions (42.4%) contained the word “please” (across 27 cases) and three (3%) contained the word “kindly” (across three cases). The use of the word “please” generated a mean LIWC output score of 98.4% under the Tone Summary Variable (SD = 3.03), compared to a mean of 39.3% (SD = 34.58) where “please” was not used. “Kindly” generated a mean Tone Summary Variable score of 94.6% (SD = 7.58) compared to a mean Tone Summary Variable score of 36.7% (SD = 33.16) where neither “please” nor “kindly” were used. No other words associated with politeness or consideration were identified and many of the questions were rather blunt, for example “Do you have any concerns on the account?” (Case #31). Case #40 contained two questions, each of which asked the relationship manager if they could “please explain” the transactions under scrutiny. These questions not only scored 99% each under the Tone Summary Variable, but resulted in the highest number of IRI items received. Conversely, there were 18 questions, across 18 other cases, that each scored 99% under the Tone Summary Variable, yet none produced a single item of IRI. This indicated that despite the findings of previous research (Eelen, 2014; Holmes & Stubbe, 2015) communications that were polite or courteous had no consistent bearing on the quantity of IRI items produced. There were no exceptional dimensions noted that might account for the large number of IRI items that were produced in Case #40.

In terms of the 99 questions themselves, none generated an exceptionally high individual LIWC output score, with the mean total being 673.65 (SD = 67.73). The

question with the highest score of 833.74 (Case #21) did not generate a single item of IRI. Case #40, which had generated the largest number of IRI items, ranked tenth with an overall score of 755.14. Of the remaining top ten cases, only four generated any IRI items. It would therefore appear that the overall LIWC output score was not key to the production of IRI items.

Strand III Research Conclusion

Strand III, the case studies, demonstrated that questions were generally very poorly phrased, with extensive use of *closed* questions which generated incomplete and inadequate responses, if indeed any response was received at all. Despite the lack of response in 48% ($n = 24$) of the cases SARs were filed 75% ($n = 18$) of the time, thereby perpetuating the problem outside the financial services industry. Furthermore, when responses were received, all of these ($n = 20$) were accepted without challenge, even when sufficient detail was not supplied. 95% ($n = 19$) of these were subsequently closed based on these responses. Most of the questions used were either *polar* questions or *content* questions, with only one *interrogative* question noted. Cases with only *open* questions were found to generate 4.3 times more IRI items than cases with only *closed* questions, although further research would be required to validate this finding. From a linguistic perspective, no specific language was identified that consistently produced significantly larger numbers of IRI items.

Chapter Five – Discussion

Introduction

The purpose of this thesis was to explore whether those who were employed to undertake AML investigations within banks believed that they were adequately equipped to execute their roles effectively and to examine the question types used in practice. The specific research question posed was:

Are global banking staff maximising communication strategies to assist in AML investigations?

In order to evaluate this, the research involved an assessment of opinions, views and perceptions, along with a review of some of the questioning skills of bank staff. The challenges that faced these individuals were also explored, along with a review as to how other investigation departments, both public and private, have tackled their own investigations. This research set out to establish whether it was not so much *what* banks were doing that was flawed, but whether *how* they went about it could be improved. Using different strands of research, opinions were sought from those who were directly engaged in AML investigations, and case file analysis was conducted in order to ascertain how questions were posed in the workplace.

The literature review demonstrated that none of the banks' global regulatory frameworks or guidance documents that have been in existence since the 1930s has suggested that the quality of the AML investigation process itself should be examined. This was despite the obvious failings that have been identified and repeatedly called out through various regulatory thematic reviews, court cases and fines. Whilst it was apparent that AML investigations have been consistently failing

to meet the required standards, it appeared that no attempt had been made to explore the underlying reasons for this. Little examination seems to have taken place regarding the abilities of staff employed in various roles, the training and tools they are provided with, or their general feelings when conducting enquiries of this nature. This is certainly an area that would benefit from further research.

The data presented within this thesis has provided insight into some of the difficulties faced by banking staff in executing their duties effectively. Discussions around finances can be extremely delicate matters, if not entirely taboo, with numerous individuals finding the topic difficult to broach. Despite these difficulties the literature review revealed scant research into this specific area and there was little in the way of training or guidance being delivered to bank staff that focused on questioning skills. One of the reasons behind this may be that investigations of this nature are relatively new to banks, with real interest only being sparked after 11 September 2001 (Amoore & de Goede, 2008; Biersteker & Eckert, 2008; Naylor, 2006; Wesseling, 2013). Prior to this event, banks had little motivation to investigate their clients' activities, quite possibly because relationship managers were employed as confidential advisors as opposed to financial crime specialists. What is apparent from the research that has been conducted as part of this thesis is that the communication difficulties encountered when completing AML investigations do not appear to have been considered by banks, regulators, or indeed any other global body.

As a means of managing the risks that they struggle to mitigate, banks have implemented extensive de-risking policies. However, these policies have left vulnerable individuals, communities and sometimes entire countries, without access

to the banking facilities they so desperately need (Darby, 2015; Furst & Wagner, 2017; Lane, 2013). These actions have been countered with improvements in international co-operation and the issuance of best-practice guidance and procedures, plus an unprecedented rise in the number of compliance staff (Artingstall et al., 2016; Oligvie, 2017). However, this does not appear to have resolved the issues facing banks and enormous fines continue to be imposed by regulators, many of which relate to AML failings.

The research conducted as part of this thesis has indicated that bank staff are not always appropriately equipped to ask the right questions. It was apparent that little had been provided in terms of training and support that would allow them to properly assess the risks presented to them. Not only did staff face numerous barriers when raising difficult questions, but the case file analysis revealed that the questions that were asked held little value. The evidence collected through the surveys and interviews demonstrated a collective view that relationship managers appeared fearful of causing offence to their customers. With appropriate training, relationship managers might be encouraged to use appropriate questioning techniques to maximise the information obtained from customers, aligning with the CI and CM ethos of searching for a reliable account. Whilst the success of applying such techniques in the real world is inconclusive (Clarke & Milne, 2016; Fisher et. al., 2011; Griffiths, 2008; Kebbell et al., 1999; MacDonald et al., 2016), such training should, at the very least, encourage more complete responses to the questions posed. Not only would this allow for easier recognition of those who might be involved in illicit actions, but it would also help to identify vulnerable customers and ensure that they were treated fairly.

Vulnerable customers can present themselves to banks in an ever-increasing number of ways, from struggling businesses that are coerced into laundering money, to victims of human trafficking, or those trapped in modern slavery. Appropriate questioning of such customers could lead to the submission of a SAR, which may ultimately allow victims to be properly identified by the authorities and released from their situation. Likewise, suitable questioning techniques would ensure that customers who may have impaired memory, learning disabilities or other communication difficulties do not fall foul of the SAR regime simply because of their inability to provide suitable explanations for their banking activities. Treating each customer as an individual and assessing the risks presented in a fair and holistic manner would negate, or at least reduce, the need to exit customers without good reason, or de-risk entire groups en masse.

Managing risk is clearly a difficult balance for banks. On the one hand they need to keep their regulators content and avoid reputational damage, and on the other they need to acquire new customers and minimise costs. The current strategy of choosing not to bank clients that are too risky to manage in a cost effective manner is neither a viable long-term solution for the banks, nor good for society as a whole. The surveys, interviews and case file analysis that have been conducted for this research have shown that bank staff are generally not conducting effective AML investigations. The participants themselves provided numerous examples of difficulties they had encountered and the case file analysis demonstrated that questions raised were often poorly phrased and generated limited, if any, responses. Accordingly, it is difficult to properly understand customers' activity and behaviour. A revised approach to

managing those customers is therefore required to allow those relationships to continue.

In terms of remedies to the problems highlighted by this research, the literature review examined some of the questioning techniques that had been adopted in other organisations, in both the public and private sector. Here it was noted that the CI and CM were implemented, to varying degrees of success, to help when undertaking various investigations. A common point between each of these approaches was that the use of open questions was advocated. Research has repeatedly demonstrated the benefits of using open and probing questions and specifically avoiding leading or multiple questions. Whilst such practices should be adopted for all individuals, they are particularly relevant when dealing with vulnerable individuals. Whilst this thesis has not specifically focused on those who may be considered vulnerable, this is nevertheless an issue for banks when they are conducting their enquiries. As such, techniques that can be applied to all segments of society would be considered useful tools. The CM phases of *suspect agenda*, *police agenda* and the *challenge phase* presented a structured approach to interviews that could be adopted by banks when dealing with their more complex investigations. It therefore appeared that there were several established tools and techniques that could be beneficial if adopted by banks.

The remainder of this chapter discusses the findings of the research, from which five key issues have been identified: (i) Poor Quality SAR filings; (ii) Lack of Training and Feedback; (iii) Lack of Questioning Skills; (iv) Conflict of Interest; and (v) Lack of Consumer Awareness. Following assessment of these findings, recommendations have been made, where feasible, to address some of the key issues identified.

(i) Poor Quality SAR filings

Banks have both a moral and legal obligation to identify bad actors. However, the research in this thesis has revealed that banks have seemingly failed to implement effective strategies to do so, and the consequence of this is felt on a global scale. Whilst the UK alone filed 419,451 SARs in 2016 (NCA, 2017), it is estimated that globally, 42% of SARs are either incomplete or of poor quality (Transparency International UK, 2015). Bearing in mind that legislation has been in place within the UK since 2002 under Section 330 of POCA, it might be expected that reasonable progress would have already been made in terms of training and equipping staff to a high standard. However, this thesis has revealed that this is simply not the case. Furthermore, this issue is not confined to the UK, but is experienced on a global scale. This substandard practice should not be ignored, yet the literature review has shown that little focus appears to be placed on improving the quality of investigations within banking, which account for 83.13% of SARs filed. The consequence of this means that government agencies are saturated with unsubstantiated, inconclusive documentation, which must surely drain valuable resources. The impact of poor quality enquiries extends beyond the banking sector and into external agencies such as the NCA as the recipients of this data. The consequence of this was not assessed as part of this research; however, in view of the number of SARs filed each year it is likely to be significant.

Unjustified or inappropriate 'defensive' SARs damage reputations, businesses and ruin lives. Although legislation encourages firms to submit SARs, there are no published statistics indicating how many of these result in prosecution or conviction, nor is feedback provided on the content quality. As such, it is not possible to

determine the true value of the current process or identify where specific improvements could be made. As the primary contributor to the number of SARs filed, banks should take more responsibility and accountability for the quality of the details they submit.

The case file analysis, whilst not conclusive in its own right, exhibited many of the issues identified by the survey and interview participants, particularly so with reference to the quality of responses provided by relationship managers. Of note was the fact over half of the cases where questions were raised with relationship managers received no response whatsoever, yet the majority (75% / $n = 18$) of these then proceeded to have SARs raised against them. The process for obtaining information in order to resolve enquiries would therefore appear to be flawed. The underlying reason for the low response rate was not entirely clear. The literature review, surveys and interviews suggested that relationship managers were reluctant to contact their clients for fear of disrupting the relationship. However, other factors could be at play. The time frame permitted for a response could be one such problem, as could the lack of background information supplied and poor phrasing of the questions posed, both of which were apparent from the case file analysis. A further factor could be that there is an imbalance of hierarchy between the relationship manager and compliance analyst, with the relationship manager simply considering the request as insignificant. Further research in this area is recommended to fully appreciate the reasons for this issue.

The quality of the response appeared to make little difference, with only two SARs being raised once the relationship manager had replied. Furthermore, not a single challenge to any of the responses provided was raised, despite most of the replies

being extremely limited. In one instance the relationship manager simply advised that they had no knowledge of the transactions in question, yet a SAR was filed irrespective of the fact that no attempt had been made to contact the customer. Conversely, several participants confirmed that they had allowed business activity to continue despite knowing that the details of their reviews were incomplete. This could be tantamount to the banks having allowed money laundering concerns to go unreported. In these cases issues had been identified with the transactions that the banks then allowed to proceed whilst having no clear understanding of their purpose and potentially allowing the proceeds of crime to go unreported. One customer had specifically refused to provide information, which in itself should have been a cause for alarm. Similarly, one explanation suggested that the bank in question did not want to risk upsetting their customer and felt that probing further might cause friction. This is not an appropriate justification to close the case and the failure to report could potentially be a breach of section 330 of POCA. These results were mirrored to some degree in the interviews whereby it was mentioned that decisions were frequently made on a risk based approach due to lack of adequate detail. The case file analysis demonstrated examples of limited information being obtained during the course of investigations, yet decisions were made based on this inadequate detail.

(ii) Lack of Training and Feedback

The research findings show that little in the way of training had been delivered to help staff ask difficult questions, with many firms still seemingly considering that best-practice is learned on the job by observing more experienced staff. This issue is further compounded by the fact that those responsible for the training, on the whole, were existing members of staff, rather than specialists brought into the firms to

deliver the training. Staff were found to have very little knowledge of question types that might be useful when conducting enquiries with customers. Not only were individuals often ill equipped to undertake effective investigations themselves but they did not seem to recognise this and were frequently given responsibility for training others. This issue was epitomised when interviewing Participant 38 (AMLTM) who had been given the responsibility of training a large number of staff when she herself frequently encountered issues when raising difficult questions. However, she did not appear to identify this and consequently did not appreciate that this might be a problem. There was no evidence obtained within any of the survey results or the interviews that independent, professional training, with appropriate on-going support was normal practice.

The survey results indicated that just over half of the participants were professionally qualified. As the survey selection criteria contained no specific requirements beyond the nature of employment, it is likely that the participants were broadly representative of the wider community and their responses are probably typical of those employed in similar positions. Professional qualifications are both expensive and time-consuming, with annual membership fees to ACAMS for the private sector currently set at \$295.00 and the examination package starting at \$1,495.00 (ACAMS, 2018). The fact that so many individuals held them indicated that professional designation is considered desirable within the industry. However, the research demonstrated that such qualifications appeared to do little to help bank staff when undertaking AML investigations and those with professional qualifications did not have a significantly different perspective than those without.

Numerous studies (Clarke & Milne, 2001; Clarke & Milne, 2016; Davies, Bull & Milne, 2016; Milne & Bull, 2003a; Stockdale, 1993; Walsh & Bull, 2011) have shown that, in addition to an initial training programme, follow up training and regular feedback is vital to ensure that newly acquired skills do not start to erode once back in the workplace. Most survey participants confirmed that they received little, if anything, in the way of feedback. If analysis is not conducted to check the appropriateness of their decisions and processes are developed on the job, as opposed to through specialist trainers, it is most unlikely that poor practices will be identified. Without an appropriate feedback loop bank staff will be unaware of the impact of their approach to questioning and subsequent decisions. This situation appears to have instilled a false sense of security amongst staff who appear to genuinely believe they are making reasoned and well justified decisions.

Banks could perhaps look to emulate some of the training that has been delivered within other organisations such as the DWP or NHS. That is not to suggest that the training needs to be as detailed or as extensive as that employed within the public sector, but a structured approach, led by suitably qualified instructors, followed by regular feedback would seem to be a step in the right direction. However, the implementation of appropriate training would no doubt be somewhat difficult and costly for banks, particularly those of a large, international nature. Such organisations not only have thousands of employees to consider, many of whom have different skills and degrees of knowledge, but legislation, culture and language would all need to be factored in to any training programme. Distance learning courses, such as those delivered by the Centre for Investigative Interviewing, may offer a suitable solution as customised training packages are available to suit specific organisational or

jurisdictional needs (Centre For Investigative Interviewing, 2018). Such courses can provide a means of distributing training across numerous countries in a timely fashion, whilst the modular approach allows for the training to be accommodated within busy work schedules.

Both government bodies and insurers have adopted elements from the CI and CM in their efforts to combat fraud (Button et al., 2014; Shawyer & Milne, 2015; Shawyer & Walsh, 2007; Walsh & Bull, 2009). Whilst it could be argued that the degree of success achieved has been variable, there is sufficient research to support the view that such techniques can be beneficial. The limited research into their use within the private sector makes such a conclusion more difficult to ascertain, although the initial findings look promising.

(iii) Lack of Questioning Skills

Both the survey and the semi-structured interviews indicated that bank personnel were generally not comfortable when questioning a customer's source of wealth or funds. It was a common belief that customers considered that the bank was not entitled to ask such intrusive questions and the participants' comments demonstrated that many customers felt that the questions were invasive and inappropriate. Other responses suggested a general reluctance on the part of the customer to supply the requested information, such as the reliability of the information provided, responses that did not address the question, or a lack of any response at all.

The responses that were provided as to the reasons why questions raised were not properly addressed suggested a deficiency in phrasing questions appropriately and a

lack of cultural awareness (discussed later). If bank staff do not have the knowledge and confidence to challenge effectively this could be rectified through training. In an ideal world the relationship manager would be in a position to provide full and clear details of the customer's source of wealth or transactional activity. Indeed, it could be argued that the manner in which the compliance analyst raises the questions should be of little consequence. However, bearing in mind that relationship managers are compromised to some degree by their roles, there is a need for independent compliance analysts to ask clear questions and have the confidence to challenge inadequate or incomplete responses. One example was provided (Participant 38 (AMLTM)) in which it was confirmed that relationship managers "can refer what we said directly", meaning that the questions posed by the compliance analyst could sometimes be passed on directly to the customer. Training therefore cannot afford to be limited purely to those with the responsibility of asking the end customer, but must cover all roles involved in the process from start to finish.

Although participants stated that they generally felt comfortable when posing difficult questions to their colleagues, the case file analysis demonstrated vague and poorly worded questions being raised by compliance analysts, which in turn generated inadequate responses from the relationship managers that were subsequently not challenged. The reasons why the participants appeared unable to pose difficult questions and challenge their colleagues effectively was not entirely clear and further research in this area would be beneficial in understanding this issue.

AML investigations are complicated by the fact that there is a generally a three way dialogue, at least part of which is frequently conducted in writing, with 78.9% ($n =$

86) of survey participants stating that email was their primary communication method. This no doubt compounds the extent to which misunderstandings occur and creates problems with limited information being provided. The case file analysis revealed that 63.6% ($n = 63$) of the questions posed by compliance analysts were *closed*, with little or no background information being provided. The relationship manager was then expected to put these questions to the customer. However, as these are unlikely to be conveyed verbatim, they are subject to the relationship manager's own bias and interpretation of the problem. Whatever the customer's response, this is again subject to the relationship manager's bias and interpretation, along with story reconstruction difficulties, when relaying the detail back to the compliance analyst. The problem is further compounded in that the compliance analyst has no specific means of recording the information provided, so whatever notes are made are then subject to their own bias and interpretation. Even if all of these interactions occur without error, there is a risk that accurate and complete detail will not be captured. This research was only able to examine one side of this scenario, that being the questions raised by the compliance analyst and the summary of the information subsequently recorded. Hence further research is warranted to establish the extent of this issue and fully appreciate how much information is lost or altered during this process.

The case file analysis reflected numerous examples of poor practice, notably the application of *meaningless* questions, not one of which prompted disclosure of any information that warranted closer examination of the account, and in many cases was simply ignored. Indeed, the most comprehensive response received (in terms of the quantity of IRI items received) resulted from one of the few instances where such a

question was *not* included. This approach is indicative of an inappropriate practice being implemented across an entire department, without due consideration as to its effectiveness. Bearing in mind that the survey results confirmed that the majority of training was not of a specialist nature but was delivered via internal means, learned on the job, or was simply non-existent, this presents an example as to how undesirable habits can spread throughout entire organisations, with no measure or review being conducted in order to assess their efficacy.

The case file analysis also revealed that by far the most comprehensive response in terms of the quantity of IRI items obtained was in reply to two *open* questions. This supports the extensive academic research that demonstrates that asking *open* questions can generate more substantive replies (Bull, 2010; Lamb, Sternberg & Esplin, 1998; Myklebust & Bjørklund, 2006; Oxburgh, Myklebust & Grant, 2010; Poole & Lamb, 1998). Although it cannot be claimed that the quality of the questions posed was consistently responsible for generating the most IRI items, cases with only *open* questions generated 4.3 times the volume than those with only *closed* questions. However, further research is required to substantiate this finding. It would therefore appear that the use of *open* questions is fundamental in improving the quantity of information obtained. *Closed* questions may have been preferred in an attempt to expedite matters (Oxburgh, 2011), which is a key priority in a busy commercial environment. However, the results of the case file analysis indicated that they are not as effective as *open* questions in generating useful information. As a large number of communications are conducted in writing, overwhelmingly by email, the restraints of this medium should be considered. Both relationship managers and compliance

analysts should be trained to ensure that their email exchanges are clear and detailed and make use of appropriately phrased *open* questions.

In terms of epistemic gradient 70.7% ($n = 70$) of the questions were found to be *content* questions, suggesting that the compliance analyst held little knowledge concerning the account activity in question. There was only one instance where knowledge of the rationale for the payment was indicated. No *tag* questions or *negative interrogative* questions were observed. This illustrated that the questions were generally being presented in a manner that did not require intonation to make the intention clear. Nevertheless as 62.9% ($n = 44$) of these *content* questions were also *closed* questions, the amount of information generated was limited.

The linguistic analysis that was conducted was inconclusive. No particular language appeared to be directly related to the quantity of IRI items obtained. The use of first-person plurals (we, our, us) and second-person pronouns (you, your, thou) did not appear to have any particular impact on the quality of the relationship between the compliance analyst and the relationship manager as the quantity of IRI items obtained was largely aligned to the overall mean across all cases. Conversely, the use of first-person singular words (I, me, mine) actually caused the number of IRI items obtained to drop slightly below the overall mean.

Although the case that had generated the largest number of IRI items obtained high LIWC output scores, particularly under the Tone Summary Variable, other cases that obtained similar scores received no response to the questions posed. Accordingly, no conclusions could be drawn from this that might explain which type of language or

approach could be helpful in increasing the quantity of IRI items obtained. Whilst this at odds with past research, this is likely to be due to the limited content of the cases, combined with banking norms and protocols of communication.

The comments within both the survey and the interviews indicated that participants' written requests were frequently misinterpreted, misunderstood, or simply ignored, causing them to either contact the relationship manager again, or make their decision based on inadequate information. There was no suggestion presented that when faced with a poor quality response the compliance analyst might initiate a verbal discussion with the relationship manager. Such engagement could allow for an enhanced discussion as to the root cause of the concern, which may well facilitate a better outcome for all parties.

It was also apparent from that the surveys and interviews that template, or standardised questions were often used as a means of communication with relationship managers, these measures seemingly having been introduced to expedite processes and improve consistency. Whilst this may be beneficial from a practical point of view, it prevents compliance analysts from being clear and precise with their line of questioning and turns a unique investigation into a tick box exercise. The end result being that relationship managers receive stock questions that may not be relevant, along with *meaningless* questions.

Those who dealt directly with customers confirmed that they made attempts to empathise and engage with them, although this frequently stemmed from a sales driven background and did not appear to always achieve the desired outcome, with

customers often becoming angry or distressed. Furthermore, the conversational techniques learned through sales training processes are certainly not aligned to the neutral, information gathering approaches advocated by the CI and CM. The most concerning example of this was provided by Participant 43 (CR) who used “disturbing techniques” in order to “paint a pretty grim picture”. Again further research would be required in this area to better understand the dynamics of these conversations. This could also facilitate a measure as to how accurately relationship managers summarise these conversations with customers when responding to compliance analysts.

Some banks have attempted to accommodate their customers by conversing in their native language. However, for others, language barriers remain problematic. In one example, the compliance analysts were Polish and were expected to conduct their enquiries in English with relationship managers who could be based anywhere in the world, and as such, neither party would necessarily have English as their native language. Those relationship managers were then expected to raise these already translated questions with their clients in whichever language was appropriate. This chain of translation is likely to contribute to the numerous misunderstandings that were cited.

Having staff that can converse in multiple languages is perhaps a somewhat unrealistic expectation for all banks to consider. However, cultural awareness is fundamental to helping staff understand transactional behaviour and local customs. Such recognition of cultural differences was not apparent within the survey. As one interviewee explained, his local banking culture, which was in a cash intensive

country, was very different to that of an international bank. Customers were not familiar with the stringent international requirements and this resulted in them feeling annoyed when questioned. Appreciation of cultural differences would help in understanding why certain customers might behave in particular ways. However, ensuring such recognition happens on global basis across banks would be difficult due to the number of staff that would require training, combined with the number of country and cultural differences that exist globally. For those banks that trade internationally, this would effectively mean that their staff would require knowledge concerning the nuances of every individual country.

Training specifically covering the use of different question types would arguably be of most benefit to banking staff. This would help them to understand the importance of phrasing questions appropriately to ensure the most detailed responses are obtained. Open and probing questions should also encourage customers, irrespective of local culture, to willingly engage in meaningful dialogue rather than feel that the bank was asking intrusive questions. This in turn would help with level of staff confidence when faced with asking difficult questions. Awareness of their own interpretation of information supplied may also help to ensure that more comprehensive responses were captured. Whilst such training would not address all of the issues identified, it would assist with some of the more basic problems that have been observed and would form a good foundation for further development.

(iv) Conflict of Interest

One of the key issues highlighted within this thesis is the compromising situation in which relationship managers find themselves. The literature review revealed

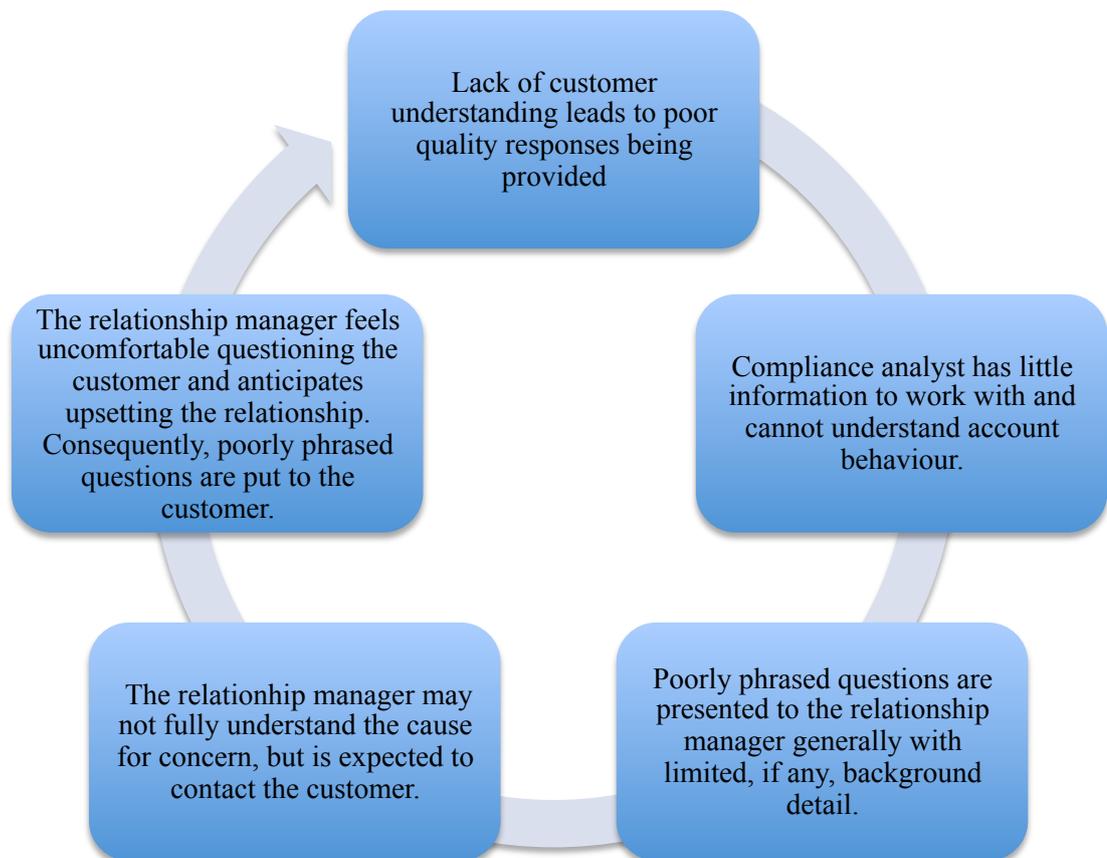
relatively little detailed analysis on this subject, indicating that it is perhaps under-researched, or even unrecognised. How such a significant issue has seemingly evaded the attention of the entire banking industry and academics alike (Demetriades, 2016) is unclear. However, there is a perceived conflict of interest that was repeatedly cited in both the survey responses and the interviews as being an issue. Comments included the fact that relationship managers would not want to “annoy” (Participant 93) or “offend” (Participant 24), customers, or “disrupt relationships” (Participant 5 (AMLTM)). These comments aligned with regulatory thematic review findings where many banks were noted as being unwilling to request details from prominent customers (FCA, 2014b).

It appears that the difficulty, or at least the perception of that difficulty, rests with the relationship managers. As one interviewee mentioned, this could be attributable to the fact that the relationship managers were reliant on these same customers to generate income. Hence there was a conflict of interest. She later followed this with confirmation that she did not personally feel uncomfortable when raising difficult questions with relationship managers, but stated “at times I feel sorry for the person who’s perhaps going to pick up the phone and ask, ask such difficult questions, because they can be quite personal at times as well”. Her view was reflected by another interviewee who was tasked with raising questions directly with customers, who agreed that doing so was “difficult” and “awkward”. None of the participants made any connection between the quality of the questions being put to the relationship manager and the subsequent actions of that relationship manager. Much of the criticism that was made relating to the quality of the responses obtained during

the investigations was directed towards the relationship managers being unable or unwilling to raise difficult questions with customers.

The fact that relationship managers view these enquiries as a 'risk' to their client relationships, as opposed to being an opportunity to get to know their customers better, could be driven by the lack of transparency around the entire process, leading customers to question 'what's in it for me?'. This creates a vicious circle: customers fail to understand why they are being asked to explain their account behaviour, so they become agitated, difficult and angry; relationship managers do not want to question customers regarding their finances as they know they will not receive a warm response; consequently the questions are badly phrased, the answers obtained are inadequate and the account activity remains of concern. This conflict of interest cycle is perpetuated by the involvement of compliance analysts when enquiries are not made clear from the beginning, as shown in Figure 3.

Figure 3 - The Customer Questioning Cycle



The need to know this information is not going to dissipate and as such, the only viable solution to address each stage of this cycle would appear to be the education of customers, perhaps through information leaflets and advertising campaigns, along with appropriate training and feedback for both relationship managers and compliance analysts.

(v) Lack of Consumer Awareness

Many of the comments made demonstrated that customers were not at all clear as to the reasons why they were required to provide such detail with respect to their source of funds or account activity. The enormous lack of transparency around the process

raises concern, suspicion, stress and sometimes anger as customers fail to comprehend why they are expected to provide such detail. A consumer awareness campaign (appropriately piloted) would certainly go some way in resolving this issue. If the campaign was distributed by email and promoted online it need not be expensive and could easily reach huge numbers of international customers. The benefits to such a campaign would be that customers would start to understand the requirements and hence should become more open, transparent and co-operative. This in turn would make staff feel more comfortable in asking seemingly difficult questions. This could potentially save enormous amounts of time as staff will not be so entrenched in trying to obtain details from difficult customers. In a similar vein, correspondent-banking relationships would improve as the wider banking community started to understand that information was not being requested with an aim to purloin customers, but to meet regulatory expectations and protect the entire financial services field.

Recommendations

In conclusion, the following recommendations are proposed to address some of the key issues identified. In much the same way as the Framework for Investigative Transformation suggested by Griffiths and Milne (in press), if all recommendations were to be adopted they would act as enablers of effective AML investigations, whereas their absence would act as barriers.

1. **Poor Quality SAR filings:** Banks should look to introduce a quality control process to their SAR filing to ensure that escalated cases provide a complete and logical rationale. Additionally, SARs should only be filed once a meaningful response has been received from the relationship manager, which may require an extension of existing time frames. SARs should only be raised without such a response in exceptional circumstances. Compliance analysts should also be encouraged to challenge inadequate responses. A means of recording verbatim responses should also be considered.
2. **Lack of Training and Feedback:** Training should extend beyond merely ‘learning on the job’ and include professional training courses, delivered by specialists. Such training should specifically include the appropriate use of different question types (detailed further below), the importance of providing context and the impact of bias and interpretation. Consideration should also be given as to how such training could be followed up and supported in the workplace. A key aspect here would be to ensure that line managers, or those responsible for quality assurance, were trained first.

This would ensure that when training was rolled out to the wider audience, adequate support and feedback could be provided.

3. **Lack of Questioning Skills:** Staff involved in AML investigations should be trained (as a minimum) in the use of open and probing questions. This should initially be aimed at relationship managers (and their line managers) as this is the pivotal point of communication. Development of similar training aimed at compliance analysts (and their line managers) should subsequently be considered. Those banks that use standard or template questions should ensure the questions are appropriately phrased.
4. **Conflict of Interest:** Relationship managers' loyalties and obligations should lie directly with the bank rather than their customer. However, there are numerous instances where this does not appear to be the case in practice. Whilst training could help relationship managers when raising difficult questions, consideration should also be given to the remuneration and incentives that could drive inappropriate behaviour, although it is acknowledged that implementing such a cultural shift could be problematic. At the very least, regular checks should be implemented to oversee the quality of the customer enquiries conducted by relationship managers and the introduction of consequence management should be considered for cases that fall short of the required standard.
5. **Lack of Consumer Awareness:** Banks frequently educate the general public through advertising or formal communications. This is both to

promote their own products or services, such as ‘Chip and PIN’ and to help combat fraud, such as highlighting the risks of identity theft or business email compromise. As many of these campaigns are simply distributed by email, or details are provided online, this need not be an expensive procedure. It is recommended that banks consider piloting a consumer awareness campaign to explain the reasons for requesting personal, and sometimes sensitive, information.

Research Observations and Limitations

This research aimed to examine the extent of support and training that had been provided to banking staff across the globe, specifically those in customer facing roles and AML investigations. Whilst the research itself was of an international nature, the UK has dominated both the literature review and the research findings. This was partly because the UK is “unusually exposed” to money laundering risk due to the attractiveness of the London property market (Home Office, 2016a, p. 7), partly as a consequence of the UK having one of the most sophisticated AML frameworks in the world (Sofia de Oliveira et al., 2017), and partly due to the location of the researcher.

One of the main limitations when conducting a survey is the low response rate. Having sent 628 personalised emails to carefully identified individuals, only 131 responses (20.8%) were received. Furthermore, due to the anonymity of these responses, it was not possible to measure how many different banks were represented across the sample. As there was no compulsion or incentive to complete the survey, those who chose to take part may have done so due to a desire to air their views, and highly opinionated comments may not necessarily be reflective of the wider population. The sample population was also limited to individuals whose profiles were registered on LinkedIn and again this may mean that the opinions obtained were not necessarily representative of all bank staff engaged in AML investigations.

Only 107 of the 131 survey responses (81.7%) were fully completed. However, all details that were provided were incorporated into the analysis. The fact that the majority of questionnaires were fully completed indicated that the survey design and structure was broadly successful at retaining people’s interest throughout. Aside from

grammatical mistakes in the free text responses, no questionnaire errors were identified and all questions raised received answers. However, the final question, that requested specific examples in response to a vignette, attracted very poor quality responses in the main. For those individuals who did not undertake any form of interviewing their responses must be regarded as having limited value to the analysis and this was factored in, where appropriate. The results indicated that the sampling strategy adopted had, on the whole, been successful in identifying those with appropriate exposure to customers and having opportunities to engage in AML investigations. Upon reflection, improvements could have been made to the questionnaire that would have aided subsequent analysis. In particular, the question relating to professional qualifications could have included a drop-down list as opposed to a free text narrative as this would have simplified the analysis.

A further limitation of the survey was that it was distributed in English only. As this was not the first language of many of those to whom it was sent some of the responses were a little ambiguous. Ideally, surveys and interviews would be fully translated to ensure full comprehension. The case files themselves were all derived from within the UK, so any potential language issues that might arise during the phrasing of questions were not apparent. This was a further limitation of the research.

The low number of interview participants was initially regarded as being a concern, particularly so as Guest, Bunce and Johnson (2006) suggest that around 12 samples are required to achieve data saturation. However, it became clear as the interviews progressed that similar themes were emerging from each. None of the participants had received appropriate training and all had encountered difficulties in getting

informative answers to questions they raised, whether this was direct with the customer or through another party. Whilst some of these difficulties were attributed to different causes, such as language barriers or inconsistent bank processes, the common fact remained that none had been trained in how to deal with such challenging scenarios or problematic customers. The interview size was sufficient to meet the data saturation requirements laid out by Fusch and Ness (2015) in that it was possible to extract meaningful data and replicate the study and no new themes emerged beyond those already recognised within the original survey.

Interviews were only conducted with those who offered to take part and thus presents self-selection bias. This may mean that their opinions do not reflect those of the wider banking community, but may instead be limited to those who held particularly strong views on the subject matter. Those who are interviewed in qualitative research are not necessarily meant to be representative of a population and instead the findings “are to generalize to theory rather than to populations” (Bryman, 2012, p. 406). As this thesis has covered new territory in terms of academic research, it is difficult to say with any degree of certainty that the issues identified are endemic across the entire banking industry. However, it is clear from the fines that continue to be imposed by regulators that there is still much to learn in this field. In addition, although care was taken during the interviews to avoid any degree of judgement about their replies, social desirability bias may have influenced the responses provided, particularly if the interviewees were attempting to present themselves as being subject matter experts.

A further limitation of this research was that the case file analysis, which was only a small sample size, contained only summaries of the responses received from the

relationship managers, compiled by the compliance analysts, rather than showing the verbatim response. As such, the actual phraseology employed by the relationship manager was not available for analysis. This also meant that the recorded comments within the files were those of the compliance analyst only and as such, were subject to their own interpretation and bias. For future research it would be invaluable to not only increase the sample size, but to obtain access to the verbatim responses from the relationship managers. However, this may only be achievable if the host organisation were to alter its current processes, or if research was carried out in a different company.

The study of the chain of response from the customer to the relationship manager to the compliance analyst is a prominent area for future research and this may hold answers to many of the issues identified within this thesis. This in turn could prompt changes to bank process if deficiencies were identified. As part of such a study it would also be useful to examine the underlying reasons for the high volume of cases that receive no response. Depending on the results from this work, simple solutions could potentially be implemented to address the problems identified, such as extending the time frame available in which relationship managers must provide a response.

Finally, having learned about the importance of testing reliability and validity of survey questions, any future research would ensure that the questionnaire design takes such requirements into account. The ability to undertake these tests was somewhat limited due to the lack of coherence between the Likert scales used and the different items and variables that were being measured.

Chapter Six – Conclusion

The original research set out to ascertain whether bank staff undertaking AML investigations believed that they were adequately equipped to execute their roles effectively. The specific research question posed was:

Are global banking staff maximising communication strategies to assist in AML investigations?

The results from this research demonstrate that this does not appear to be the case. The literature review indicated that the banking industry is plagued with problems and despite years of compliance guidance, little has improved. There are several flaws in the current process, notably the conflict of interest that exists with relationship managers. The desire to win new business, which generates a financial reward for the relationship manager, whether directly or indirectly, will frequently be at odds with the compliance requirements, which often necessitate difficult questions being raised. There are two potential solutions to this, however, neither appears to be viable. The first would be that the relationship manager should not be incentivised to acquire new business and should instead focus on retaining a more independent role. Such an approach is unlikely to be welcomed by the banking sector, would require enormous cultural shift, and could have a dramatic impact on new business volumes, and subsequently on share prices. The second option would be for the compliance analysts to raise their queries direct with the customer. However, as they will not have the full picture of the customer's normal business activity they would be in a disadvantaged position compared to the relationship manager, who, at least in theory, should already know the customer extremely well. Such an approach would also extinguish the independence of the compliance function, thereby undermining the

three lines of defence model. As this conflict of interest seems likely to continue, an alternative solution to address the issue is therefore required.

Of note is the fact that relationship managers seem unable, or perhaps unwilling, to respond to Requests For Information within the time frames provided. This leads to numerous SARs being filed with incomplete information. The remedy to this would appear to be relatively simple in that enquiries need to be prioritised to ensure the relationship managers are fully engaged, and the compliance analysts' assessment of cases should not routinely proceed when details are missing. Additional research would be required in order to understand the root cause of this problem. A solution could be as simple as making a change to internal processes (such as extending the time frame), which banks could implement with relative ease and minimal cost.

This study has revealed that the majority of problems encountered are linked, in many ways, to communication. Customers should be better informed to allow them to understand why it is that banks need to ask so many questions. Respondent banks need to understand that intrusive questions are not being raised in order to steal business, but to ensure the security and reputation of the entire industry. Training needs to be provided that enables staff to ask difficult questions with ease, and to challenge responses with confidence, safe in the knowledge they have the support and protection of their employer. Effective questioning from the outset would ensure that comprehensive customer details are captured and renewed on a regular basis. This in turn would allow banks to undertake far more effective risk assessments, allowing them to continue with higher risk business. The subsequent reduction in de-risking

would then ensure that banking facilities are made available to those that need them most.

Much of this could be achieved through an effective investigation process model designed specifically for the banking sector. It is acknowledged that interviewing practices within the wider public sector have not been entirely successful, but this has been partly attributable to the lack of bespoke design and partly due to the absence of supportive ongoing training. There appears to have been a fair degree of success in implementing specific questioning techniques into the insurance sector and there is no reason to believe that a modified version of these could not be successful in banking.

Some of the problems encountered with public sector interviews included pre-judgement of guilt. This is an issue that is unlikely to present itself within banking as questions will need to be raised on a regular basis with all types of clients. Most will have perfectly plausible explanations; hence there is less reason for those relationship managers posing the questions to assume guilt. Another problem encountered during face-to-face interviews within the public sector was the, often incorrect, assessment of body language. Again this unlikely to be of concern within banking as the vast majority of AML investigations will be conducted over the telephone.

Previous research has revealed that there are some significant obstacles when trying to implement effective interviewing practices. Of particular note are: the time taken to conduct each interview appropriately; a lack of continuous training; delivery by inexperienced trainers; an inflexible and cumbersome approach; and an

overwhelming training schedule. All of these issues could be remedied by creating a bespoke model, focused specifically on question types, which would also recognise that many interviews are straightforward and brief.

Appropriately designed training courses would allow staff the opportunity to ensure that questions are asked in the most effective way possible. The training should aim to provide a flexible toolbox of skills. Of vital importance is that those conducting AML investigations are guided in the use of open and probing questions. Such training should include regular follow up sessions and sampling to ensure it remained effective. Whilst this would be an additional expense, the benefits could help to steer the banking industry away from its current cycle of regulatory fines and reputation damage.

Chapter Seven – Personal Reflection

On reviewing the approach to my work I am confident that the research structure was appropriate. The surveys allowed initial views to be gathered, the interviews allowed for a more in-depth analysis of those views and the case file analysis allowed a real glimpse of what was actually happening in practice. I appreciate that the third strand was likely only to have been possible due to my professional practice, but the value this has provided has been extremely beneficial. Having insight into practice is fundamental in understanding how processes actually work, and in turn, how they might be improved. For future projects I would certainly look to retain an element of fieldwork or ethnography to ensure any findings are realistic and well grounded.

Several of the educational elements, such as the use of SPSS and the value of Cronbach's Alpha, are skills that I will continue to use. Other skills relate to time-management and organisation; attributes I already possessed at the start of this course but have been honed as a consequence of it. The sense of contribution is also important. I genuinely feel that my work may new doors in banking as the sector appears oblivious to the very existence of the issues covered within this thesis. For too long banks have been focusing on policy and procedure with little insight as to why they might be failing to achieve their goals.

From an academic perspective I have learned to critique both my own work and that of others, as well as accepting criticism myself. The knowledge gained through close examination of question structure is something I can continue to utilise going forward, ensuring that reliability and validity can be measured. Not only are

questioning skills important in many aspects of everyday life, they are highly relevant in my specific career.

Working alongside others with shared interests has helped in fuelling discussions and has encouraged me to look at issues from different angles. Having been immersed in financial services for over 30 years it can sometimes be difficult to take an objective view. Working through my thesis and engaging with my supervisory team has made me appreciate the value of different perspectives, particularly those from outside of my profession. Most importantly I have learned how to take an idea forward by conducting appropriate research and presenting my findings in a logical and convincing manner. I have also become accustomed to ensuring that my thought processes are clearly documented in stages and that no assumptions are made. Again these are qualities that are often overlooked when working in a busy commercial environment. I am naturally a problem solver, so the fact that I may not always be able to find clear answers can be difficult for me. However, the fundamental value of research is in adding to the body of knowledge and knowing this has helped drive my research forward. The hope is that such research can prompt further work, either by others or myself.

My next aim is to publish my research and findings. This is important as it will allow my work to be considered, not only within academia, but also within the banking sector where I hope to have most practical impact. I hope that from this I can further contribute by designing the training materials that might be used within banks. I also aim to deliver my findings across a variety of banking seminars and conferences,

which I hope will include influential international bodies such as the Wolfsberg Group and Transparency International.

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Appendix 1 – FOS Analysis

Case Reference	Reason For Complaint
DRN5430525	Account in debt and bank received no response to multiple letters.
DRN8149369	Account closed in 2001, seemingly by customer, and no records available.
DRN0111644	Account closed and no explanation provided.
DRN1862420	Account closed due to dormancy.
DRN4202277	Partner closed joint account without customer's knowledge.
DRN2313507	Account closed and no explanation provided.
DRN2201291	Bank suspected impersonation fraud and immediately closed new account.
DRN4742649	Account closed and no explanation provided.
DRN3927444	Account closed and no explanation provided.
DRN6294311	Account closed and no explanation provided.
DRN4441624	Account closed by father in 1994 and daughter unaware.
DRN6455710	Account closed and no explanation provided. Compensation provided for misleading details with the closure.
DRN4996315	Account closed due to dormancy.
DRN4380262	Account closed by customer, but incurred interest.
DRN5546257	Account closed due to lack of customer detail. Compensation awarded due to poor communication. Complaint upheld.
DRN5679629	Account closed and no explanation provided.
DRN2195414	Account closed by bank, but overdraft remaining. Poor service / admin from bank, so compensation paid.
DRN9031121	Account closed and no explanation provided.
DRN4269307	Account holder did not comply with account requirements, hence closed.
DRN9427405	Bank ISA closed in error. Compensation offered. FOS agreed reasonable.
DRN8274937	Account closed due to dormancy.
DRN2753108	Customer closed account but overdraft needed to be repaid.
DRN9682568	Papers not fully completed, hence account closed.

DRN6736587	Customer closed account but disputed charges.
DRN9271082	Closed account of third party involved in a currency exchange.
DRN3603562	Misunderstanding as to whether customer wanted account closed or not.
DRN1516856	Account being closed, but complaint related to associated admin.
DRN6157078	Account closed due to dormancy.
DRN5556128	Account closed and no explanation provided.
DRN0263688	Customer thought account was closed but it was not and remained overdrawn.
DRN7940890	Customer asked for account to be closed. Admin issues related to this. Complaint upheld.
DRN7787546	Account closed due to failure to supply correct identification.
DRN6164169	Failure of bank to close account when requested.
DRN6185101	Account closed due to default on loan repayments.
DRN2631060	Account opened in error and then not closed suitably by bank.
DRN4040679	Account closed in 1999 but customer does not agree.
DRN1561335	Account closed and no explanation provided.
DRN2547047	Bank branch was closed and staff rude.
DRN5516724	Account closed due to dormancy.
DRN8865610	Bank advised customer that accounts were being closed in error. Compensation offered.
DRN6754709	Bank closed account as dormant and then there were issues in re-opening it. Compensation offered. Complaint upheld.
DRN5372179	Bank required additional information and closed account when this was not received promptly. Complaint upheld.
DRN5307063	Account closed and no explanation provided.
DRN2047183	Account closed and no explanation provided. Compensation awarded for not providing 60 days' notice.
DRN0646210	Mistake in switching account. Compensation awarded. Complaint upheld.
DRN6096740	Bank did not close account promptly as instructed.
DRN8505476	Account closed due to dormancy.

DRN7642121	Poor customer service and account subsequently closed by customer.
DRN1270727	Account closed due to dormancy.
DRN9543531	Account closed due to breakdown in relationship.

Appendix 2 – Electronic Survey



ABOUT YOU

Are you male or female?

Male

Female

Prefer not to say

What is your age?

In which country are you employed?

How many years have you worked in banking?

Which of the following best describes your current position / department?

Relationship Management / Wealth Management

Client On-boarding - KYC / CDD / EDD

Client Refresh - Renewal KYC / CDD / EDD

AML Transaction Monitoring / Analysis

AML Investigations

MLRO / Deputy MLRO

Other - please specify:

Prefer not to say

Please list any professional qualifications you hold that are directly relevant to your role (CAMS, ICA etc.):

Does your current role involve direct contact with customers?

Yes

No

Prefer not to say

Does your current role involve directing questions for end customers through another employee or third party (e.g. a Relationship Manager)?

Yes

No

Prefer not to say

SUSPICIOUS ACTIVITY REPORTING & ESCALATION PROCESSES

When escalating suspicious cases, do you generally find that your opinion is supported by clear and conclusive information?

All of the Time

Often

Sometimes

Rarely

Never

Don't know

Prefer not to say

Not applicable

When closing cases without further escalation, or allowing transactions / business activity to proceed, do you generally find that your opinion is supported by clear and conclusive information?

All of the Time

Often

Sometimes
Rarely
Never
Don't know
Prefer not to say
Not applicable

Have you ever closed an enquiry, or allowed transactions / business activity to proceed knowing that the details were incomplete?

Yes No Don't know Prefer not to say

Please explain your reasons for closing an enquiry or allowing transactions / business activity to proceed when the details were incomplete:

Have you ever escalated a case (either internally or to external authorities) knowing that the details were incomplete?

Yes No Don't know Prefer not to say

Please explain your reasons for escalating a case knowing that the details were incomplete:

Have you ever submitted a Suspicious Activity Report (SAR) direct to the authorities?

Yes No Prefer not to say

CULTURE & BEHAVIOUR

Do you feel sufficiently protected by your employer to conduct your enquiries effectively?

- Always
 - Most of the Time
 - Sometimes
 - Rarely
 - Never
 - Don't know
 - Prefer not to say
-

Does a customer's background (religion, political position, social standing, age etc.) influence the way you deal with them?

- Always
 - Most of the Time
 - Sometimes
 - Rarely
 - Never
 - Don't know
 - Prefer not to say
-

Please describe what you might do differently depending on the customer's background:

Have you ever been threatened or felt intimidated to close an enquiry or to continue with a transaction / business activity?

Yes

No

Prefer not to say

Please provide details of the threat / intimidation and explain what happened :

What barriers have you encountered when raising questions about a customer's source of wealth / funds or their transactions?

Have you ever experienced a situation where the questions you've asked have not been properly addressed?

Yes

No

Don't know

Prefer not to say

Where your questions were not properly addressed, please describe what happened:

ENQUIRIES & INVESTIGATIONS

Speaking generally, do you have enough time to complete enquiries thoroughly and to the best of your ability?

Always

Most of the time

Sometimes

Rarely

Never

Prefer not to say

What is your PRIMARY method of communications when raising AML / KYC queries with customers or third parties?

Telephone

Email

Letter

Fax

Face to face

Other (please specify)

Not applicable

Prefer not to say

When raising AML / KYC queries with customers, how important is it for you to build rapport with the person you are dealing with?

- Extremely important
 - Important
 - Neither important nor unimportant
 - Unimportant
 - Not at all important
 - Not applicable
 - Prefer not to say
-

When raising AML / KYC queries with third parties (such as Relationship Managers), how important is it for you to build rapport with the person you are dealing with?

- Extremely important
 - Important
 - Neither important nor unimportant
 - Unimportant
 - Not at all important
 - Not applicable
 - Prefer not to say
-

When asking customers awkward or difficult questions, how comfortable do you feel?

- Very comfortable
 - Reasonably comfortable
 - Neither comfortable nor uncomfortable
 - Somewhat uncomfortable
 - Very uncomfortable
 - Prefer not to say
-

When asking third parties (such as Relationship Managers) awkward or difficult questions, how comfortable do you feel?

- Very comfortable
 - Reasonably comfortable
 - Neither comfortable nor uncomfortable
 - Somewhat uncomfortable
 - Very uncomfortable
 - Prefer not to say
-

Have you ever received specific training to help you when drafting questions which third parties (such as Relationship Managers) have to relay to customers?

- Yes
 - No
 - Don't know
 - Prefer not to say
-

Please describe the specific training you received:

Have you ever received specific training to help you when asking customers awkward or difficult questions?

- Yes
 - No
 - Don't know
 - Prefer not to say
-

Please describe the specific training you received:

Do you feel appropriately equipped, experienced and trained to raise awkward or difficult questions with customers?

- Yes
 - No
 - Not applicable
 - Prefer not to say
-

Do you feel appropriately equipped, experienced and trained to raise awkward or difficult questions with third parties (such as Relationship Managers)?

Yes

No

Not applicable

Prefer not to say

Have your interviewing / questioning skills ever been analysed, measured or quantified in any way?

Yes

No

Don't know

Not applicable

Prefer not to say

Please describe how the analysis of your interviewing / questioning skills was conducted:

What structures and strategies are in place to ensure that you are asking questions effectively and appropriately (call listening, file reviews, role play etc.)?

Suppose there were some enquiries that you needed to make to establish the source of a large sum of money that had been deposited into a personal bank account belonging to a government official within your country. What are the top three questions you would ask? Please list the questions exactly as you would phrase them, whether verbally or in writing.

Thank you for taking the time to complete this survey.

Would you be prepared to take part in a follow-up interview?

This would be conducted via Skype, over the telephone or in person, and will take around

20 minutes. If you provide your email address the researcher will contact you and provide a full outline of what will be expected, prior to obtaining your consent. If you're happy to proceed, a convenient time will then be arranged with you. Whilst this means that your survey answers will no longer be anonymous, your personal details will not be disclosed outside of the research team.

Yes (please insert email address)

No

[Report Abuse](#)

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Appendix 3 – Ethical Approval



July 22nd 2015
Annalise Vineer – Professional Doctorate

Dear Annalise,

Study Title:	The Awkward Question: The Use Of Investigative Interviewing To Prevent Financial Crime Within Banking
Ethics Committee reference:	14/15:58

Thank you for submitting your documents for ethical review. The Ethics Committee was content to grant a favourable ethical opinion of the above research on the basis described in the application form, protocol and supporting documentation, revised in the light of any conditions set, subject to the general conditions set out in the attached document.

You must also attend to the following minor conditions:

- Ensure that all documents are redacted of any personal information.
- Ensure that no company-specific information is revealed and that organisations cannot be identified.
- Ensure that the University's Research Data Management policy and guidelines are read and adhered to:
<http://www.port.ac.uk/accesstoinformation/policies/researchandknowledgetransferservices/filetodownload,189755,en.pdf>
<http://www.port.ac.uk/library/help/research/researchdata/>

There is no need to submit any further evidence to the Ethics Committee; the favourable opinion has been granted with the assumption of compliance

It is the supervisor's responsibility to oversee that these conditions are fulfilled.

The favourable opinion of the EC does not grant permission or approval to undertake the research. Management permission or approval must be obtained from any host organisation, including University of Portsmouth, prior to the start of the study.

Documents reviewed

The documents reviewed by The Faculty of Humanities and Social Sciences Ethics Committee.

<i>Document</i>	<i>Version</i>	<i>Date</i>
Protocol		10/07/2015
Survey questionnaire		10/07/2015
Semi-Structured interview questions		10/07/2015
Self-assessment forms		10/07/2015
Participant information sheet		10/07/2015
Survey invitation		10/07/2015
Consent form		10/07/2015
Letter to host organisation		10/07/2015

Statement of compliance

The Committee is constituted in accordance with the Governance Arrangements set out by the University of Portsmouth

After ethical review

Reporting and other requirements

The enclosed document acts as a reminder that research should be conducted with integrity and gives detailed guidance on reporting requirements for studies with a favourable opinion, including:

- Notifying substantial amendments
- Notification of serious breaches of the protocol
- Progress reports
- Notifying the end of the study

Feedback

You are invited to give your view of the service that you have received from the Faculty Ethics Committee. If you wish to make your views known please contact the administrator ethics-fhss@port.ac.uk

Please quote this number on all correspondence - 14/15:58

Yours sincerely and wishing you every success in your research

Chair

Jane Winstone

Email: ethics-fhss@port.ac.uk

Enclosures: *"After ethical review – guidance for researchers"*

Appendix 1

After ethical review – guidance for researchers

This document sets out important guidance for researchers with a favourable opinion from a University of Portsmouth Ethics Committee. Please read the guidance carefully. A failure to follow the guidance could lead to the committee reviewing and possibly revoking its opinion on the research.

It is assumed that the research will commence within 3 months of the date of the favourable ethical opinion or the start date stated in the application, whichever is the latest.

The research must not commence until the researcher has obtained any necessary management permissions or approvals – this is particularly pertinent in cases of research hosted by external organisations. The appropriate head of department should be aware of a member of staff's research plans.

If it is proposed to extend the duration of the study beyond that stated in the application, the Ethics Committee must be informed.

If the research extends beyond a year then an annual progress report must be submitted to the Ethics Committee.

When the study has been completed the Ethics Committee must be notified.

Any proposed substantial amendments must be submitted to the Ethics Committee for review. A substantial amendment is any amendment to the terms of the application for ethical review, or to the protocol or other supporting documentation approved by the Committee that is likely to affect to a significant degree:

- (a) the safety or physical or mental integrity of participants
- (b) the scientific value of the study
- (c) the conduct or management of the study.

A substantial amendment should not be implemented until a favourable ethical opinion has been given by the Committee.

Researchers are reminded of the University's commitments as stated in the [Concordat to Support Research Integrity](#) viz:

- maintaining the highest standards of rigour and integrity in all aspects of research
- ensuring that research is conducted according to appropriate ethical, legal and professional frameworks, obligations and standards
- supporting a research environment that is underpinned by a culture of integrity and based on good governance, best practice and support for the development of researchers
- using transparent, robust and fair processes to deal with allegations of research misconduct should they arise
- working together to strengthen the integrity of research and to reviewing progress regularly and openly

In ensuring that it meets these commitments the University has adopted the [UKRIO Code of Practice for Research](#). Any breach of this code may be considered as misconduct and may be investigated following the University [Procedure for the Investigation of Allegations of Misconduct in Research](#).

Researchers are advised to use the [UKRIO checklist](#) as a simple guide to integrity.

Appendix 4 – Results Tables

Q1 - Are you male or female?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	79	60.3	60.3	60.3
	Female	46	35.1	35.1	95.4
	Prefer not to say	6	4.6	4.6	100.0
	Total	131	100.0	100.0	

Q2 - What is your age?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Prefer not to say	1	.8	.8	.8
	16 to 24 years	7	5.3	5.3	6.1
	25 to 34 years	74	56.5	56.5	62.6
	35 to 44 years	37	28.2	28.2	90.8
	45 to 54 years	10	7.6	7.6	98.5
	55 to 64 years	1	.8	.8	99.2
	65 to 74 years	1	.8	.8	100.0
	Total	131	100.0	100.0	

Q3 - In which country are you employed?

		Frequency	Percent
Valid	United Kingdom	76	58
	Poland	16	12.2
	Pakistan	9	6.9
	United States	8	6.1
	India	5	3.8
	Austria	2	1.5
	China	2	1.5
	Other	2	1.5
	Singapore	2	1.5
	Belgium	1	0.8
	Cote d'Ivoire/Ivory Coast	1	0.8
	France	1	0.8
	Ireland	1	0.8
	Lebanon	1	0.8
	Qatar	1	0.8
	Saudi Arabia	1	0.8
	Turkey	1	0.8
United Arab Emirates	1	0.8	
Total	131	100	

Q4 - How many years have you worked in banking?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0.5	1	.8	.8	.8
	1	2	1.5	1.7	2.5
	1.5	4	3.1	3.4	5.9
	2	14	10.7	11.9	17.8
	3	11	8.4	9.3	27.1
	4	10	7.6	8.5	35.6
	5	16	12.2	13.6	49.2
	6	3	2.3	2.5	51.7
	7	3	2.3	2.5	54.2
	8	8	6.1	6.8	61.0
	9	5	3.8	4.2	65.3
	10	10	7.6	8.5	73.7
	11	3	2.3	2.5	76.3
	12	4	3.1	3.4	79.7
	13	3	2.3	2.5	82.2
	14	1	.8	.8	83.1
	15	8	6.1	6.8	89.8
	16	2	1.5	1.7	91.5
	17	2	1.5	1.7	93.2
	20	1	.8	.8	94.1
21	1	.8	.8	94.9	
25	2	1.5	1.7	96.6	
26	1	.8	.8	97.5	
33	1	.8	.8	98.3	
35	1	.8	.8	99.2	
37	1	.8	.8	100.0	
	Total	118	90.1	100.0	
Missing	Blank	13	9.9		
Total		131	100.0		
Valid		118			
Missing		13			
Mean		8.3008			
Median		6.0000			
Mode		5.00			
Std. Deviation		7.01011			
Range		36.50			

Q5 - Which of the following best describes your current position / department?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Relationship Management / Wealth Management	9	6.9	6.9	6.9
	Client On-boarding - KYC / CDD / EDD	36	27.5	27.5	34.4
	Client Refresh - Renewal KYC / CDD / EDD	33	25.2	25.2	59.5
	AML Transaction Monitoring / Analysis	19	14.5	14.5	74.0
	AML Investigations	18	13.7	13.7	87.8
	MLRO / Deputy MLRO	5	3.8	3.8	91.6
	Other - please specify:	11	8.4	8.4	100.0
	Total	131	100.0	100.0	

Other - please specify:

Client On-boarding & Client Refresh - KYC/CDD/EDD
 QA
 Business Analyst/MiFID Analyst
 Compliance And AML/CTF
 Director of AML/BSA/OFAC
 Compliance Liaison Officer
 Nominated Officer
 Internal investigations manager
 Business Analyst - KYC Projects for Utilities
 FATCA/KYC
 Nominated Officer

Q6 - Please list any professional qualifications you hold that are directly relevant to your role.

	Frequency	Percent	Valid Percent	Cumulative Percent
	24	18.3	18.3	18.3
-	2	1.5	1.5	19.8
advanced certificate in AML	1	.8	.8	20.6
AML and KYC from Indian Institute of Banking and Finance	1	.8	.8	21.4
BA , FPC , LEVEL 4 CII DIPLOMA, Mortgage advice	1	.8	.8	22.1
Cams	1	.8	.8	22.9
CAMs	1	.8	.8	23.7
CAMS	14	10.7	10.7	34.4
CAMS in progress	1	.8	.8	35.1
CAMS, CAMS-FCI	1	.8	.8	35.9
CAMS, CFE	1	.8	.8	36.6
CAMS, CFE, CFCS	1	.8	.8	37.4
CAMS, ICA, Dip. FRCM	1	.8	.8	38.2
CAMS,CFE	1	.8	.8	38.9
CCO CAMS CRA	1	.8	.8	39.7
CMA Advanced Certificate in Compliance CMA				
Advanced Certificate in AML CME-2				
CeFA 1,2,3	1	.8	.8	40.5
cemap	1	.8	.8	41.2
CeMAP, CeFA	1	.8	.8	42.0
Certificate in Advanced Investigations (Bond Solon)	1	.8	.8	42.7
Certificate in financial crime awareness	1	.8	.8	43.5
Certificate, Securities Institute; stage 1, Institute of Bankers	1	.8	.8	44.3
cfe	1	.8	.8	45.0
Chartered Institute of	1	.8	.8	45.8

Securities and Investments Level 3 Certificate in Combating Financial Crime				
CIB. MICA. ICA Dip AML.	1	.8	.8	46.6
CII Diploma Financial Planning CII Mortgage Adviser CII Equity Release	1	.8	.8	47.3
CIMA, CAMS	1	.8	.8	48.1
CISI combatting financial crime	1	.8	.8	48.9
Dip CII, PCIAM	1	.8	.8	49.6
Diploma in Financial Investigation CAMS	1	.8	.8	50.4
DipPFS, CeMAP, CeFA, DipFSM	1	.8	.8	51.1
economical education - master degree	1	.8	.8	51.9
I am on training to get ICA Advanced Certificate in Anti Money Laundering	1	.8	.8	52.7
IAC, CeMap, Ica	1	.8	.8	53.4
Ica	2	1.5	1.5	55.0
ICA	8	6.1	6.1	61.1
ICA - advanced certificate in AML	1	.8	.8	61.8
ICA Advanced certificate in AML	1	.8	.8	62.6
ICA certificate AML	1	.8	.8	63.4
ICA Diploma in Anti- Money Laundering Awareness	1	.8	.8	64.1
ICA Diploma in Governance, Risk and Compliance in progress.	1	.8	.8	64.9
ICA in Correspondent Banking	1	.8	.8	65.6
ICA UK Advanced Cert in AML	1	.8	.8	66.4

Ibs	1	.8	.8	67.2
IIBF	1	.8	.8	67.9
IIBF AML KYC	1	.8	.8	68.7
JAIBP and MBA in Banking and Finance	1	.8	.8	69.5
MBA in Risk Management	1	.8	.8	70.2
N.A	1	.8	.8	71.0
n/a	4	3.1	3.1	74.0
N/a	2	1.5	1.5	75.6
N/A	4	3.1	3.1	78.6
N/a (but 8 years EDD experience for consultancies)	1	.8	.8	79.4
na	1	.8	.8	80.2
Na	1	.8	.8	80.9
NA	2	1.5	1.5	82.4
Nil	2	1.5	1.5	84.0
No	1	.8	.8	84.7
no certifications, economics major	1	.8	.8	85.5
none	3	2.3	2.3	87.8
None	9	6.9	6.9	94.7
None at the moment	1	.8	.8	95.4
None yet	1	.8	.8	96.2
Nope	1	.8	.8	96.9
Plannig to undertake the Financial Crime Prevention Diploma (ICA)	1	.8	.8	97.7
Professional Banker Certificate CertPB Introduction to Risk (Insitute of Chartered Bankers)	1	.8	.8	98.5
Professional qualifications are not required at this stage as FATCA is new regulation, which came into effect 1st of July 2014. Maybe in the future we will need	1	.8	.8	99.2

some additional trainings.

Promontory Sanctions Certificate	1	.8	.8	100.0
Total	131	100.0	100.0	

Q7 - Does your current role involve direct contact with customers?

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	50	38.2	38.2	38.2
No	79	60.3	60.3	98.5
Prefer not to say	2	1.5	1.5	100.0
Total	131	100.0	100.0	

Q8 - Does your current role involve directing questions for end customers through another employee or third party?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	107	81.7	81.7	81.7
No	22	16.8	16.8	98.5
Prefer not to say	2	1.5	1.5	100.0
Total	131	100.0	100.0	

Q9 - When escalating suspicious cases, do you generally find that your opinion is supported by clear and conclusive information?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid All of the Time	26	19.8	22.4	22.4
Often	67	51.1	57.8	80.2
Sometimes	19	14.5	16.4	96.6
Rarely	4	3.1	3.4	100.0
Total	116	88.5	100.0	
Missing Don't know	1	.8		
Prefer not to say	2	1.5		
Not applicable	3	2.3		
Blank	9	6.9		
Total	15	11.5		
Total	131	100.0		

Q10 - When closing cases without further escalation, or allowing transactions / business activity to proceed, do you generally find that your opinion is supported by clear and conclusive information?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	All of the Time	53	40.5	46.1	46.1
	Often	47	35.9	40.9	87.0
	Sometimes	11	8.4	9.6	96.5
	Rarely	4	3.1	3.5	100.0
	Total	115	87.8	100.0	
Missing	Don't know	1	.8		
	Prefer not to say	1	.8		
	Not applicable	5	3.8		
	Blank	9	6.9		
	Total	16	12.2		
Total		131	100.0		

Q11 - Have you ever closed an enquiry, or allowed transactions / business activity to proceed knowing that the details were incomplete?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	16	12.2	13.1	13.1
	No	96	73.3	78.7	91.8
	Don't know	5	3.8	4.1	95.9
	Prefer not to say	5	3.8	4.1	100.0
	Total	122	93.1	100.0	
Missing	Blank	9	6.9		
Total		131	100.0		

Q11a - Please explain your reasons for closing an enquiry, or allowing transactions / business activity to proceed knowing that the details were incomplete?

Text Response	
1	There was waiver/ exception for draft documents which is required to be requested after kyc was completed
2	No further information can be obtained due to privacy issues. Not enough information is available on the parties involved in the public domain.
3	There are sufficient knowledge frm business end for incomplete details and they are willing to take on the risk.
4	Sometimes the old accounts found with incomplete documentation. But the customer have caryying good banking relationships and market reputation, in these rare cases customer is asked to submit compelete documentation and provided few days time, for this particular period the alert/inquiry may close.
5	Client refused to provide information due to secrecy law of that country.
6	pressure of time to process the transaction - however, the decision was supported by Compliance, and they have extensive knowledge of all the KYC details, after further investigation they have agreed to allow the transaction
7	usually due to critical priority,
8	30 days for docs to be received after onboarding
9	N/a
10	Approval or Go ahead from Line Manager
11	Sensitive client and high revenue from the transaction; incomplete information was however added shortly to the client's file/profile
12	I used Risk Based Approach to evaluate the risk on the sitaution when details were incomplete. Even if I had incomplete details but based on the rest information I had I didn't see any red flags I allowed to proceed.
13	risk based approach
14	Risk based decisions against the risk appetite of the bank against sometimes a best in devours approach
15	Reputational risk

Q12 - Have you ever escalated a case (either internally or to external authorities) knowing that the details were incomplete?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	41	31.3	34.2	34.2
	No	66	50.4	55.0	89.2
	Don't know	10	7.6	8.3	97.5
	Prefer not to say	3	2.3	2.5	100.0
	Total	120	91.6	100.0	
Missing	Blank	11	8.4		
Total		131	100.0		

Q12a - Please explain your reasons for escalating a case knowing that the details were incomplete:

Text Response

- 1 It was escalate for waiver approval
- 2 High risk money laundering jurisdictions involved. Payment fits a certain typology.
- 3 To avoid tipping off
- 4 When Customer is avoiding to provide the requested detail of transaction then case is referred for reporting to regulatory bodies
- 5 I didn't have all details to hand and the issue was potentially quite serious and I knew I could prove the rest of the details at a later date
- 6 On those occasions when the missing information cannot be obtained
- 7 client was unwilling to provide all the required information
- 8 Negative News are known publicly although it may not be captured via normal protocol.
- 9 Sometimes customer failed to provide evidence against unusual transaction which doesn't harmonize with customer profile, these cases are further escalated internally and externally.
- 10 Tight deadline
- 11 Information is not provided by the client.
- 12 unable to source further evidences
- 13 again it's pressure of time - I've been escalating cases to Compliance even though not all the KYC details were complete, however, always making sure to gather as much information as possible. Such situations happen when there's pressure of time and we want to avoid reaching to customer many times. Together with Compliance we were gathering as much as we could, and were coming back to customer only if necessary to obtain information via sources.
- 14 I was the '4-eye' checker and information had been fudged to get the case to initial sign-off
- 15 -
- 16 It wasn't possible to establish without alerting the customer
- 17 Second opinion
- 18 Source of Wealth, Asset providers for SPV's, Ownership Structure for Medium, High & Higher risk clients, Individuals ID proofs who are Authority to act at client's space, Certification of Incorporation proof etc.,.
- 19 suspicion
- 20 I know that no information doesn't equal suspicious but sometimes you feel that some activity looks strange/unusual and it would be better if Compliance would take a look at it. Also sometime Compliance have more sources to look for information and for them single relationship could be a part of a greater scheme which is impossible to see as an Analyst.
- 21 non availability of some details
- 22 If fraud/money laundering is discovered through my investigations, I may refer to the police immediately with limited information thus preventing tipping off or jeopardising a criminal case.
- 23 Transaction was too risky to wait for additional information.
- 24 Other parties were responsible for obtaining the remaining details
- 25 When making referrals internally it is sometimes the procedure to make the referrals without investigating
- 26 In some situations it is not possible to obtain full information, such as if a

- customer has already exited their relationship with the bank.
- 27 significant red flags
- 28 Another area had to supply the missing information.
- 29 To clarify the situation and obtain more details
- 30 There was sufficient information at the time without waiting to determine further facts within the investigation in its totality
- 31 for further review
- 32 You cannot get what you require, and you to kill the client.
- 33 Unable to obtain further information
- 34 at that stage it wasn't necessary to have all the info available
-

Q13 - Have you ever submitted a Suspicious Activity Report (SAR) direct to the authorities?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	31	23.7	25.8	25.8
	No	82	62.6	68.3	94.2
	Prefer not to say	7	5.3	5.8	100.0
	Total	120	91.6	100.0	
Missing	Blank	11	8.4		
Total		131	100.0		

Q14 - Do you feel sufficiently protected by your employer to conduct your enquiries effectively?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	57	43.5	48.3	48.3
	Most of the Time	39	29.8	33.1	81.4
	Sometimes	10	7.6	8.5	89.8
	Rarely	6	4.6	5.1	94.9
	Don't know	4	3.1	3.4	98.3
	Prefer not to say	2	1.5	1.7	100.0
	Total	118	90.1	100.0	
Missing	Blank	13	9.9		
Total		131	100.0		

Q15 - Does a customer's background (religion, political position, social standing, age etc.) influence the way you deal with them?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	13	9.9	11.0	11.0
	Most of the Time	13	9.9	11.0	22.0
	Sometimes	29	22.1	24.6	46.6
	Rarely	10	7.6	8.5	55.1
	Never	45	34.4	38.1	93.2
	Don't know	6	4.6	5.1	98.3
	Prefer not to say	2	1.5	1.7	100.0
	Total	118	90.1	100.0	
Missing	Blank	13	9.9		
Total		131	100.0		

Q15a - Please describe what you might do differently depending on the customer's background:

- Text Response
- 1 More information required for risk classification
 - 2 EDD depending country residence / origin
 - 3 Make additional enquiries where possible.
 - 4 If the customer is PEP, connected to PEP, or Public Official
 - 5 Perform a more robust check than I would normally do, and ask more questions
 - 6 Method of communication
 - 7 Political exposed people are high risk of money laundering
 - 8 If customer is a politically exposed person, more due diligence is performed
 - 9 Request for additional information when dealing with PEPs and associated entities
 - 10 A customers age has to be considered at all times, Potentially Vulnerable Clients are very important to spot
 - 11 Make more enquiries and cross check information given
 - 12 Certain precaution is applied to high / very high risk customers
 - 13 From a customer-face off point of view, there is always a tendency to be client-aligned. Depends on the character of the customer, the communication would be appropriately aligned
 - 14 Further checks, escalations, reports, 3rd party enquiries
 - 15 The local high profiles often found difficult to deal with. informations regarding these types of customers is fetched from LEA's and other sources.
 - 16 Politically exposed persons are subjected to additional scrutiny; religious leaders with extremist views are also subjected to enhanced scrutiny
 - 17 Raise it to compliance team.
 - 18 If elderly often a more detailed explanation is required to ensure they are aware of the risks, considering their age.
 - 19 terrorist links
 - 20 For Example EDD if the customer is PEP
 - 21 Age, religion and social standing has nothing to do with the way clients are treated. We have to consider the political standing of a client because if they are a prominent public figure and/or have access to public funding (better known as PEPs), they need to be treated as high risk in which case they would be screened more regularly and proof of documentation would be more in depth
 - 22 I would conduct a thorough investigation to ensure the customer isn't reported/exited due to racial profiling/bias.
 - 23 Interview tactics has to be adapted so as to maximise receipt of information and evidence
 - 24 be able to source out more info on the individual, espacially important for PEPs, religious figures, HNWI's
 - 25 Extra searches. More id&v and detail requested. Example verify source of wealth and funds
 - 26 Eg Politically Exposed People (PEPs) are escalated to compliance to see if they affected the clients overall risk rating.
 - 27 Politicians could be PEP
 - 28 Depending on a clients social standing: involvement in politics more information may be requested
 - 29 Politically exposed persons require background check and sign off by MLRO and senior manager for example

- 30 Take into consideration regional and historic economic situations when analysing historic source of wealth
 - 31 As a KYC Analyst primary responsibility is to know about our Customer. So knowing who are our customer & what they are dealing with plays vital role. If client's PPOB / Registered address or SOW / SOI are from Tier 1 /s sanctions country, Onboarding analyst has to take further measures in collecting more information about client, because of risk associated with. It's always good to escalate our regional Fin crime / AMLC to notify them we are onboarding this client to monitor their transactions closely & also approvals from AML.
 - 32 Extra Care and Trying to source as many documents publicly for HNW INDIVIDUALS
 - 33 We don't do business with individuals. However, organisations from different regions require different approach tactics
 - 34 completing case
 - 35 Enhanced checks - high risk countries - possible sanction related issues to consider.
 - 36 A part of my role requires me to contact clients with more complex queries about their transactional activity. Each contact is different and I have to adjust my style and approach depending on the person I am dealing with. For example, I would approach a client who has 20 years of experience in banking and is fully aware of AML procedures differently to a client who has no banking knowledge whatsoever. Each contact is different and so a variety of different approaches must be used to obtain the information I require.
 - 37 sometimes customer's background make u feel suspicious
 - 38 PEPs are more closely monitored
 - 39 If a customer is of a particular background it might inform the direction the investigation takes - ie focusing on specific risk areas for a geography or other demographic.
 - 40 Will analyse the case as per the customers profile and his past activities with the bank.
 - 41 Dependent on the situation but I treat people as individuals and not a collective
 - 42 na
 - 43 keen observation
 - 44 Level of information obtained
-

Q16 - Have you ever been threatened or felt intimidated to close an enquiry or to continue with a transaction / business activity?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	14	10.7	12.1	12.1
	No	98	74.8	84.5	96.6
	Prefer not to say	4	3.1	3.4	100.0
	Total	116	88.5	100.0	
Missing	Blank	15	11.5		
Total		131	100.0		

Q16a - Please provide details of the threat / intimidation and explain what happened:

- Text Response
- 1 NA
 - 2 n/a
 - 3 Being asked by the Business to expedite decision on case closure or authorisation of a transaction as a delay would loses revenue or damage the client experience.
 - 4 immediate escalations, calls with senior mgmt explaining the delays etc.
 - 5 i
 - 6 N.A
 - 7 Investigated a customer that had a registered address 2 blocks from my home address. The customer is question had deliberately lied about info on official bank documents to get a new account open. The account was opened regardless which raised a suspicion of insider trading. As I investigated the case, I feared that if the customer had someone on the inside, they would be able to see I was the investigator of the case, after the customer was found out for fraud.
 - 8 Business was pushing hard and wanted me to take responsibility for trade not being executed. I was however supported both by my TL and higher management within my department
 - 9 customer has been told about the investigation and from whom it was. so i was threatened by phone
 - 10 A few lines of business over the years have tried to intimidate me by becoming aggravated and telling me that a multimillion deal would fall through because of me, this tactic doesn't work on me.

Q17 - What barriers have you encountered when raising questions about a customer's source of wealth / funds or their transactions?

Text Response

- 1 Front office u willing to go the client for such Information
- 2 I havnt encountered any Barriers. The relationship mangers are happy to ask the question to the client, and there are no complaints from the client.
- 3 Account balance
- 4 Lack of evidence supporting claims. RMs reluctant to reach out to clients so as not to disrupt relationships. Respondent and correspondent banks withholding information. Poor quality of information.
- 5 Information are usually retrieved from public resources, and most of the PEP customers are not willing to provide such information
- 6 it is a part of KYC to disclose the source of fund/proof of Income.
- 7 Time pressures from internal stakeholders
- 8 Confusion over what the requirement is because it isn't well known.
- 9 Our customers know they won't be able to maintain a relationship with the Bank if they are unwilling to answer the above questions.
- 10 Incorrect/incomplete/uncertified information
- 11 That customer has been with the bank a long time
- 12 Reluctance of clients to provide information/possibility of tipping off.
- 13 Delays in the provision of the information requested or documentary evidence
- 14 Clients do not want to tell you this information a lof of the time and do not feel they should have to. Some clients have point blank refused
- 15 Clients have the belief that we know their business, or family connections/history and sometimes do feel the questions we ask are too intrusive.
- 16 Unwillingess the customer to give out information re source of funds due to legal barriers.
- 17 Barriers only come into play normally (on the rare occasion) when trying to seek out the true UBO when all evidence suggests that the public face of ownership is a nominee or defacto representative
- 18 Work in commercial banking no individuals
- 19 a barrier where the person asked do not understand the definition of source of wealth/funds. Inacurate answers Clients have issues with talking about their money - answering "we cannot tell because we can't"
- 20 client was not sure what kind of information we are requesting or did not want to provide
- 21 Front office staff may be client centric and may not wish to offend the client by asking personal question.
- 22 Unwillingness of relationship managers to pursue unsatisfactory explanations
- 23 Insuficient data may sometimes be provided. The real problem is the fact thag the AML analyst has a tendency to accept it without actually understanding what the client is doing and what the purpose of the transaction is. Therefore coverage against potential risks is not at the standards that it should be. You might have situations in the the relationship managers might push back and refuse to give you the necessary info, however that does not mean that a client should be onboarded, signed off, etc.
- 24 Customer usually not willing to provide his all sources of funds. Many customers provide only evidence of job or business. However with the time being we find that customers having investments in different saving schemes,

- properties, stocks, bonds etc.
- 25 Internally - Relationship manager's fear of losing the deal Externally - Customers deliberately not providing detailed answers and using intermediaries
 - 26 none
 - 27 UBO is marked but no information regarding source of wealth
 - 28 Often we are asked to question transactions when details are already held on the bank's systems.
 - 29 RM resistance
 - 30 Proof of source of funds
 - 31 Questioning skills to avoid tipping off
 - 32 Possibly getting the relationship manager to ask such questions because they are reluctant to do so for fear that they will lose the client. Some clients do not understand the regulatory requirements within our jurisdiction and the pressure put on banks to adhere to them because they might live in a jurisdiction that is more lax about regulation. They sometimes think that we are being difficult and do not care about our business relationship with them.
 - 33 The party required to ask the questions feel uncomfortable doing so as feels they are being intrusive. Or the party take the customers details without thinking 'does this make sense' and not further questioning or corroborating the information provided.
 - 34 Difficult to obtain for well known and public individuals
 - 35 Poor and insufficient answers received back via the RM
 - 36 resistance of Relationship Managers/Salespersons, who treated those questions as unnecessary and waste of time
 - 37 It happens that customers do not know what source of funds is, and what exactly contributes to it.
 - 38 The most common question is "Why do you need this?". More significant barriers can relate to wealth structuring i.e. complex/off-shore arrangements and complicated financial instruments. Often, how a client/prospect has established their wealth is as hard to determine as it is to evidence their net worth.
 - 39 no law/ Policy on it. difficult to justify
 - 40 total denial to answer, rudeness after questioning their SOW/SOF,
 - 41 none
 - 42 Direct response from client.
 - 43 Customers will sometimes not reply with sufficient information
 - 44 None, always have sufficient SOW and no barriers
 - 45 Sometimes customers are reluctant in replying to queries.
 - 46 Unwillingness to provide full breakdown and lack of understanding
 - 47 In many instances you have to rely on the customer telling the truth, which is not always reliable.
 - 48 Client not willing to respond
 - 49 Lack of public domain information; client brevity / sparse with details
 - 50 Prefer to not say
 - 51 -
 - 52 General reluctance
 - 53 Reluctance of clients to disclose information or third parties to ask clients certain questions which they may deem intrusive
 - 54 Customers often don't want to provide these details in which waivers are used
 - 55 None
 - 56 Lack of responses Responses that did not address the questions

- 57 None
- 58 For client types like PIC, SPV's & for trust always pain to identify their SOW, when we were asking documents for evidence we use to get different information which is not present in Factiva, Bloomberg etc., so we have always push back for these clients. However for client like Asset / Fund / Investment managers SOW / SOI will be available easily in databases like D&B, ASIC & MAS etc.,
- 59 none
- 60 Not indepth enough - vague statements
- 61 Only bond customers have privacy issues in disclosing info
- 62 unwillingness of RMs to provide missing information
- 63 Privacy issues
- 64 Deny answering
- 65 Customers commenting that this type of information is none of the banks business and is certainly not required.
- 66 Some clients seem not to understand what SOW means, despite definition provided. Additionally, some of them claim the question is not relevant or they are simply unwilling to provide such details
- 67 language barriers, RM dont know how to use a system to provide answers, RM didn't know how to ask a customer, RM didnt provide an answer and didnt reply why, RM answred but it looked like a typical answer/taken from a list
- 68 local culture
- 69 The business not completely understanding why certain questions are being asked and wanting to hurry the application/transaction.
- 70 1. Making contact with clients can sometimes be difficult. 2. Clients sometimes feel this is not any of our business and refuse to co-operate 3. Some of the line of questioning can be deemed quite invasive and the way in which we approach the client must considered very carefully - often with on-the-spot decisions on how best to obtain the information
- 71 Not applicable to my role
- 72 blocked by bank manager and soe employee
- 73 Clients relationship with Relationship Manager. Cultural backgrounds
- 74 lack of cooperation from CMs' side, CMs' covering for clients, clients using their VIP position within the bank (or close association with MB) to evade questions,
- 75 Lack of publicly available information and reluctance to reach out to the client for more information
- 76 "none of my other banks ask for that"
- 77 Branches are sometimes reluctant to close a large relationship, but they eventually do.
- 78 Front line staff who contact the customer may be reluctant to "annoy" their client as it may lead to complaints or to them deciding to leave the business or not make further investments with the business.
- 79 Lack of a response, lack of evidence. "Why do i need to provide this, you know how much I have?"
- 80 lack of response from customer
- 81 Often false information,low income reported by customer,customer do not discuss other bussines they have.
- 82 None
- 83 no barriers i have come across as of now.
- 84 why are you asking for this information?

- 85 Clients often question why you ask, but when explained they are usually accommodating.
 - 86 Unwillingness to present detailed info; general responses
 - 87 Clients have raised complaints for us asking too much information and delaying account openings, relationship managers have been less than forthcoming with information because they don't know the customer very well and don't want to ask the client
 - 88 RM's having a very different mindset to Compliance personnel.
 - 89 n/a
 - 90 Answers such as 'yet to be established' proves difficult when working a case
 - 91 rude responses from either RM or the clients; client's position that made the banker state they will not ask the questions; insignificant amounts in comparison to TNW in order to ask about transactions; correspondent banking relationship - not always the same AML approach and thus the responses frequently inadequate
 - 92 none
 - 93 Source of funds relates to transactions. Source of wealth is not about transactions. It is how the individual obtained their wealth. Eg: inheritance. SOW should be provided every time. We need to verify it. We just push back and insist on it.
 - 94 Technical issue. Client and business are unresponsive
 - 95 no idea
 - 96 some time customer reluctant
 - 97 N/a
 - 98 a failure to understand correctly what source of wealth/funds is
 - 99 Most of the time customer is not willing to cooperate
-

Thematic analysis of the above results (bold italics denote that response has been excluded from analysis due to it not providing a relevant/clear answer to the question posed).

	No response	Contact difficulty	Client refusal	Customer unhappy to supply information	Complaints	Incomplete details	Incorrect information	RM not happy to ask	Discomfort posing questions	Fear of losing/annoying client	Cultural issues	Lack of understanding	No issue
none of my other banks ask for that												x	
1. Making contact with clients can sometimes be difficult. 2. Clients sometimes feel this is not any of our business and refuse to co-operate 3. Some of the line of questioning can be deemed quite invasive and the way in which we approach the client must be considered very carefully - often with on-the-spot decisions on how best to obtain the information		x	x						x				
a barrier where the person asked do not understand the definition of source of wealth/funds. Inaccurate answers Clients have issues with talking about their money - answering "we cannot tell because we can't"							x						x
a failure to understand													x

correctly what source of wealth/funds is

Account balance

Answers such as 'yet to be established' proves difficult when working a case X

Barriers only come into play normally (on the rare occasion) when trying to seek out the true UBO when all evidence suggests that the public face of ownership is a nominee or defacto representative

blocked by bank manager and soe employee

Branches are sometimes reluctant to close a large relationship, but they eventually do. X

Client not willing to respond X

client was not sure what kind of information we are requesting or did not want to provide X X

Clients do not want to tell you this information a lof of the time and do not feel they should have to. Some clients have point blank refused X X

Clients have raised complaints for us asking too much information and delaying account openings, relationship managers have been less than forthcoming with X X

information because they don't know the customer very well and don't want to ask the client

Clients have the belief that we know their business, or family connections/history and sometimes do feel the questions we ask are too intrusive. x

Clients often question why you ask, but when explained they are usually accommodating. x

Clients relationship with Relationship Manager. Cultural backgrounds x

Confusion over what the requirement is because it isn't well known. x

Customer usually not willing to provide his all sources of funds. Many customers provide only evidence of job or business. However with the time being we find that customers having investments in different saving schemes, properties, stocks, bonds etc. x

Customers commenting that this type of information is none of the banks business and is certainly not required. x

Customers often don't want to provide these details in which waivers are used x

Customers will sometimes x

not reply with sufficient information

Delays in the provision of the information requested or documentary evidence x

Deny answering x

Difficult to obtain for well known and public individuals

Direct response from client.

For client types like PIC, SPV's & for trust always pain to identify their SOW, when we were asking documents for evidence we use to get different information which is not present in Factiva, Bloomberg etc., so we have always push back for these clients. However for client like Asset / Fund / Investment managers SOW / SOI will be available easily in databases like D&B, ASIC & MAS etc., x

Front line staff who contact the customer may be reluctant to "annoy" their client as it may lead to complaints or to them deciding to leave the business or not make further investments with the business. x

Front office staff may be client centric and may not wish to offend the client by asking personal question. x

Front office u willing to x

go the client for such
Information

General reluctance

I havnt encountered any Barriers. The relationship mangers are happy to ask the question to the client, and there are no complaints from the client. X

In many instances you have to rely on the customer telling the truth, which is not always reliable. X

Incorrect/incomplete/unce
rtified information X X

Information are usually retrieved from public resources, and most of the PEP customers are not willing to provide such information X

Insuficient data may sometimes be provided. The real problem is the fact thag the AML analyst has a tendency to accept it without actually understanding what the client is doing and what the purpose of the transaction is. Therefore coverage against potential risks is not at the standards that it should be. You might have situations in the the relationship managers might push back and refuse to give you the necessary info, however that does not mean that a client should be onboarded, signed off, etc. X X

Internally - Relationship manager's fear of loosing the deal Externally - Customers deliberately not providing detailed answers and using intermediaries		X		X
It happens that customers do not know what source of funds is, and what exactly contributes to it.				X
<i>it is a part of KYC to disclose the source of fund/proof of Income.</i>				
Lack of a response, lack of evidence. "Why do i need to provide this, you know how much I have?"	X	X		X
lack of cooperation from CMs' side, CMs' covering for clients, clients using their VIP position within the bank (or close association with MB) to evade questions,			X	
Lack of evidence supporting claims. RMs reluctant to reach out to clients so as not to disrupt relationships. Respondent and correspondent banks withholding information. Poor quality of information.		X		X
Lack of public domain information; client brevity / sparse with details		X		
Lack of publicly available information and reluctance to reach out to the client for more information			X	
lack of response from	X			

customer				
Lack of responses	x		x	
Responses that did not address the questions				
language barriers, RM dont know how to use a system to provide answers, RM didn't know how to ask a customer, RM didnt provide an answer and didnt reply why, RM answred but it looked like a typical answer/taken from a list			x	x
local culture				x
Most of the time customer is not willing to cooperate		x		
<i>n/a</i>				
<i>N/a</i>				
no barriers i have come across as of now.				x
<i>no idea</i>				
no law/ Policy on it. difficult to justify			x	
None				x
None, always have sufficient SOW and no barriers				x

Not applicable to my role

Not indepth enough -
vague statements

X

Often false
information,low income
reported by
customer,customer do not
discuss other bussines
they have.

X X

***Often we are asked to
question transactions
when details are already
held on the bank's
systems.***

***Only bond customers
have privacy issues in
disclosing info***

***Our customers know they
won't be able to maintain
a relationship with the
Bank if they are
unwilling to answer the
above questions.***

Poor and insufficient
answers received back via
the RM

X

Possibly getting the
relationship manager to
ask such questions
because they are reluctant
to do so for fear that they
will lose the client. Some
clients do not understand
the regulatory
requirements within our
jurisdiction and the
pressure put on banks o
adhere to them because
they might live in a
jurisdiction that is more
lax about regulation.
They sometimes think that

X X

we are being difficult and do not care about our business relationship with them.

Prefer to not say

Privacy issues

Proof of source of funds

Questioning skills to avoid tipping off			X
-----------------------------------------	--	--	---

Reluctance of clients to disclose information or third parties to ask clients certain questions which they may deem intrusive	X		X
-------------------------------------------------------------------------------------------------------------------------------	---	--	---

Reluctance of clients to provide information/possibility of tipping off.	X		
--------------------------------------------------------------------------	---	--	--

resistance of Relationship Managers/Salespersons, who treated those questions as unnecessary and waste of time			X
----------------------------------------------------------------------------------------------------------------	--	--	---

RM resistance			X
---------------	--	--	---

RM's having a very different mindset to Compliance personnel.

rude responses from either RM or the clients; client's position that made the banker state they will not ask the questions; insignificant amounts in comparison to TNW in order to ask about transactions; correspondent banking relationship - not always the same AML approach and thus the responses frequently inadequate	X		X
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---	--	---

Some clients seem not to understand what SOW means, despite definition provided. Additionally, some of them claim the question is not relevant or they are simply unwilling to provide such details	X	X	X
some time customer reluctant		X	
Sometimes customers are reluctant in replying to queries.		X	
<i>Source of funds relates to transactions. Source of wealth is not about transactions. It is how the individual obtained their wealth. Eg: inheritance. SOW should be provided every time. We need to verify it. We just push back and insist on it.</i>			
Technical issue. Client and business are unresponsive	X		
That customer has been with the bank a long time			X
The business not completely understanding why certain questions are being asked and wanting to hurry the application/transaction.			X
The most common question is "Why do you need this?". More significant barriers can relate to wealth structuring i.e. complex/off-shore arrangements and complicated financial			X

instruments. Often, how a client/prospect has established their wealth is as hard to determine as it is to evidence their net worth.

The party required to ask the questions feel uncomfortable doing so as feels they are being intrusive . Or the party take the customers details without thinking 'does this make sense' and not further questioning or corroborating the information provided.

X X

Time pressures from internal stakeholders

total denial to answer, rudeness after questioning their SOW/SOF,

X X

UBO is marked but no information regarding source of wealth

X

Unwillingness the customer to give out information re source of funds due to legal barriers.

X X

Unwillingness of relationship managers to pursue unsatisfactory explanations

X

unwillingness of RMs to provide missing information

X

Unwillingness to present detailed info; general responses

X

Unwillingness to provide full breakdown and lack of understanding

X

X

why are you asking for
this information?

x

***Work in commercial
banking no individuals***

Totals 4 2 9 12 1 18 4 12 5 6 2 16 10

Survey Theme	Frequency ($n=x$)
Incomplete details	18
Lack of understanding	16
Customer unhappy to supply information	12
RM not happy to ask	12
No issue	10
Client refusal	9
Fear of losing/annoying client	6
Discomfort posing questions	5
No response	4
Incorrect information	4
Contact difficulty	2
Cultural issues	2
Complaints	1
Responses excluded from analysis	20

Q18 - Have you ever experienced a situation where the questions you've asked have not been properly addressed?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	80	61.1	71.4	71.4
	No	22	16.8	19.6	91.1
	Don't know	9	6.9	8.0	99.1
	Prefer not to say	1	.8	.9	100.0
	Total	112	85.5	100.0	
Missing	Blank	19	14.5		
Total		131	100.0		

Q18a - Where your questions were not properly addressed, please describe what happened:

- Text Response
- 1 I have had to push back to front office for more information
 - 2 NA
 - 3 Case was escalated to Advisory and disclosed to the authorities.
 - 4 We conduct open-source search to retrieve the missing details.
 - 5 Confidential to Disclose
 - 6 I had to go back with more questions.
 - 7 Sometimes our clients do not want to answer the question directly or do not want to provide full information. We approach them as many times as needed to have all the information and documents needed. They know they will have to provide all the information if the relationship is to be left open.
 - 8 Explain problems to client until corrected. If problems persistent they client will not get our business
 - 9 Escalate to senior management
 - 10 Clients were warned that their business relationships could be terminated should they not provide adequate or required information.
 - 11 I flagged up that a Special Category Client wasn't adhering to our policies at HSBC and was told as he used to be in an influential job with the company, they were allowing him to use us. I refused to sign off the case
 - 12 I would ask the client to clarify or request evidence of a transaction if that would satisfy my questions. I would under no circumstances accept an improperly addressed question/s.
 - 13 Insufficient information provided re eg on-going litigation cases.
 - 14 Escalation under company's AML Policy and the commissioning of EDD with an external firm
 - 15 Re-asked the questions
 - 16 mostly in such situations they are redirected to proper persons. Never had a situation where such situation would be a breach of compliance.
 - 17 improper information provided by the client were not sufficient for the internal compliance team
 - 18 Following a standard set of guideline, we may proceed based on that even though personally, some cases may need to be looked at differently
 - 19 I pressed further
 - 20 Follow up email explaining the purpose of the question as well as the regulation that obliges the business to answer it. If that did not work, escalation to management
 - 21 A customer deposited millions of cash same day with a pattern that no currency transaction was reported. After few days he closed that captured account and transferred all the money in the new with same branch. When he was asked to provide evidence against the transactions, he provided reason that it was proceeds of sales of prize bonds. When he asked to submit valid evidence he failed to provide the same.
 - 22 refusal to disclose Ultimate beneficial owners of offshore trusts refusal to give detailed explanation to justify the source of wealth
 - 23 I revert to the client/business for further clarification.
 - 24 Clients often give as little information as they think is required in order to keep matters private. We then often have to go back to them with more detailed questions.

- 25 Re-raised them
- 26 I rephrased the questions
- 27 Prefer not to say
- 28 People assuming what the client meant, not clarifying what the person actually meant, or simply not understanding the question or the response
- 29 Closure of account/Exit/Escalation
- 30 I would need to push back & escalate if need be until they are properly addressed
- 31 coming back to Relationship Manager as much to obtain the required details - explaining point by point what information is needed and why to finally have the proper information to process the transaction
- 32 Client requested additional information in order to understand requirements.
- 33 We chose to exit the relationship
- 34 information we get may not be directly relevant
- 35 usual answer is/was - the ABC entity is a reputable institution, regulated by XYZ regulator, having a global exposure to markets, also what happens often is a answer that seems to be an answer but directs you into the same docs you already saw and gives no new info
- 36 Pushed back to the business until they were prepared to reach out to the client for more info.
- 37 I cant
- 38 Time scales were given and based on the hit funds were returned or frozen or discounted
- 39 Most of the time, customer is not willing to disclose the true origion or purpose of the remittance.
- 40 Discussions with client on requirements
- 41 Ask further
- 42 I persisted - ultimately clients' accounts aren't going to get opened if I don't get the information I require
- 43 -
- 44 We were asked to go back to the customer and ask them to provide further details
- 45 Questions have been misinterpreted, or the full story has not been given
- 46 Escalate to senior business management with concerns identified with potential exiting of relationship
- 47 Lack of communication from customer/agent
- 48 I will defiantly push back to client's information which is required & explains the importance of that information. Post which client will agree to provided later. Like MAR (Financials) & MIFID consent (limit / Execution) etc...
- 49 n/a
- 50 Clients often do not understand what we are asking for, RMs do not know the process.
- 51 Questions around beneficial ownership structure are rarely answered in a way which are easily understandable, due to customers not understanding why a break down of shareholding (including all types of shares, including bearer shares etc.) is of importance to the bank.
- 52 person who received my questions redirected them to proper person; nothing happend, no response;
- 53 Some times there is a communication gap, I try to fill that gap and increase the pressure. At times however the non availability of the desired information

- constitutes a suspicious activity
- 54 The third party asked questions raised by myself, but the answers given posed further questions, which were not asked (a lack of common sense).
- 55 1. Source of wealth - if this has been requested from another colleague (e.g. Relationship Manager), the true source of wealth is not always captured. For example, "the client transferred the funds from his HSBC account"). 2. Building the client's wealth profile. If a client earns X amount, we may expect to see X wealth. Lack of explanation as to why the client has so much wealth on such a wage. A general lack of detail around a client's wealth is often the main problem, including a lack of information around the client's employment history as this will assist in building a picture of our client.
- 56 Not applicable
- 57 Question was asked again, issue escalated to Head of Compliance or MB
- 58 it either has to be addressed in some other way or the relationship is closed
- 59 I escalated the question to the person's manager and got them to respond.
- 60 The case would be escalated to the nominated officer and/or the manager of the staff member making contact with the customer to address the issues with the member of staff and provide feedback.
- 61 I re asked until i got a suitable answer.
- 62 lack of experince of relationship manager
- 63 As part of CDD/KYC ownership was provided but without evidence to validate it, the client has pushed back and a call was placed to the client to explain why this information is required in a particular way, after some discussion the client provided the correct documentation.
- 64 Had to follow up until the point all of the responses were received
- 65 When I have questioned nominee structures relating to an already established account. Our Second Line of Defence tended to wipe their hands on the situation when asked for guidance and therefore had to alter group policies ourselves
- 66 RM's rephrased questions to suit themselves when asking the client, in turn providing a set of responses that fell outside of the parameters of the investigation, and did not resolve the AML concerns at hand
- 67 either you ask for explanation/ clarification/more information on the response or it happens the first response is the ultimate response. Then the decision needs to be made whether the response is sufficient to close the review.
- 68 We pushed back again several times. We received a document, but it was not sufficient, so we raised a SAR.
-

Q19 - Speaking generally, do you have enough time to complete enquiries thoroughly and to the best of your ability?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	20	15.3	18.3	18.3
	Most of the time	61	46.6	56.0	74.3
	Sometimes	20	15.3	18.3	92.7
	Rarely	7	5.3	6.4	99.1
	Prefer not to say	1	.8	.9	100.0
	Total	109	83.2	100.0	
Missing	Blank	22	16.8		
Total		131	100.0		

Q20 - What is your PRIMARY method of communications when raising AML / KYC queries with customers or third parties?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Telephone	8	6.1	7.3	7.3
	Email	86	65.6	78.9	86.2
	Face-to-face	1	.8	.9	87.2
	Other (please specify)	6	4.6	5.5	92.7
	Not applicable	7	5.3	6.4	99.1
	Prefer not to say	1	.8	.9	100.0
Total		109	83.2	100.0	
Missing	Blank	22	16.8		
Total		131	100.0		

- 1 Telephone if the query is urgent. Email and letter if the query is not so urgent and the client is out of the country. Face to face if the relationship manager already has a meeting scheduled with them
- 2 Telephone is the method my team use, the Relationship Managers use telephone and face-to-face. Email is then a very convenient and much-used communication channel also. Letter is used more as a last resort - fax is never used.
- 3 dedicated software
- 4 not to specify
- 5 Work requests through Avalon system
- 6 Via Relationship Managers

Q21 - When raising AML / KYC queries with customers, how important is it for you to build rapport with the person you are dealing with?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Extremely important	20	15.3	52.6	52.6
	Important	15	11.5	39.5	92.1
	Neither important nor unimportant	3	2.3	7.9	100.0
	Total	38	29.0	100.0	
Missing	Blank	93	71.0		
Total		131	100.0		

Q22 - When raising AML / KYC queries with third parties (such as Relationship Managers), how important is it for you to build rapport with the person you are dealing with?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Extremely important	42	32.1	48.8	48.8
	Important	33	25.2	38.4	87.2
	Neither important nor unimportant	10	7.6	11.6	98.8
	Not at all important	1	.8	1.2	100.0
	Total	86	65.6	100.0	
Missing	Not applicable	3	2.3		
	Blank	42	32.1		
	Total	45	34.4		
Total		131	100.0		

Q23 - When asking customers awkward or difficult questions, how comfortable do you feel?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very comfortable	7	5.3	18.9	18.9
	Reasonably comfortable	17	13.0	45.9	64.9
	Neither comfortable nor uncomfortable	4	3.1	10.8	75.7
	Somewhat uncomfortable	9	6.9	24.3	100.0
	Total	37	28.2	100.0	
Missing	Prefer not to say	1	.8		
	Blank	93	71.0		
	Total	94	71.8		
Total		131	100.0		

Q24 - When asking third parties (such as Relationship Managers) awkward or difficult questions, how comfortable do you feel?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very comfortable	26	19.8	29.9	29.9
	Reasonably comfortable	44	33.6	50.6	80.5
	Neither comfortable nor uncomfortable	13	9.9	14.9	95.4
	Somewhat uncomfortable	4	3.1	4.6	100.0
	Total	87	66.4	100.0	
Missing	Prefer not to say	2	1.5		
	Blank	42	32.1		
	Total	44	33.6		
Total		131	100.0		

Q25 - Have you ever received specific training to help you when drafting questions which third parties (such as Relationship Managers) have to relay to customers?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	33	25.2	37.5	37.5
	No	53	40.5	60.2	97.7
	Don't know	2	1.5	2.3	100.0
	Total	88	67.2	100.0	
Missing	Prefer not to say	1	.8		
	Blank	42	32.1		
	Total	43	32.8		
Total		131	100.0		

Text Response

1 Interviewing acams
2 AML/CFT
3 On the job
4 internal training provided
5 AML workshops involving real life examples.
6 DPA, CTF, detailing request
7 client focus, customer relationship
8 Framing issues regarding questions to be asked, mail writings , etc
9 Investigation skills
10 Communication skills, difficult interactions
11 Communication training - 2 day interactive training on communication with
business partners, ending with final conversation being recorded
12 It was on a 'Managing Relationships at Work' course with a previous employer
and also on my 'Induction Training' with my current employer
13 external vendor trainings to help with cultural differences
14 CAMS
15 Quarterly reading and tests
16 AML instructor led training by ICA
17 Prefer to not say
18 Classroom based training and colleague one on one training regarding
conversations with third parties, and listening in on calls.
19 Courses were organized with case studies and role play training.
20 had a training organised for the team to attend to. Some wording slides were
provided to use as templates
21 On the job training via line management as well course training including
modules on customer service and 'tipping off' - which ensures my
correspondence are presented in a suitable format without raising any
unnecessary questions with the receiver.
22 The gaining was called "Dealing with challenging situations with clients".
Additionally, I attended "Building relationships over the phone" training. Both
were extremely helpful in the matter of assertiveness and ability to explain
business needs.
23 training provided by Compliance about how to address questions to RMs
24 AML/CFT
25 Bond Solon
26 money laundering cases
27 Role play of commonly asked questions
28 Classroom session and reviewing of questions to develop better questioning
techniques.
29 Internal training on confronting RM's with details required, and ways to speak,
write and follow up without escalating any issue among us
30 Buddy training and shadowing analyst to see how the CDD policies are used to
draft questions efficiently and appropriately
31 Advice re: tipping off.

Thematic analysis of the above results (bold italics denote that response has been excluded from analysis due to it not providing a relevant/clear answer to the question posed).

	Internal training	External training	ACAMS / ICA	Informal / on the job
Interviewing acams			x	
<i>AML/CFT</i>				
On the job				x
internal training provided	x			
AML workshops involving real life examples.	x			
DPA, CTF, detailing request				x
client focus, customer relationship				x
Framing issues regarding questions to be asked, mail writings , etc				x
Investigation skills	x			
Communication skills, difficult interactions	x			
Communication training - 2 day interactive training on communication with business partners, ending with final conversation being recorded		x		
It was on a 'Managing Relationships at Work' course with a previous employer and also on my 'Induction Training' with my current employer	x			
external vendor trainings to help with cultural differences		x		
CAMS			x	
Quarterly reading and tests				x
AML instructor led training by ICA			x	
<i>Prefer to not say</i>				

Classroom based training and colleague one on one training regarding conversations with third parties, and listening in on calls.	x	
Courses were organized with case studies and role play training.	x	
had a training organised for the team to attend to. Some wording slides were provided to use as templates	x	
On the job training via line management as well course training including modules on customer service and 'tipping off' - which ensures my correspondence are presented in a suitable format without raising any unnecessary questions with the receiver.	x	x
The gaining was called "Dealing with challenging situations with clients". Additionally, I attended "Building relationships over the phone" training. Both were extremely helpful in the matter of assertiveness and ability to explain business needs.	x	
training provided by Compliance about how to address questions to RMs	x	
AML/CFT		x
<i>Bond Solon</i>		
money laundering cases		x
Role play of commonly asked questions	x	
Classroom session and reviewing of questions to develop better questioning techniques.	x	
Internal training on confronting RM's with details required, and ways to speak, write and follow up without	x	

escalating any issue among us

Buddy training and shadowing analyst to see how the CDD policies are used to draft questions efficiently and appropriately x

Advice re: tipping off. x

Total	14	2	3	10
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Q26 - Have you ever received specific training to help you when asking customers awkward or difficult questions?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	13	9.9	34.2	34.2
	No	25	19.1	65.8	100.0
	Total	38	29.0	100.0	
Missing	Blank	93	71.0		
Total		131	100.0		

Text Response

- 1 On the job
 - 2 Attended a company sponsored course focussing on managing difficult conversations/meetings
 - 3 Investigation skills
 - 4 As previous
 - 5 Online training on how to present questions and explain background on request
 - 6 Nothing Specific Training has been provided. But case by case if we get any exceptions then our AML team set-up training to everyone with that scenario
 - 7 Same as above
 - 8 scripts and one on one sessions.
 - 9 Compliance training.
 - 10 Soft skills tranings such as Client Focus and Building Relationship over the phone
-

Thematic analysis of the above results (bold italics denote that response has been excluded from analysis due to it not providing a relevant/clear answer to the question posed).

	Internal training	External training	ACAMS / ICA	Informal / on the job
On the job				x
Attended a company sponsored course focussing on managing difficult conversations/meetings		x		
Investigation skills	x			
<i>As previous</i>				
Online training on how to present questions and explain background on request	x			
Nothing Specific Training has been provided. But case by case if we get any exceptions then our AML team set-up training to everyone with that scenario				x
<i>Same as above</i>				
scripts and one on one sessions.	x			
Compliance training.	x			
Soft skills tranings such as Client Focus and Building Relationship over the phone	x			
Total	5	1	0	2

Q27 - Do you feel appropriately equipped, experienced and trained to raise awkward or difficult questions with customers?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	27	20.6	73.0	73.0
	No	8	6.1	21.6	94.6
	Not applicable	1	.8	2.7	97.3
	Prefer not to say	1	.8	2.7	100.0
	Total	37	28.2	100.0	
Missing	Blank	94	71.8		
Total		131	100.0		

Q28 - Do you feel appropriately equipped, experienced and trained to raise awkward or difficult questions with third parties (such as Relationship Managers)?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	71	54.2	80.7	80.7
	No	11	8.4	12.5	93.2
	Not applicable	5	3.8	5.7	98.9
	Prefer not to say	1	.8	1.1	100.0
	Total	88	67.2	100.0	
Missing	Blank	43	32.8		
Total		131	100.0		

Q29 - Have your interviewing / questioning skills ever been analysed, measured or quantified in any way?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	31	23.7	28.7	28.7
	No	52	39.7	48.1	76.9
	Don't know	12	9.2	11.1	88.0
	Not applicable	10	7.6	9.3	97.2
	Prefer not to say	3	2.3	2.8	100.0
	Total	108	82.4	100.0	
Missing	Blank	23	17.6		
Total		131	100.0		

Q30 – Please describe how the analysis of your interviewing / questioning skills was conducted.

Text Response

- 1 Observation and feedback
 - 2 Phone
 - 3 With Case study
 - 4 all our correspondence with front office has been checked by our management
 - 5 Interim assessments
 - 6 Routine quality assurance sampling by the Unit head.
 - 7 Previously agreed within the team and management - template in place
 - 8 Through my work, knowledge about the product, productivity, etc.
 - 9 I have attending courses to assist but skills have never been appraised.
 - 10 Observation & coaching sessions
 - 11 Class room training
 - 12 Through 3rd party training company via phone. Prior to the call team has received a scenario.
 - 13 I was formerly a regulated seller of mortgages and investments (CF21) hence it was a requirement of the FSA (now FCA) that I was regularly reviewed and assessed to ensure compliance. This was partially a good sales practice as well hence my Manager was keen to coach me around my questioning technique.
 - 14 prefer not to say
 - 15 In a previous role I was a Personal Banker which involved selling financial products to clients for a bank via face to face communication. My interviewing and questioning skills were regularly analysed and tested via role plays and live observations.
 - 16 verbal
 - 17 Sit in on calls with client
 - 18 When asking questions via email, these emails have been seen by the quality assurance team
 - 19 Every month we have accreditation with all recent updates & new procedures or updates with in KYC view. It's compulsory to clear that accreditation
 - 20 I am a Tier two Police trained interviewer, from my previous career as a Detective.
 - 21 Shadowed by colleague/line manager. Completed investigative interviewing skills course.
 - 22 Monitoring by my manager
 - 23 Questions are often analysed as part of business as usual processes by the Nominated officer, particularly in high profile/sensitive cases.
 - 24 regular quarterly assessments, also during role plays.
 - 25 not to specify
 - 26 QA review
 - 27 na
 - 28 Soft skills training, internal courses
-

Thematic analysis of the above results (bold italics denote that response has been excluded due to it not providing a relevant/clear answer to the question posed).

	Informal / Internal	Structured / External	Police	Sales Related
Observation and feedback	x			
Phone	x			
With Case study	x			
all our correspondence with front office has been checked by our management	x			
Interim assessments	x			
Routine quality assurance sampling by the Unit head.	x			
Previously agreed within the team and management - template in place	x			
Through my work, knowledge about the product, productivity, etc.	x			
I have attending courses to assist but skills have never been appraised.	x			
Observation & coaching sessions	x			
Class room training		x		
Through 3rd party training company via phone. Prior to the call team has received a scenario.		x		
I was formerly a regulated seller of mortgages and investments (CF21) hence it was a requirement of the FSA (now FCA) that I was regularly reviewed and assessed to ensure compliance. This was partially a good sales practice as well hence my Manager was keen to coach me around my questioning technique.				x
<i>prefer not to say</i>				
In a previous role I was a Personal Banker which involved selling				x

financial products to clients for a bank via face to face communication. My interviewing and questioning skills were regularly analysed and tested via role plays and live observations.

Verbal	x			
Sit in on calls with client	x			
When asking questions via email, these emails have been seen by the quality assurance team	x			
Every month we have accreditation with all recent updates & new procedures or updates with in KYC view. It's compulsory to clear that accreditation		x		
I am a Tier two Police trained interviewer, from my previous career as a Detective.			x	
Shadowed by colleague/line manager. Completed investigative interviewing skills course.		x		
Monitoring by my manager	x			
Questions are often analysed as part of business as usual processes by the Nominated officer, particularly in high profile/sensitive cases.	x			
regular quarterly assessments, also during role plays.		x		
<i>not to specify</i>				
QA review	x			
<i>Na</i>				
Soft skills training, internal courses	x			
Total	17	5	1	2

Q31 – What structures and strategies are in place to ensure that you are asking questions effectively and appropriately (call listening, file reviews, role play etc)?

Text Response

- 1 File review
- 2 There are no structures in place
- 3 call experience
- 4 None
- 5 File reviews
- 6 Structures defined by my organization
- 7 File reviews and spot checks
- 8 Quality assurance, internal audit, management oversight
- 9 File reviews
- 10 Tests
- 11 Policies and procedures designed specifically to conduct high risk investigations.
- 12 Quality assurance sampling of files and correspondences with thrid parties.
- 13 Policy and procedures
- 14 There was one course put on by HSBC to look at this area of questions, it was a two day course
- 15 File reviews by the Compliance Manager
- 16 N/A
- 17 None apart from the "four eye ball" checking that is undertaken on a quality assurance basis of completed files
- 18 Emails are checked
- 19 none
- 20 file reviews
- 21 File review and mentor guidance
- 22 Team inbox cc'ed as well as manager where necessary. Mainly the template covers all queries
- 23 There is a system which captured unusual transactions, each transacrion reviewed separately. We have template containing relevant questions about the odd pattern transactions. We usually load these templates to ask questions
- 24 Customer feedback
- 25 Monthly catch-up meetings where e-mail correspondence is discussed and proper feedbacks provided, following brainstorming.
- 26 File reviews.
- 27 Some file reviews, but little else as far as I am aware.
- 28 None
- 29 file reviews
- 30 file reviews
- 31 Role plays, team exercises
- 32 Not applicable. If I have a query, I will relay it onto the Relationship Manager ("RM") and he/she will conduct the interview
- 33 4-eyes check of each file
- 34 None
- 35 No official strategies - peer feedback only
- 36 None
- 37 file reviews
- 38 file reviews

- 39 All our calls were recorded and Management would regularly listen to client conversations. File reviews were also undertaken as a matter of course. Role plays would be most prevalent during training courses and/or coaching sessions.
- 40 Record of interview available for scrutiny
- 41 prefer not to say
- 42 call listening
- 43 None at the moment.
- 44 Case testing
- 45 having different escalation routes
- 46 Experience
- 47 We copy our Line Manager while raising queries with Relationship Managers. Line Managers sometimes provide his feedback.
- 48 File reviews
- 49 I usually write emails and these would be checked by a manager before sending to client in the initial stages of a new job before they felt comfortable I can ask the right questions myself.
- 50 Na
- 51 Not really applicable - I approach my manager when I need to better understand what I need to do, but wouldn't want call listening. Secondly, I review high risk clients only, so my team don't review files. Finally, I rarely have to ask difficult questions
- 52 Prefer to not say
- 53 -
- 54 Template emails
- 55 First line of defence (Quality Assurance) to check the review of my file, followed by Second Line of Defence review.
- 56 Thorough understanding of available background information on the subject's activities/background is critical to ask effective questions
- 57 Checklist
- 58 We have prepared check list based on different client types. So before we send any email to client / business. So that analyst will not miss any of the information
- 59 Not sure
- 60 file reviews
- 61 Team managers are constantly reviewing files (as a second level of defence) to ensure colleagues get it right first time. 1:1 feedback sessions are in place for colleagues who need additional help with effective case reviewing and questioning techniques.
- 62 4eye check of clients' files I prepare
- 63 I think that only way to check if I had asked properly is when the senior analyst is authorising an inquiry
- 64 No structure or strategies are in place. One has to depend on his/her wits and experience
- 65 Maker / Checker function.
- 66 Every call is recorded, though this is not currently monitored to assess how effectively or appropriately questions are asked.
- 67 In my role, monthly reviews.
- 68 all that you mentioned. plus analysis
- 69 None

- 70 None
 - 71 File reviews
 - 72 file reviews
 - 73 templates, dual interview, monitoring, etc.
 - 74 All cases are reviewed and approved by the nominated officer.
 - 75 file reviews, role play, listening to calls in the last resort. Client feedback.
 - 76 training
 - 77 strategies like showing that its a important part of regulatory requirement and needs to be completed on time,training is conducted by taking previous communication into consideration.
 - 78 None
 - 79 not to specify
 - 80 none
 - 81 We have a number of testing programs in place, quality assurance and quality control.
 - 82 Email follow up by managers
 - 83 File reviews but they don't specifically look at our queries.
 - 84 To my knowledge, there is nothing available at the current time. My experience comes from a former role as a police officer.
 - 85 file review
 - 86 na
 - 87 It comes with experience.
 - 88 Call listening, file reviews, role play
-

Thematic analysis of above results (bold italics denote that response has been excluded from analysis due to it not providing a relevant/clear answer to the question posed).

	None	File Review	Role Play	Call listening	Email review
File review		x			
There are no structures in place	x				
<i>call experience</i>					
None	x				
File reviews		x			
<i>Structures defined by my organization</i>					
File reviews and spot checks		x			
Quality assurance, internal audit, management oversight		x			
File reviews		x			
<i>Tests</i>					
<i>Policies and procedures designed specifically to conduct high risk investigations.</i>					
Quality assurance sampling of files and correspondences with thrid parties.		x			
<i>Policy and procedures</i> <i>There was one course put on by HSBC to look at this area of questions, it was a two day course</i>					
File reviews by the Compliance Manager		x			
N/A					

None apart from the "four eye ball" checking that is undertaken on a quality assurance basis of completed files	x	x	
Emails are checked			x
None	x		
file reviews		x	
File review and mentor guidance		x	
Team inbox cc'ed as well as manager where necessary. Mainly the template covers all queries			x
<i>There is a system which captured unusual transactions, each transaction reviewed separately. We have template containing relevant questions about the odd pattern transactions. We usually load these templates to ask questions</i>			
<i>Customer feedback</i>			
Monthly catch-up meetings where e-mail correspondence is discussed and proper feedbacks provided, following brainstorming.			x
File reviews.		x	
Some file reviews, but little else as far as I am aware.		x	

None	x		
file reviews		x	
file reviews		x	
Role plays, team exercises			x
Not applicable. If I have a query, I will relay it onto the Relationship Manager ("RM") and he/she will conduct the interview	x		
4-eyes check of each file		x	
None	x		
No official strategies - peer feedback only	x		
None	x		
file reviews		x	
file reviews		x	
All our calls were recorded and Management would regularly listen to client conversations. File reviews were also undertaken as a matter of course. Role plays would be most prevalent during training courses and/or coaching sessions.		x	x
Record of interview available for scrutiny			x
<i>prefer not to say</i>			
call listening			x
None at the moment.	x		

Case testing x

having different escalation routes

Experience

We copy our Line Manager while raising queries with Relationship Managers. Line Managers sometimes provide his feedback. x

File reviews x

I usually write emails and these were would be checked by a manager before sending to client in the initial stages of a new job before they felt comfortable I can ask the right questions myself. x

Na

Not really applicable - I approach my manager when I need to better understand what I need to do, but wouldn't want call listening. Secondly, I review high risk clients only, so my team don't review files. Finally, I rarely have to ask difficult questions x

Prefer to not say

-

Template emails

First line of defence (Quality Assurance) to check the review of my x

file, followed by Second Line of Defence review.

Thorough understanding of available background information on the subject's activities/background is critical to ask effective questions

Checklist

We have prepared check list based on different client types. So before we send any email to client / business. So that analyst will not miss any of the information

Not sure

file reviews x

Team managers are constantly reviewing files (as a second level of defence) to ensure colleagues get it right first time. 1:1 feedback sessions are in place for colleagues who need additional help with effective case reviewing and questioning techniques. x

4eye check of clients' files I prepare x

I think that only way to check if I had asked properly is when the senior analyst is authorising an inquiry x

No structure or strategies are in place. One has to x

depend on his/her wits
and experience

Maker / Checker
function. x

Every call is recorded,
though this is not
currently monitored to
assess how effectively or
appropriately questions
are asked. x

In my role, monthly
reviews. x

all that you mentioned.
plus analysis x x x

None x

None x

File reviews x

file reviews x

templates, dual
interview, monitoring,
etc. x

All cases are reviewed
and approved by the
nominated officer. x

file reviews, role play,
listening to calls in the
last resort. Client
feedback. x x x

***training
strategies like showing
that its a important part
of regulatory
requirement and needs
to be completed on
time,training is
conducted by taking
previous
communication into***

consideration.

None	x				
not to specify	x				
None	x				
We have a number of testing programs in place, quality assurance and quality control.		x			
Email follow up by managers					x
File reviews but they don't specifically look at our queries.		x			
To my knowledge, there is nothing available at the current time. My experience comes from a former role as a police officer.	x				
file review		x			
<i>na</i> <i>It comes with experience.</i>					
Call listening, file reviews, role play		x	x	x	
Total	19	36	4	7	6

Q32 – Suppose there were some enquiries that you needed to make to establish the source of a large sum of money that had been deposited into a personal bank account belonging to a government official within your country. What are the top three questions you would ask? Please list the questions exactly as you would phrase them, whether verbally or in writing.

Text Response

- 1 Occupation of the individual Source of wealth Purpose of the money
- 2 Where is the money derived from? What will the funds be used for? Has the government official been adequately investigated by compliance?
- 3 Supporting documents, source of funds, business mdoels
- 4 Can you please provide further clarification regarding the purpose of transactions? Is the activity inline with the clients profile? Do you have any concerns regarding the alerted transactions?
- 5 1- What is the source of the deposited fund? 2- Why is it paid in cash? 3- Do you have any supporting documents?
- 6 1. Source of large funds credited in customers account? 2. disclose the reason of large cash deposited and justification for mismatch of actual turnover with KYC? 3. Satisfaction of the Third party (relationship manager) about the transaction?
- 7 What is the sum for? Is this a one off payment? What the money will be used for?
- 8 Prefer not to answer
- 9 We do not have individual clients. In addition, as part of KYC team, we don't monitor transactions.
- 10 What is the customer's present occupation/profession or business. What countries does customer conduct their business What other relationships does customer have with the bank
- 11 1. What is the source of the Cash deposit? 2. What is the intended use of the funds being deposited? 3. Does the amount of money deposited correspond to the account holder's profile and perceived net worth/wealth?
- 12 What is the source of this fund For what purpose was the transfer made Can you provide a certified documentary evidence to support the answers provided above
- 13 1) Are you aware of a recent transaction on your account - give date 2) Can you confirm what the transaction was 3) Can you tell me the reason for the transaction
- 14 What is the reason for receiving this payment? Who is the sender of the payment? Can we have an invoice confirming the payment?
- 15 1. What is the source of the large sum of money? 2. What is the sum payment for? 3. Is this a recurring payment?
- 16 - From internal electronic resources, what are the full details of the payment and the originating Bank? - Are there historical records of such payments coming from this source? - If not, then is there any apparent information in the public domain which would explain such a payment
- 17 not applicable to my role
- 18 According to the regulations imposed by law I have to ask the question where the funds are coming from? Are you a Politically Exposed Persons? Are the money deposited in the account coming from your remuneration?
- 19 na
- 20 1) request for a description from the official or his assistant on where the

- origin of the fund comes from. 2) obtain appropriate supporting evidence of the answer provided in 1. 3) further conduct internet searches to identify any possible negative news allegations against the public official.
- 21 When has the transfer been made? Where has the sum come from (country, entity, etc) Have there been any similar transactions in the past Any additional questions regarding to when the client was onboarded and potentially reviewing their pep forms in place
- 22 What is the source of these funds generation? Is this a regular practice of customer to deposit large sum of money? Why the transaction carried out in form of cash?
- 23 Origin of funds, purpose of funds, source of depositor's wealth, existing banking relations
- 24 1. Please provide the proof of money from where it is deposited? 2. Please provide ownership proof 3. Please provide client confirmation mail
- 25 1) Please could you provide further details or the transaction on XX/XX/XX, and the source and purpose of these funds. 2) Who was the remitter and how are you related to that person/company. 3) To what do the funds relate and what is the intended use for the funds.
- 26 What is the source of the funds and who is the remitted? What is the purpose of the transaction? What documentary evidence can you provide to support this?
- 27 N.A
- 28 Is the transaction a normal pattern? What are the circumstances surrounding the money? What is the status of the PEP
- 29 Again, not applicable. The RM is qualified and experienced enough to query the client accordingly. But I would ask the RM to find out the reason of the large deposit, the source of funds (in this case, since a government official is involved, documented and certified proof would need to be obtained from e.g. an accountant) and if there is a third party involved, to verify the relationship with the third party.
- 30 Outside of remit of KYC Team
- 31 What is the source of the deposit. What is the purpose of the deposit. What plans does the customer have for the monies e.g investments, savings, a purchase
- 32 What is annual income of the client? (including from employment and any additional, if there is income other than from employment, please specify the source it is originated from, including the amount and currency per annum) Please state how the source of wealth for this deposit has been raised. Please state where the source of wealth for this deposit derived from.
- 33 It would depend partly upon to whom the questions would be addressed however, on the basis that it is the client, I would ask the following; That large sum deposited is somewhat out of keeping with your normal transactions, what can you tell me about it? If it were directed to the Relationship Manager, I would ask the following question; He/She uses their account with us for their Government income and associated expenses, please explain to me everything you know about this new payment. Lastly, I would want details around the origination of the payment hence I would be interested in obtaining SWIFT data etc thus I would be speaking with our back office in this regard
- 34 1. We have information regarding your transaction. it is in your interest to tell us everything about it. 2. Can your provide/ detail your sources of income ? 3.

Can you produce evidence to justify the source of the money? 3.

35 prefer not to.

36 I work with other investigators that would handle the inquiry base on the corporate policy.

37 1. Hi Mr/Mrs xxx. My name is xxx and I am calling from your bank. Do you have a minute for a quick chat regarding your account please? 2. Thanks. Just for security purposes I have noticed that a large sum of money has been deposited into your bank account recently. As the deposit is slightly out of character compared to your normal account activity can you please confirm the source of these funds? 3. Great thanks for answering that. Finally do you have any plans for the money?

38 What is your source of funds? What is your line of business ?

39 N/a

40 Source of fund. Reason of deposit of that huge amount. Is Business/Relationship Manager comfortable with this Transaction

41 Na

42 Where has the money come from? What is its purpose? Is it proportionate to the individual's income and wealth?

43 Prefer to not say

44 -

45 N/A

46 Please clarify the nature, and provide a rationale for this payment. Does this payment represent normal course of business? Please confirm the source of this payment.

47 What is the source and where does the fund come from? What areas of work do the government official come from or responsible for? What is the official's known/reported remuneration from the government

48 Rm ask the questions not us

49 not in scope for us

50 Na, do not do business with individuals

51 1. where does this money come from? 2. why this money was deposited into a personal account? 3. why this is a plausible explanation?

52 What is the source of funds? What is the purpose of the account?what is the expected activity of the account?

53 1. Could you kindly explain where the funds were paid from (name of sender and country of origin), as the reference on the transaction is not clear and the amount is outside of regular trading activity for this account? Please note: All anomalies are investigated as standard practice. 2. Please explain the reason for the abovementioned transaction in more detail? (I.e. What is the funds intended for?) 3. Please provide any additional info you may feel would be relevant further to the mentioned questions.

54 Would you be able to advise what is the source of funds to be used in the relationship with us? Additionally, for the purpose of categorisation, would you be able to estimate your own funds? Have you made recently any transactions exceeding XXX \$? If yes, could you please advise what they were related to?

55 I understand that these questions will go to RM who will ask customer directly

1. What is a source of funds of these deposited money? 2. Could you please provide any documentenation supporting this activity? 3. Do you (RM) have any AML concerns about this activiy and it is expected in the future?

- 56 1) Kindly provide the detailed purpose of the transaction. 2) Does the transaction matches with the KYC profile of the customer? 3) Do you have any reason to suspect that the transaction may be related to any unlawful activity?
- 57 1) What is your current role within Government? 2) What are the reasons for the deposits into account..... on2015 and can you please provide documentary evidence to support the provenance of these funds? 3) Do you anticipate further large transactional activity through your accounts and if so, for what reason?
- 58 "I'm calling with regards to some transactional activity on your account. As your bank, we're looking to be in a position to understand the money flows coming into and out of our business. The more we know about how you like to use your account with us, the better placed we are to understand the activity we see and keep your account secure". 1. You received X amount into your account on X date, are you able to confirm the reason for this transaction and where these funds originated from? *Dependent on answer, this may be clarified or queried until I understand the exact source of the funds and purpose" 2. Are you able to confirm your relationship with the originator of the funds? What is their full name? *If client is uncomfortable at any point, I explain that if we understand where our clients send funds to where they receive them from, it assists us in keeping the account secure if we see similar activity in future* 3. Has your account been used at any point for purposes related to your job? *Query this much further if client answers yes*
- 59 source of wealth and the real beneficial owner of the funds the relationship with the sender (depends how the money were deposited through cash, incoming payment order..) so in that case if it was from his account u can ask for a statement of account or if we can inquire to the other bank
- 60 1. Could you please deliver the documentation attesting the source of funds for the transaction XY performed on XX.XX.2015? 2. What was the reason of said transaction and whether this was/is connected to your activities as politically exposed person? 3. Could you please state whether the Bank can expect similar activity in the foreseeable future and what is the reason for this?
- 61 What was the nature of the deposit (e.g. cash, wire, check)? The response would dictate my follow on questions.
- 62 I can't answer that, it would be a breach of our controls
- 63 Please can you confirm your relationship to the remitter of these funds? Please can you explain the reason for this transaction? Should the bank expect to see any further credits from this source?
- 64 Were you expecting to receive this amount into your account? May i ascertain the source of these funds and what they are for, just so we can satisfy our internal procedures? What are your plans for the money moving forward?
- 65 what is a source of funds deposited could you please enclose the supporting hard documentary evidence confirming dource of funds
- 66 Will check if person was identified as PEP in companies records,if no, then if would have to be escalated, if yes,then will have RM of the account to talk to client asking what this money is about,where they intend to use it and where it is coming from, this can de done under pretense of selling some product.
- 67 What is your source of wealth? Can you send us some evidence? Can we get a biography or resume?
- 68 first we will get that particular account reviewed in terms of KYC & AML

then we will call to customer to specific reason for so much large amount been deposited in their account and its purpose. if we don't satisfy with the purpose then file STR against it will also identify the source account and its background from AML perspective.

69 where it came from who from reason for payment

70 I wouldn't deal with a payment of this kind as I only deal with Corporate clients

71 What is the source if these funds? What is the intended use of these funds?

72 1) Please explain the source of these funds 2) What are they intended for 3) Please provide evidence to support the above

73 1. Please provide the details of the source of funds (the originator and its business activity if applicable/ available) deposited into the client's account and the relationship between the parties? 2. Please explain the reason for and purpose of the large deposit being paid to the client's account and 3. What services or products is the client paid for? Please provide supporting documentation e.g. invoices or contracts.

74 na

75 I would make internal enquiries first. What is the client profile? Source of funds - monthly salary? Source of Wealth - inheritance, business, investments. Does the source of funds make sense? Is it a regular payment. Are there any red flags? High risk countries, sanctions, SDN/sanctions etc...

Thematic analysis of the above results (bold italics denote that response has been excluded from analysis due to it not providing a relevant/clear answer to the question posed).

	Primarily Open Questions	Primarily Closed Questions
<i>Occupation of the individual Source of wealth Purpose of the money</i>		
Where is the money derived from? What will the funds be used for? Has the government official been adequately investigated by compliance?		x
<i>Supporting documents, source of funds, business mdoels</i>		
Can you please provide further clarification regarding the purpose of transactions? Is the activity inline with the clients profile? Do you have any concerns regarding the alerted transactions?		x
1- What is the source of the deposited fund? 2- Why is it paid in cash? 3- Do you have any supporting documents?		x
1. Source of large funds credited in customers account? 2. disclose the reason of large cash deposited and justification for mismatch of actual turnover with KYC? 3. Satisfaction of the Third party (relationship manager) about the transaction?		x
What is the sum for? Is this a one off payment? What the money will be used for?		x
<i>Prefer not to answer</i>		
<i>We do not have individual clients. In addition, as part of KYC team, we don't monitor transactions.</i>		
What is the customer's present occupation/profession or business. What countries does customer conduct their business What other relationships does customer have with the bank		x
1. What is the source of the Cash deposit? 2. What is the intended use of the funds being deposited? 3. Does the amount of money deposited correspond to the account holder's profile and perceived net worth/wealth?		x
What is the source of this fund For what purpose was the transfer made Can you provide a certified documentary		x

evidence to support the answers provided above

1) Are you aware of a recent transaction on your account - give date 2) Can you confirm what the transaction was 3) Can you tell me the reason for the transaction x

What is the reason for receiving this payment? Who is the sender of the payment? Can we have an invoice confirming the payment? x

1. What is the source of the large sum of money? 2. What is the sum payment for? 3. Is this a recurring payment? x

- From internal electronic resources, what are the full details of the payment and the originating Bank? - Are there historical records of such payments coming from this source? - If not, then is there any apparent information in the public domain which would explain such a payment x

not applicable to my role

According to the regulations imposed by law I have to ask the question where the funds are coming from? Are you a Politically Exposed Persons? Are the money deposited in the account coming from your remuneration? x

Na

1) request for a description from the official or his assistant on where the origin of the fund comes from. 2) obtain appropriate supporting evidence of the answer provided in 1. 3) further conduct internet searches to identify any possible negative news allegations against the public official.

When has the transfer been made? Where has the sum come from (country, entity, etc) Have there been any similar transactions in the past Any additional questions regarding to when the client was onboarded and potentially reviewing their pep forms in place x

What is the source of these funds generation? Is this a regular practice of customer to deposit large sum of money? Why the transaction carried out in form of cash? x

Origin of funds, purpose of funds, source of depositor's wealth, existing banking relations

1. Please provide the proof of money from where it is deposited? 2. Please provide ownership proof 3. Please provide client confirmation mail x

1) Please could you provide further details or the transaction on XX/XX/XX, and the source and purpose of these funds. 2) Who was the remitter and how are you related to that person/company. 3) To what do the funds relate and what is the intended use for the funds. x

What is the source of the funds and who is the remitted? What is the purpose of the transaction? What documentary evidence can you provide to support this? x

N.A

Is the transaction a normal pattern? What are the circumstances surrounding the money? What is the status of the PEP x

Again, not applicable. The RM is qualified and experienced enough to query the client accordingly. But I would ask the RM to find out the reason of the large deposit, the source of funds (in this case, since a government official is involved, documented and certified proof would need to be obtained from e.g. an accountant) and if there is a third party involved, to verify the relationship with the third party.

Outside of remit of KYC Team

What is the source of the deposit. What is the purpose of the deposit. What plans does the customer have for the monies e.g investments, savings, a purchase x

What is annual income of the client? (including from employment and any additional, if there is income other than from employment, please specify the source it is originated from, including the amount and currency per annum) Please state how the source of wealth for this deposit has been raised. Please state where the source of wealth for this deposit derived from. x

It would depend partly upon to whom the questions would be addressed however, on the basis that it is the client, I would ask the following; That large sum deposited is somewhat out of keeping with your normal transactions, what can you tell me about it? If it were directed to the Relationship Manager, I would ask the x

following question; He/She uses their account with us for their Government income and associated expenses, please explain to me everything you know about this new payment. Lastly, I would want details around the origination of the payment hence I would be interested in obtaining SWIFT data etc thus I would be speaking with our back office in this regard

1. We have information regarding your transaction. it is in your interest to tell us everything about it. 2. Can you provide/ detail your sources of income ? 3. Can you produce evidence to justify the source of the money? 3. x

prefer not to.

I work with other investigators that would handle the inquiry base on the corporate policy.

1. Hi Mr/Mrs xxx. My name is xxx and I am calling from your bank. Do you have a minute for a quick chat regarding your account please? 2. Thanks. Just for security purposes I have noticed that a large sum of money has been deposited into your bank account recently. As the deposit is slightly out of character compared to your normal account activity can you please confirm the source of these funds? 3. Great thanks for answering that. Finally do you have any plans for the money? x

What is your source of funds? What is your line of business ? x

N/a

Source of fund. Reason of deposit of that huge amount. Is Business/Relationship Manager comfortable with this Transaction x

Na

Where has the money come from? What is its purpose? Is it proportionate to the individual's income and wealth? x

Prefer to not say

-

N/A

Please clarify the nature, and provide a rationale for this x

payment. Does this payment represent normal course of business? Please confirm the source of this payment.

What is the source and where does the fund come from? x
What areas of work do the government official come from or responsible for? What is the official's known/reported remuneration from the government
Rm ask the questions not us

not in scope for us

Na, do not do business with individuals

1. where does this money come from? 2. why this money was deposited into a personal account? 3. why this is a plausible explanation? x

What is the source of funds? What is the purpose of the account? what is the expected activity of the account? x

1. Could you kindly explain where the funds were paid from (name of sender and country of origin), as the reference on the transaction is not clear and the amount is outside of regular trading activity for this account? Please note: All anomalies are investigated as standard practice. 2. Please explain the reason for the abovementioned transaction in more detail? (I.e. What is the funds intended for?) 3. Please provide any additional info you may feel would be relevant further to the mentioned questions. x

Would you be able to advise what is the source of funds to be used in the relationship with us? Additionally, for the purpose of categorisation, would you be able to estimate your own funds? Have you made recently any transactions exceeding XXX \$? If yes, could you please advise what they were related to? x

I understand that these questions will go to RM who will ask customer directly 1. What is a source of funds of these deposited money? 2. Could you please provide any documentation supporting this activity? 3. Do you (RM) have any AML concerns about this activity and it is expected in the future? x

1) Kindly provide the detailed purpose of the transaction. 2) Does the transaction matches with the KYC profile of the customer? 3) Do you have any reason to suspect that the transaction may be related to any unlawful activity? x

1) What is your current role within Government? 2) What are the reasons for the deposits into account..... on2015 and can you please provide documentary evidence to support the provenance of these funds? 3) Do you anticipate further large transactional activity through your accounts and if so, for what reason? x

"I'm calling with regards to some transactional activity on your account. As your bank, we're looking to be in a position to understand the money flows coming into and out of our business. The more we know about how you like to use your account with us, the better placed we are to understand the activity we see and keep your account secure". 1. You received X amount into your account on X date, are you able to confirm the reason for this transaction and where these funds originated from? *Dependent on answer, this may be clarified or queried until I understand the exact source of the funds and purpose" 2. Are you able to confirm your relationship with the originator of the funds? What is their full name? *If client is uncomfortable at any point, I explain that if we understand where our clients send funds to where they receive them from, it assists us in keeping the account secure if we see similar activity in future* 3. Has your account been used at any point for purposes related to your job? *Query this much further if client answers yes* x

source of wealth and the real beneficial owner of the funds the relationship with the sender (depends how the money were deposited through cash, incoming payment order..) so in that case if it was from his account u can ask for a statement of account or if we can inquire to the other bank

1. Could you please deliver the documentation attesting the source of funds for the transaction XY performed on XX.XX.2015? 2. What was the reason of said transaction and whether this was/is connected to your activities as politically exposed person? 3. Could you please state whether the Bank can expect similar activity in the foreseeable future and what is the reason for this? x

What was the nature of the deposit (e.g. cash, wire, check)? The response would dictate my follow on questions. x

I can't answer that, it would be a breach of our controls

Please can you confirm your relationship to the remitter of these funds? Please can you explain the reason for this transaction? Should the bank expect to see any further credits from this source? x

Were you expecting to receive this amount into your account? May i ascertain the source of these funds and what they are for, just so we can satisfy our internal procedures? What are your plans for the money moving forward? x

what is a source of funds deposited could you please enclose the supporting hard documentary evidence confirming dource of funds x

Will check if person was identified as PEP in companies records,if no, then if would have to be escalated, if yes,then will have RM of the account to talk to client asking what this money is about,where they intend to use it and where it is coming from, this can de done under pretense of selling some product.

What is your source of wealth? Can you send us some evidence? Can we get a biography or resume? x

first we will get that particular account reviewed in terms of KYC & AML then we will call to customer to specific reason for so much large amount been deposited in their account and its purpose. if we don't satisfy with the purpose then file STR against it will also identify the source account and its background from AML perspective.

where it came from who from reason for payment x

I wouldn't deal with a payment of this kind as I only deal with Corporate clients

What is the source if these funds? What is the intended use of these funds? x

1) Please explain the source of these funds 2) What are they intended for 3) Please provide evidence to support the above x

1. Please provide the details of the source of funds (the originator and its business activity if applicable/ available) deposited into the client's account and the relationship between the parties? 2. Please explain the x

reason for and purpose of the large deposit being paid to the client's account and 3. What services or products is the client paid for? Please provide supporting documentation e.g. invoices or contracts.

Na

I would make internal enquiries first. What is the client profile? Source of funds - monthly salary? Source of Wealth - inheritance, business, investments. Does the source of funds make sense? Is it a regular payment. Are there any red flags? High risk countries, sanctions, SDN/sanctions etc... x

Total	2	46
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Appendix 5 – Thematic Analysis Example

Transcript – Call Seven – 15 March 2016 – Participant 43 (CR)

Irrelevant/Background Material – Yellow

Training – Blue

Question Style – Green

Culture, Language & Background – Grey

Red text – issues related specifically to communication difficulties

AV – ...just set up my recorder here...OK. So I've got everything ready to go. Firstly thank you so much for giving me this time today. I really do appreciate it.

HV - That's ok.

AV - Because I appreciate how difficult it is to get people to take parts on these sorts of things, so I really do value your input to this.

HV - No problem.

AV - So I am going to be taping the call today, just to remind as to what was sent out on the consent forms. This is really for my doctoral research and I'm looking at investigative interviewing processes, specifically around AML and KYC processes.

HV - Sure. Obviously I probably just need to add in as well that these are purely my thoughts and feelings, not necessarily those of XXX. Again, I'm sure we'll come across any issues as we, as we go.

AV - Yes, absolutely, and that's actually what I'm interested in. I'm not really here to be collecting the information about certain processes or policies of different companies, I'm looking at the actual individuals and how those individuals feel about different situations. So I don't actually even need to know the name of your employer. For the purposes of typing this up, just to let you know, I will actually edit out any mention that you make of that, so that it remains anonymous for you.

HV - That's grand. Lovely.

AV - OK. So I notice from the questionnaire that you completed, that you...you've worked in banking for quite a long time, almost as long as me I think!

HV - Longer than we care to remember if I'm honest!

AV - Yes exactly. And I notice that you have both contact directly with customers and through other third parties, so relationship managers and so on. That's quite an unusual position to be in because a lot of the people I've spoken to are only in one or other of those roles, so I wonder if you could just tell me a bit about what your job entails and how it is that you come to interact with both the customer direct and through third parties.

HV - Yes. The primary focus of the project that I'm working on is of remediation. So this relates directly to a consent order that the OCC in the States placed on my company and in essence, what the company then did in response was to establish what they consider to be a gold, and then later, a platinum standard in terms of AML and KYC requirements. So what we're trying to do is remediate the entire backbook of the business to current standards.

AV - Right.

HV - So as a consequence they wanted people that had a degree of front office experience, which obviously I do, but also had a rounding, or a rounded understanding of AML, KYC processes and the like, so I wouldn't say that it's every single incidence that I'm dealing with the client directly, but certainly with my background and the mix of skills that I've got, a number of the front office, you know, relationship managers would be comfortable to say yes, this is the person you need to speak to and then it would either be interacting directly via email, or more often, actually on the telephone to clarify exactly what the requirements are and, more importantly, why we need them.

AV - Right, OK. So you do a lot of your work over the phone as well as by email then?

HV - Yes.

AV - OK.

HV - That's preferable actually, if I'm honest. We tend to follow up a phone call with an email just to clarify each, each respective party's understanding of the call just to make sure that the requirements are clear, and again, if necessary we can go into a bit more detail and expand the requirements.

AV - OK, great. And when you're raising questions with either customers direct, or even perhaps through other parties, do you ever find that you have to raise a question that makes the conversation difficult or makes you feel uncomfortable in any way?

HV - **It certainly makes the conversation difficult.** I'm less uncomfortable with it now that I used to be, but again in fairness I think it's my front office experience that's driven that, not my middle office experience, if that makes sense.

AV - Right.

HV - And just to sort of put a bit of context around that, I've always been in a position where I've had to ask difficult questions of clients. Normally that's to get a sale...

AV - Yes.

HV - In this instance it's to get the crux of whether or not we've got an issue with an account, and if so, what we do to mitigate it or, you know, in certain instances say

“Thanks very much but we’re not prepared to continue the relationship as it is”. So it’s a completely different requirement, but the...a lot of the skills that are required are actually quite similar.

AV - OK. So when you had your original training for the more sort of sales angle that you used to work in, was...was that around how to phrase questions or...what sort of training was that specifically?

HV - Well as you can imagine, over the twenty-something odd years, there’s been quite a bit. The two key things that really stand out, one was around managing relationships and that is essentially I suppose more, if you follow a legal aspect, if you’re thinking you’d only really want to ask a question where you kind of already know the answer. So I’m not suggesting that it would be a leading question, but it would be a case that you’re trying to turn, let’s say a want into a need, or equally, to make a client aware that they have a need that you can fulfill. So that then puts you into the other aspect which is, dare I say, “disturbing” techniques and there are a number of different ways that you can do that. But certainly from my days as a regulated seller of life assurance products, as you can imagine, you’ve got to paint a pretty grim picture, but then of course you can say “But don’t worry about that because I can solve all of your problems”...

AV - Yes.

HV - ...and it will only cost you...each month.

AV - Right. OK.

HV - So it’s a balance between the two and one of the other key things obviously is the use of silence.

AV - Right, yes. And the questioning techniques that you use today in the enquiries that you’re making, are there any sort of specific techniques you use or, or do you tend to let the conversation flow?

HV - A bit of both actually because the, often the case, and this is one of the difficulties of the world that I currently move in, what we’re invariably trying to do, hopefully, is prove a negative, and as you can probably imagine, that can be quite difficult. So what we often, and again, it’s difficult to speak specifically but I have seen instances of where the proceeds of crime have been filtered into the financial system, so I can speak with a degree of experience and know what money laundering actually physically looks like. But equally, we’re inevitably trying to prove that something hasn’t happened or, more importantly, isn’t going to happen, or we’re significantly reducing the chances of anything untoward happening. So that’s probably more around starting off with very broad, very generic questions, initially to gain the client’s understanding of their KYC policy, but equally, our KYC policy and why we’re doing what we’re doing and not hiding behind the OCC, because obviously, you know, it’s the primary reason that we’re doing this, but it’s also an element of housekeeping.

AV - Right.

HV - So it's sort of using reflecting techniques to say to the client "So, you know, I'm sure in your day to day existence you come across instances where you're going to be taking on business with new client, tell me a little bit more about what you do, or can you explain to me how you get comfortable with doing business with a certain entity, or with a certain company or industry ahead of something else. And they can say "Oh well of course, when we deal with these stone cutters and these precious metals guys, you know, we have to do this, this, this and this". "Oh OK great, so you're familiar with the processes that we follow?" and so on and so on.

AV - Right.

HV - Equally, if then get a complete blank face, and an initial reaction of "I haven't got a clue what you're talking about" you obviously then have to pitch your "sales patter" for want of a better expression, at a completely different level. So it's that sort of opening gambit that gives you the feel of where on a scale of nought to ten let's say from an AML KYC compliance perspective where your client actually is.

AV - OK. So it sounds like you're being quite open with the customer as to what you're doing and why you're collecting that information...

HV - Yes.

AV - I guess with your particular role you're focused on the KYC side more than perhaps looking at transactional alerts that have come out, or does that ever focus...does that ever come into your job?

HV - It's funny you should say that because the reason I was a little bit late on the call was 'cause I was actually looking at a transactional alert for an existing client that we'd already remediated.

AV - Right.

HV - And, can't obviously go into sort of detail, but it's not good. And I was gobsmacked when I saw it come through because it was one of the entities I'd looked at and thought "Yeah, nice neat, tidy, vanilla, happy, easy, yep glad to get that one remediated and pushed through". Then you get this alert come through and you're thinking "That is absolutely paradoxical to my understanding of that business". So again, I need to have a look at that in a bit more detail and understand what's happened.

AV - OK. And would that then involve you actually reaching out direct to the client? To get clarification?

HV - I think in this one I probably won't do. This one I think would probably sit with the KYC owner as we would call it, or the relationship manager in this instance.

AV - Right.

HV - Purely because I don't know the extent and the depth of their relationship and how it may or may not affect the individual or individuals concerned. So for me to go in with my size tens, clonking all round the place saying "What on earth do you think you're doing?", they may say "Well actually we're aware of this. We were aware of this two years ago. We were waiting for, you know, the adjudication or the sentencing or what have you. We know for a fact there are mitigating circumstances and he's going to appeal". So, you know, to have that level of interaction, we need to get a really, really good understanding of the relationship side of the business because when I look at some of the entities, and this is across all of the banks, you know, there will be entities where appetite will determine whether or not we retain that relationship and equally, whether or not we develop it.

AV - Yes.

HV - And again, in the space of twelve months, when I was with a previous employer, I put a very, very exhaustive report together that went up to the number two in our business. So as you can imagine, in a high street Plc, that's quite senior, so I had to make sure I'd dotted every i and crossed every t and it got signed off. Absolutely fine, no problem at all. Twelve months later, no obvious change in circumstances, other than the appetite, and the business says "You're not one for us any more. Thanks very much. We're going to exit you". And this was an influential person who potentially has connections with literally millions of XX's customers as it was.

AV - Oh, OK.

HV - So you can imagine the level of detail that has to go into our conversation, has to be relevant to the entity in question, but equally you've got to understand what the wider implications could be.

AV - OK great. Thank you. When you're asking your questions to customer, and I don't know if you have a specific example of this, is there anything in particular that you find especially difficult?

HV - Yes. The, um, again, one of the things that we would normally look to do is to understand the types of controls that are certain entity would have, and if I give you an example, we, we determined that foreign correspondent banks, or FCBs as we affectionately refer to them, were sort of the highest risk ranked type of entity that we have interaction with, so as a consequence, and again to placate the OCC, as a business, we said, we're going to remediate all of these first. It's taken us a while as you can imagine, cause we've got a lot of them, because of the transactional services that they offer, and we're actually in a position now where we're starting to renew some of the high risk ones that were remediated 12 months ago, so it shows that we are not only remediating, but we're now reviewing as well.

AV - OK.

HV - So as you can imagine, some of these guys whilst we are bedfellows we are also competitors and in certain instances we are direct competitors in certain markets. So we're looking at essentially saying to our customer "You've got to tell us all these

potentially, you know, market sensitive pieces of information”. As you can imagine, quite often the response is “Nah, you can forget about it! We’ll show you ours, if you show us yours!”. And, of course, we’re not going to do that. So we sometimes enter into this sort of stand off, and again, partly based on my judgement of the situation, it’s a judgement call to say do we accept this is a regulated entity, on a recognised exchange, in a low risk, medium risk, whatever it is, jurisdiction, you know, we are prepared to tell them what we’re asking them to provide us with, that, to me, seems not unreasonable, but we would then caveat that by saying “Well OK, can you confirm that you do have these types of controls in place?”. And if they still won’t provide that then we would normally go to our financial crimes compliance team to say “Look, this is the situation, this is the entity, this is who we’ve spoken to, it’s a senior compliance manager in their back office or middle office”, dependent upon who we’re talking to, and then again it’s allowing somebody who’s better placed to make that judgement to say “Actually yes we’re fine with that” or “Actually no we’re not, can you go back and ask these questions”, and if they’re not prepared to answer those then we’ve got to look at exiting the relationship and that has happened.

AV – Right. OK. So that’s more about, sort of, their reluctance to share their own competitive information if you like, rather than any deliberate, you know, reluctance in giving you that information for other reasons?

HV - That in itself is very, very good point and I think that really is what it boils down to, because in certain instances we will ask for information that the customer can’t provide, so that could potentially be relating to their ownership chain, or the structure of the way that the entity is positioned. Equally it could be a situation that they won’t tell us unless we tell them, and equally it could be a situation that they **point blank refuse** to tell us because, as you’ve mentioned, that they could potentially be hiding something. So that’s the decision that we take. **And anytime we ask a question and we don’t get an answer, or we don’t get an acceptable answer**, as you can imagine, the spiny senses start tingling and you’ve got to think “Why won’t they tell us that?” and then it’s down the process of saying “OK, you know, we’ve asked you for this information, you’ve explained...we’ve explained why it’s important, why we need it, you’re telling me you won’t provide it, can you give me a rationale, or, you know, something I can put to my senior management to say we’re not going to get this and here’s why. And if they’re saying “Well no, **we’re just not going to tell you**, we just won’t enter into that conversation at all”, then again, it puts the ball back in our court, but essentially, the way that we’ve interpreted the legislation, we have the ability to make a risk based decision, based on those facts, so yeah, on occasion we’ll do that.

AV - OK, thank you. It sounds as though most of the clients you’re dealing with a corporates, is that the case, or do you have any individuals as well?

HV - We do have a few individuals, but they’re not necessarily what we’d affectionately refer to as sort of two-legged individuals.

AV - Right!

HV - And I’ll just explain that and hopefully translate it into English. Because of the type of bank that we are, our private bank normally would pick up the individuals.

AV - Oh right, I see.

HV - So they will still have some corporate structures. Generally speaking the bit that we're going to be interested in are the types of companies that we can provide our core services to. So that would be things like transaction services, corporate finance, investment banking, these sorts of things. So we would have, for want of a better expression, a target audience, that we would look to, and I don't want to sound facetious, sort of pick and choose from, as to who we would like to do business with, and it's a very enviable position in the market, but there'd be no point in having it if we didn't exploit it. So to a degree we will have fairly rigid consistencies with the type of entities that we deal with, and as I've touched on before, we've categorised those into a number of different types, so you'd have a client type of a non-bank financial institution or a bank or a foreign correspondent bank, and we have a number of corporate entities as well, but we wouldn't really be looking at the individual side of things, unless they were directly involved in the ownership chain.

AV - OK, I see. Right, thank you for clarifying that for me. You've mentioned about the fact that you're obviously using your previous skills from more of a sales angle in some of the work that you're doing now, but have you actually ever had any specific training relating to investigation techniques to help you do your current role?

HV - Not for this particular area, but I suppose the, the principles are very, very similar. Again, it was something that was said to me relatively early in my banking career, specifically around credit analysis actually. You know, if you average an hour for a meeting, your first 15 minutes is building up your gut feel and then the next 45 minutes is justifying that. And I suppose that's my point here. If I'm looking at a case, and I've sort of gone through it cover to cover, you know, if there's off-shore implications, or a complex ownership chain, or whathaveyou, now I could look at that and think "Does that make sense?" and if the answer to any of the questions I've just raised is "No" then I've obviously got to do a little bit more digging and if I still can't get comfortable, then it's a case of reaching out to the client owner to say "Look, I've got my concerns, can you just put some thought to these questions?". Half a dozen or so or whatever it is and then come back to me. And if it's the case that they can't answer them, as is occasionally the case, then they have to go out to the customer as well themselves, or equally they might say "Well look, don't, **don't get me involved in the process cause I can't be bothered and I'm too busy**, speak to this guy on a Wednesday at 3.00 o'clock and you'll be fine and tell you whatever you want to know". So that tends to be understanding where the gaps are, if you like, and then working out a process of how we then get the information, or at least get comfortable if we can't fill the gaps.

AV - OK. So, I mean, what I, what I guess I'm interested in for the purposes of my doctorate as well is about whether people have had any specific training that helps them understand how to go about engaging with the customer. Now obviously you've touched on that in a number of different ways, with your, sort of, previous role specifically, but I guess what I'd like to know is whether there's any kind of training on offer for you at the moment which might help you understand *how* you actually engage with the customer, as opposed to *what* it is that you're actually needing to cover off.

HV - Yeah, that has been...it was part of the initial training for this particular role and again it's probably helpful just to give you a very quick oversight as to the way that it's structured. We've essentially got one managing director who's responsible for the remediations globally, we've then got 4 executive directors who deal with the different regions, and we have been tending in, sorry, in Europe, we tended to be used as a bit of a guinea pig for the other areas, so that's North America, APAC, Asia-Pacific and then North and South America tend to be split 'cause we've still got quite a bit of business there to be done. But EMEA, that's Europe, Middle East and Africa, as you can imagine, that's quite a big footprint. A lot of the training we have had, and I've actually been helpful in rolling some of that out, I delivered some of that a couple of months ago now actually, we do talk about interacting firstly with the front office, and then again expanding in a bit more detail about how we would potentially interact with, with um, front office and equally when they then refer us on to the customer as well, the types of language and the types of expression that we would use. But usually what we've advocated is getting a standard template or a personalisable template let's say, that we would send to the client, so that we've got a consistency in terms of what we're asking for.

AV - Right, and does everybody use that template?

HV - To the best of my knowledge, they would do, probably for the first interaction and then I think thereafter, it can be a little bit more informal. But certainly the impression that I was given, and there again it's not mandatory, I don't think there'd be anybody checking your sent items to see whether or not that had been followed, but you'd be pretty daft not to use it to be honest with you because it's quite a good document.

AV - OK. And do you know who actually put that document together?

HV - It was put together, there was a working committee. There were...we operate what we call a pod structure, so we are organised geographically. My pod happens to be France and Russia, so it's all very Napoleonic! But it kind of works for us. One of my colleagues in our Swiss pod, she worked with financial crime compliance guys, and also someone from the front office as well, and it worked, I wasn't involved in it directly, but it worked quite well because you've got one party saying "Well we need this information and here's why...", we've got another bit saying "Well yeah, but I know that our quality assurance function want this, this and this" and you've got our front office guy saying "Well if we're asking that question, why don't we ask this one as well and that will cover everything". So it was proven to be fit for purpose and was signed off by our compliance guys as well so, you know, we're on pretty solid ground that it was going to be a workable document.

AV - Right. And has that proven to be the case, that it's managed to produce, on the whole, the information that you were after?

HV - Um, yeah. It's probably worth specifying as well that, and I was being a little bit flippant earlier on when I said that, you know, some of the KYC analysts just say "look I just physically haven't got time", those are people that are less likely to be involved in the actual transactional side. They're more likely be our, what we call,

markets guys. So these are people that are going to be, you know, effecting trades, providing advice and guidance on corporate funds and the like. They're going to have less involvement with the actual KYC side of things. And they're the ones that are much more likely to say to us "Look, that's fine, just speak to this guy. **I'm not interested. Get on with it.** Take care of business and let me know if there's a problem". So that interaction has been incredibly successful.

AV - Right. OK, thanks. The...you mentioned earlier about a quality assurance side of things as well – is all of your work, or a sample of your work, put through quality assurance on a regular basis?

HV - Yes. I have my own thoughts about what levels we should be sampling, but that's another story. But in essence yeah, we risk rank all of our entities, essentially low, medium risk and high. We also risk rank our jurisdictions and there's a slightly different scale for those, and again we may have local uplifts or industry uplifts on our standard policy, and you know I sort of mentioned it earlier, what with oil and things like precious metals, these sorts of things, banks as well, you know, we would look at those in a slightly different light if they were in Turkey let's say, as if they were in the UK. So, you know, we accept that there are industry and geographical differences. But in essence we would then sample accordingly from an audit point of view. So again, that's where we would get the back office involved, to check what we're checking and equally from an industry review perspective, and from a regulatory standpoint, you know, the FCA are regularly in contact with us, making sure that we're on track and that we're on target to achieve their goals, because obviously they've have their...they look at the books, if you like, and they've made their comments because we are obviously transacting in the UK, their jurisdiction as well as being an American bank, so we've got a lot of people that we need to keep happy and again that's an ongoing process, so that's evolving. And also, if we need to make amendments to that policy, it's cascaded globally on a weekly basis, so it's, it's quite um, it's quite an involved process. And it can be a very minor change to the process but it can and often does affect us all individually.

AV – OK. As part of that quality process, do you know whether they ever examine the language that's used in the questions themselves?

HV - Yes although not necessarily directly. One of the things that we would look at would be rejection points or findings and if they're consistent, and if it would imply that there's either a lack of understanding or a lack of appropriateness, if that's not too an American an expression, of the question, there would be either training and/or amendment to the process and we have seen that regularly happens in both cases.

AV - Right.

HV - The other thing that we need to be mindful of is that there can be changes in legislation in certain jurisdictions equally certain industries in certain countries can be perceived or reviewed differently and again we are a big part of the business but in relation to some of the other parts that we deal with we're minuscule. So our voice is fairly quiet, but equally, the people that we're talking to are some pretty big hitters, so, you know, if we got an issue with a certain part of the regulation, we can say to some of the guys in [inaudible] services "Look, we're coming across this stumbling

point every single case, is there anything that you can do to put to your senior management to say, you know, we'll take this on board or we'll change this or we'll do it differently or what have you?". So that is a two way street, although that happens less often. But there have been instances where we've basically, you know, tapped Big Brother on the shoulder and said "Hey give us a hand" and they've come to our rescue.

AV - Right. OK. And have you personally received any feedback on the language that you've used or the phrasing of certain questions?

HV - Yeah, I mean that would be...less so on the phone calls. I mean, in fairness, the files on that cases that we complete would be essentially a snapshot of all of the data that we would have collected, some of which, as you've mentioned, would be in phone calls or possibly in email and we regularly get... "picked up" is probably too strong an expression, but yeah, we certainly get guidance, let's say, and um, you know, essentially, within reason and within these four walls, whatever QA say pretty much is how it works. But it is dialogue, it's open dialogue and we do occasionally get rejection points overturned, but broadly speaking it's where the interpretation of the policy differs. So I'll read a policy one way and think "Yep that's fine we can go away and get this", Quality Assurance might come back and say "Well actually we're reading it slightly differently to that. We're reading it this way and what you've provided isn't adequate, you need to go away and get this". And that's generally speaking how it will work.

AV - OK great. With the...obviously you're an international bank as well, do you ever encounter any language difficulties when you're communicating with some of your clients?

HV - Um, yes. Obviously France is my primary focus and my high school French from many years ago is pretty rusty at best, so I've tended to...where I've encountered that as an issue, I've tended to use Google Translate but we do have a number of native French speakers in my pod, so what I've sort of said to them is "This is broadly what I'm trying to say, can you translate it into sort of French business speak, as opposed to Google Translate?" and often that works quite well and that's quite well received.

AV - Right.

HV - From a language barrier perspective, I've had a couple of incidences where my French is nowhere near good enough and sadly our customer's English is nowhere near good enough either, so that's tended to be transacted via email.

AV - Oh right, I see. And would that email be in English?

HV - Um, not initially no. That would normally be in French.

AV - Oh OK, so you're translating that yourself, or getting someone to translate it, and then sending that out?

HV - Yes. I find it's a more effective way to communicate. I think it would be a little bit presumptuous on our part if we've got a French customer who's based in France that we would expect them to interact with us in our native tongue rather than theirs. I know English is the international language of banking and a number of other industries, but, you know, I think we need to be mindful that without our customers we don't have a business. So you've got to use deference at times and I think that's one of them.

AV - Yeah, exactly. Well, I mean that's a very good point. I guess I'm interested to understand then, when their response comes back, presumably that's also in French?

HV - Yes.

AV - And do...when you're interpreting that, or having it interpreted for you, are there any times where I guess what they're trying to say just doesn't really come across to you or doesn't answer the question you were trying to ask?

HV - Yes. There have been a couple of instances where that has been the case. Again to go back to your point from earlier, we've then got to start thinking "Was that a poor choice of question, is it a deliberately poor answer, have they just misunderstood me, or, you know, are we going off down a blind alley, or is it a situation that they actually have got something to hide?". So again, my boss is a native French speaker as well, so I regularly speak with her just to say sort of, you know, "Where do you think they're going with this one?" or "Do you think these were OK questions?" and she'll tap something off and then, you know, she'll essentially send it under my name.

AV - OK. Alright, so you quite often go back to get clarity on issues then perhaps?

HV - Yes. We can't afford to get it wrong!

AV - No of course not! Right well I think I've covered everything I wanted to and I'm conscious that I've run over the initial 20 minutes that I said about so I'll leave it there. So I'll get busy typing all of this up.

HV - Let me know how you get on. I'd be very keen to hear what the final result is.

AV - OK, Well I could always send you through a copy of my thesis if you'd like some bedtime reading.

HV - Yes that would be good.

AV - Alright, well thank you ever so much Hugo. I really do...I'm very grateful for this.

HV - Good luck.

AV - Thanks. Bye bye

Appendix 6 – Inter-rater Reliability Tests

Inter-Rater Reliability – Part One

Case Reference	Question Raised	Rater 1 – Question Type	Rater 2 - Question Type	Agree?
7	Could you confirm the reason for the cash deposit paid into the account?	Closed	Closed	Yes
14	None	N/A	N/A	Yes
19	None	N/A	N/A	Yes
24	None	N/A	N/A	Yes
42	Please confirm the legitimacy of the cash paid.	Closed	Closed	Yes
42	Please confirm the reason, connection and customer's association with these individuals.	Multiple	Multiple	Yes
42	Please confirm the reason, connection for these payments.	Closed	Closed	Yes
42	Please confirm the legitimacy of the cash paid.	Closed	Closed	Yes
42	Please confirm the reason, connection and customer's association with these individuals.	Multiple	Multiple	Yes
53	Please send the credit card statements to date and also provide the following details: The purpose of cash transfer dated DATE and the details of remitter, bank and account number for the	Multiple	Multiple	Yes

53	payment dated DATE on the credit card. Also please advise whether you have any other concerns regarding the activity.	Closed + Meaningless	Closed + Meaningless	Yes
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Inter-Rater Reliability – Part Two

Case Reference	Question Raised	Rater 1 – Question Type	Rater 2 - Question Type	Agree?
7	Could you confirm the reason for the cash deposit paid into the account?	Content	Content	Yes
14	None	N/A	N/A	Yes
19	None	N/A	N/A	Yes
24	None	N/A	N/A	Yes
42	Please confirm the legitimacy of the cash paid.	Content	Content	Yes
42	Please confirm the reason, connection and customer's association with these individuals.	Content	Content	Yes
42	Please confirm the reason, connection for these payments.	Content	Content	Yes
42	Please confirm the legitimacy of the cash paid.	Content	Content	Yes
42	Please confirm the reason, connection and customer's association with these individuals.	Content	Content	Yes
53	Please send the credit card statements to date and also provide the following details: The purpose of cash transfer dated DATE and the details of remitter, bank and account number for the payment dated DATE on the credit card.	Content	Content	Yes
53	Also please advise whether you have any other concerns regarding the activity.	Polar	Polar	Yes

Case Processing Summary – Part One

	Cases Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Rater1 * Rater2	11	100.0%	0	0.0%	11	100.0%

Rater1 * Rater2 Crosstabulation

Count		Rater2				Total
		Closed	Closed & Meaningless	Multiple	N/A	
Rater1	Closed	4	0	0	0	4
	Closed & Meaningless	0	1	0	0	1
	Multiple	0	0	3	0	3
	N/A	0	0	0	3	3
Total		4	1	3	3	11

Symmetric Measures

	Value	Asymptotic Standard Error ^a	Approximate T ^b	Approximate Significance
Measure of Agreement Kappa	1.000	.000	5.350	.000
N of Valid Cases	11			

a. Not assuming the null hypothesis.

b. Using the asymptotic standard error assuming the null hypothesis.

Case Processing Summary – Part Two

	Cases Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Rater1 * Rater2	11	100.0%	0	0.0%	11	100.0%

		Total			
		Content	N/A	Polar	Total
Rater1	Content	7	0	0	7
	N/A	0	3	0	3
	Polar	0	0	1	1
Total		7	3	1	11

Symmetric Measures

		Value	Asymptotic Standard Error ^a	Approximate T ^b	Approximate Significance
Measure of Agreement	Kappa	1.000	.000	4.148	.000
N of Valid Cases		11			

a. Not assuming the null hypothesis.

b. Using the asymptotic standard error assuming the null hypothesis.

Amount of IRI Received

Case Reference	Codes for IRI Received	Rater 1 – Number of Pieces of IRI Received	Rater 2 - Number of Pieces of IRI Received	Agreed?
8		No Response	No response	Yes
17		No Response	No Response	Yes
26		No IRI received	No IRI received	Yes
32	P, P, A, I	4	4	Yes
41	P, A, I	3	3	Yes
55		No Response	No Response	Yes

Case Processing Summary

	Cases Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Rater1 * Rater2	6	100.0%	0	0.0%	6	100.0%

Rater1 * Rater2 Crosstabulation

Count		Rater2				
		Four	No IRI Received	No Response	Three	Total
Rater1	Four	1	0	0	0	1
	No IRI Received	0	1	0	0	1
	No Response	0	0	3	0	3
	Three	0	0	0	1	1
Total		1	1	3	1	6

Symmetric Measures

	Value	Asymptotic Standard Error ^a	Approximate T ^b	Approximate Significance
Measure of Agreement Kappa	1.000	.000	4.000	.000
N of Valid Cases	6			

a. Not assuming the null hypothesis.

b. Using the asymptotic standard error assuming the null hypothesis.

Correlations

Rater1	Rater2
1	1.000**
	.000
6	6
1.000**	1
.000	
6	6

** . Correlation is significant at the 0.01 level (2-tailed).

Appendix 7 – T-Test Results

Professional Qualifications

	Group Statistics				
	Please list any professional qualifications you hold that are directly relevant to your role	N	Mean	Std. Deviation	Std. Error Mean
Q9 - When escalating suspicious cases, do you generally find that your opinion is supported by clear and conclusive information?	Qualified	59	2.02	.731	.095
	Not Qualified	57	2.00	.732	.097
Q10 - When closing cases without further escalation, or allowing transactions / business activity to proceed, do you generally find that your opinion is supported by clear and conclusive information?	Qualified	58	1.66	.849	.112
	Not Qualified	57	1.75	.714	.095
Q14 - Do you feel sufficiently protected by your employer to conduct your enquiries effectively?	Qualified	60	1.85	1.071	.138
	Not Qualified	58	2.00	1.545	.203
Q15 - Does a customer's background (religion, political position, social standing, age etc.) influence the way you deal with them?	Qualified	60	3.53	1.512	.195
	Not Qualified	58	3.95	1.549	.203
Q19 - Speaking generally, do you have enough time to complete enquiries thoroughly and to the best of your ability?	Qualified	57	2.09	.872	.115
	Not Qualified	52	2.25	.860	.119
Q21 - When raising AML / KYC queries with customers, how important is it for you to build rapport with the person you are dealing with?	Qualified	18	1.44	.616	.145
	Not Qualified	20	1.65	.671	.150
Q22 - When raising AML / KYC queries with third parties (such as Relationship Managers), how important is it for you to build rapport with the person you are dealing with?	Qualified	46	1.72	.720	.106
	Not Qualified	40	1.60	.841	.133
Q23 - When asking customers awkward or difficult questions, how comfortable do you feel?	Qualified	17	2.18	.951	.231
	Not Qualified	20	2.60	1.142	.255
Q24 - When asking third parties (such as Relationship Managers) awkward or difficult questions, how comfortable do you feel?	Qualified	48	1.90	.778	.112
	Not Qualified	39	2.00	.827	.132

	Independent Samples Test	Levene's Test for Equality of Variances		t-test for Equality of Means				95% Confidence Interval of the Difference		
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Q9 - When escalating suspicious cases, do you generally find that your opinion is supported by clear and conclusive information?	Equal Variances Assumed	.012	.912	.125	114	.901	.017	.136	-.252	.286
	Equal Variances Not Assumed			.125	113.851	.901	.017	.136	-.252	.286
Q10 - When closing cases without further escalation, or allowing transactions / business activity to proceed, do you generally find that your opinion is supported by clear and conclusive information?	Equal Variances Assumed	2.067	.153	-.677	113	.499	-.099	.146	-.389	.191
	Equal Variances Not Assumed			-.679	110.377	.499	-.099	.146	-.389	.191
Q14 - Do you feel sufficiently protected by your employer to conduct your enquiries effectively?	Equal Variances Assumed	.649	.422	-.615	116	.540	-.150	.244	-.633	.333
	Equal Variances Not Assumed			-.611	101.167	.542	-.150	.245	-.637	.337
Q15 - Does a customer's background (religion, political position, social standing, age etc.) influence the way you deal with them?	Equal Variances Assumed	.067	.796	-1.472	116	.144	-.415	.282	-.973	.143
	Equal Variances Not Assumed			-1.472	115.605	.144	-.415	.282	-.973	.144
Q19 - Speaking generally, do you have enough time to complete enquiries thoroughly and to the best of your ability?	Equal Variances Assumed	0.55	.815	-.977	107	.331	-.162	.166	-.492	.167
	Equal Variances Not Assumed			-.977	106.328	.331	-.162	.166	-.491	.167
Q21 - When raising AML / KYC queries	Equal Variances Assumed	.210	.650	-.980	36	.333	-.206	.210	-.631	.220

Those Who Experienced Questions Not Being Properly Addressed

	Group Statistics				
	Have you ever experienced a situation where the questions you've asked have not been properly addressed?	N	Mean	Std. Deviation	Std. Error Mean
Q9 - When escalating suspicious cases, do you generally find that your opinion is supported by clear and conclusive information?	Yes	76	2.08	.762	.087
	No	21	2.00	.775	.169
Q10 - When closing cases without further escalation, or allowing transactions / business activity to proceed, do you generally find that your opinion is supported by clear and conclusive information?	Yes	76	1.72	.810	.093
	No	19	1.68	.671	.154
Q14 - Do you feel sufficiently protected by your employer to conduct your enquiries effectively?	Yes	80	1.81	1.137	.127
	No	22	2.32	1.887	.402
Q15 - Does a customer's background (religion, political position, social standing, age etc.) influence the way you deal with them?	Yes	80	3.75	1.579	.177
	No	22	4.18	1.220	.260
Q19 - Speaking generally, do you have enough time to complete enquiries thoroughly and to the best of your ability?	Yes	79	2.19	.863	.097
	No	20	2.00	.858	.192
Q21 - When raising AML / KYC queries with customers, how important is it for you to build rapport with the person you are dealing with?	Yes	25	1.52	.653	.131
	No	7	1.57	.535	.202
Q22 - When raising AML / KYC queries with third parties (such as Relationship Managers), how important is it for you to build rapport with the person you are dealing with?	Yes	66	1.61	.677	.083
	No	12	1.92	1.165	.336
Q23 - When asking customers awkward or difficult questions, how comfortable do you feel?	Yes	24	2.46	1.021	.208
	No	7	1.57	.787	.297
Q24 - When asking third parties (such as Relationship Managers) awkward or difficult questions, how comfortable do you feel?	Yes	65	1.92	.777	.096
	No	14	1.86	.770	.206

	Independent Samples Test	Levene's Test for Equality of Variances		t-test for Equality of Means					95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Q9 - When escalating suspicious cases, do you generally find that your opinion is supported by clear and conclusive information?	Equal Variances Assumed	.219	.641	.419	95	.676	.079	.188	-.295	.453
	Equal Variances Not Assumed			.415	31.519	.681	.079	.190	-.309	.467
Q10 - When closing cases without further escalation, or allowing transactions / business activity to proceed, do you generally find that your opinion is supported by clear and conclusive information?	Equal Variances Assumed	.670	.415	.196	93	.845	.039	.201	-.360	.439
	Equal Variances Not Assumed			.220	32.465	.828	.039	.180	-.327	.406
Q14 - Do you feel sufficiently protected by your employer to conduct your enquiries effectively?	Equal Variances Assumed	9.468	.003	-1.579	100	.117	-.506	.320	-1.141	.130
	Equal Variances Not Assumed			-1.199	25.338	.242	-.506	.422	-1.374	.363
Q15 - Does a customer's background (religion, political position, social standing, age etc.) influence the way you deal with them?	Equal Variances Assumed	2.904	.091	-1.187	100	.238	-.432	.364	-1.153	.290
	Equal Variances Not Assumed			-1.373	42.404	.177	-.432	.314	-1.066	.203
Q19 - Speaking generally, do you have enough time to complete enquiries thoroughly and to the best of your ability?	Equal Variances Assumed	.003	.960	.880	97	.381	.190	.216	-.239	.618
	Equal Variances Not Assumed			.883	29.509	.385	.190	.215	-.250	.630
Q21 - When raising AML / KYC queries	Equal Variances Assumed	.784	.383	-.191	30	.850	-.051	.270	-.603	.500

with customers, how important is it for you to build rapport with the person you are dealing with?	Equal Variances Not Assumed			-0.214	11.561	.834	-0.051	.241	-0.578	.475
Q22 - When raising AML / KYC queries with third parties (such as Relationship Managers), how important is it for you to build rapport with the person you are dealing with?	Equal Variances Assumed	1.431	.235	-1.291	76	.201	-0.311	.241	-0.790	.169
	Equal Variances Not Assumed			-0.897	12.384	.387	-0.311	.346	-1.063	.441
Q23 - When asking customers awkward or difficult questions, how comfortable do you feel?	Equal Variances Assumed	.987	.329	2.114	29	.043	.887	.420	.029	1.745
	Equal Variances Not Assumed			2.443	12.546	.030	.887	.363	.100	1.674
Q24 - When asking third parties (such as Relationship Managers) awkward or difficult questions, how comfortable do you feel?	Equal Variances Assumed	.211	.647	.288	77	.774	.066	.229	-0.389	.521
	Equal Variances Not Assumed			.290	19.131	.775	.066	.227	-0.410	.541

Appendix 8 – Case Study Analysis

Question Type Analysis – Part 1

Case	Questions	Open	Probing	Closed	Meaningless	Leading	Multiple	Forced Choice	Opinion	No Question	No of pieces of IRI	Inter-rater Reliability Comments
1	None											
2	Could you confirm the reason for the activity seen?			X							0	
	Also confirm if you have any concerns on the account activity?			X	X							
3	Could you confirm the reason for the high credits received?			X							4	
4	Are you happy with the overall activity on the account?			X	X						4	
5	Could you please explain the reason for a credit of CCY received from customer's business account named COMPANY held at BANK on DATE?	X									0	

	Also the reason for the credit of CCY received from customer's savings account at BANK on DATE?	X			
	Also the credit of CCY received in the account from an individual name PERSON at BANK on DATE?	X			
	The reason for transfers totalling CCY made to customer's account at BANK and BANK on DATE and DATE?	X			
6	Are you happy with the overall activity and cash transactions?	X	X		5
7	Could you confirm the reason for the cash deposit paid into the account?	X			3 Agree
8	Could you confirm the reason for the above mentioned activity on the account, also advise if you have any concerns on the account?			X	0
9	Are you happy with the overall activity on this account?	X	X		0
10	Could you explain the activity mentioned on the account, the reason for the funds being transferred to	X			11

COMPANY?

	Also advised if you have any concerns on the activity seen on the account?	X	X	
11	No case details			
12	Could you please confirm the source for the cash deposits totalling CCY paid into the account?	X		0
	Also the reason for electronic transfers totalling CCY received from PERSON and PERSON at BANK?	X		
	Also the reasons for electronic transfers for CCY to a second hand car dealing firm named COMPANY at BANK on DATE?	X		
	Also do you have any concerns on the account activity of the customer?	X	X	
13	Could you please confirm the reason for the large value credits?	X		0
	Also do you have any concerns on the overall activity on the account?	X	X	
14	None			Agree

15	Are you happy with the overall activity on this account?	X	X	0
16	Erroneous request			
17	Request to check and let us know if you have any concerns on the above mentioned activity seen on the customer's account?	X	X	0
18	Duplicate			
19	None			Agree
20	Could you please confirm the reason for the credits totalling CCY received with references as 'remittance received by order of COMPANY, CUSTOMER 3 etc.'	X		9
	Could you please confirm the reason for the transfers made to banks suspense account, quoting references as 'foreign exchange'.	X		
	Do you have any concerns regarding the activity on the customer's private banking account?	X	X	

21	Request to explain the reason for high credit turnover and reason for the high credits received from BANK and COMPANY at COUNTRY. Also advise if you have any concerns on the above mentioned account.		X		0
22	Could you please confirm the reason for credits totalling CCY payments received from CUSTOMER 1's personal account at BANK. Also the reason for the credit totalling CCY received from CUSTOMER 1's account held at BANK COUNTRY Also can you confirm the reason for bill payment for CCY made to CUSTOMER 1 at BANK. Do you have any concerns on the account?	X	X		0
23	Could you please confirm the reason for electronic credits totalling CCY received from an individual named PERSON at BANK. Do you have any concerns on the account?	X			3
24	No RFI in system				Agree

25	Can you please confirm the reason and legitimacy of credits received from an account at BANK, quoting reference as 'Voluntary S Overse'?	X		2
	Also can you please confirm the reason for numerous payments to a dissolved firm named COMPANY?	X		
	Can you confirm the reason for high turnover seen on the business accounts?	X		
	Also do you have any concerns regarding the overall activity seen on the accounts?	X	X	
26	Please advise the background to these transfers and if you are happy with the activity on this account?		X	0
27	Could you please confirm the reason for large value credits and wire transfer payment.	X		0
	Also, do you have any concerns on the overall activity on the account?	X	X	
28	Kindly advise the reason for the credits from COMPANY at BANK.	X		0

	Also advice if you have any concerns on the above mentioned account.	X	X	
29	Could you please confirm the reasons and legitimacy for the credits received as Global transfers (from COUNTRY) ranging between CCY and CCY made to customer's joint account. Also the reason and legitimacy of an automated credit for CCY received from customer's account at BANK. Also the reason for an automated credit for CCY received from a law firm named COMPANY at BANK on DATE. Also the reason for the bill payments totalling CCY sent to the joint account of the customers' at OTHER BANK. Do you have any concerns on the account?	X		0
30	None			
31	None			
32	Could you please confirm the reason for the cash deposits and numerous bill payments received from CUSTOMER 2.			X 4

	Also, do you have any concerns on the overall activity on the account?	X	X		
33	Could you please confirm the reason for credits received and payments made also, confirm whether the customer is an employee of BANK. Also, do you have any concerns on the overall activity on the account?			X	0
		X	X		
34	What is the source of these funds and do you have any concern regarding this this transactions? Do you have any concerns regarding these transactions?			X	7
		X	X		
35	Erroneous case reference				
36	Unable to access - not a UK Case				
37	Also if you could provide us with any significant information about the customer's background and if you have any concerns regarding the overall activities seen in the account.			X	4

41	<p>Could you please help us with the information regarding the reason for high value credits and high turnover on the account? Customer holds multiple accounts in the same profile, so could you provide us with the information regarding the legitimacy of the credits and the overall activity on the account? Also, if you have any concerns on the account please update us as to take further course of action.</p>	X	X	3	
42	<p>Please confirm the legitimacy of the cash paid. Please confirm the reason, connection and customer's association with these individuals. Please confirm the reason, connection for these payments. Please confirm the legitimacy of the cash paid. Please confirm the reason, connection and customer's association with these individuals.</p>	X	X	0	<p>Agree</p> <p>Agree - although all are valid questions</p> <p>Agree</p> <p>Agree - although all are valid questions</p>
43	<p>Please advise the reason for the large value credit from CUSTOMER 2 and</p>		X	0	

	advise the reason for the large value credit from CUSTOMER 2 and the payment made to an individual named PERSON at BANK.		
44	Can you please explain the purpose of the transaction and the customer relation with PERSON? Can you please explain the purpose of the transaction?	X X	4
45	Please can you confirm the legitimacy and the background of these transactions? Is overall activity in line with the nature of business?	X X	0
46	Could you please provide me the details of payment (AMOUNT and BENEFICIARY) the customer wanted to make? Could you please provide me the details of payment (AMOUNT and BENEFICIARY) the customer wanted to make?	X X	0
47	Could you please let us know the source of cash deposits and credits received from various businesses?	X	0

	Could you please confirm if the cash deposits paid in the account are in relation to sale of property? Also, please confirm, if you have seen any documentary evidence in relation to the sale of the property.				X	
48	Please help me find rationale behind the below mentioned transactions of the customer.					X 3
49	Kindly explain the reasons for regular cash deposits paid into the above said accounts and also explain the original source of cash. Also let us know if you have any concerns on the account activity.	X				0
			X	X		
50	Please give us some insight about this debit. What is the purpose for the customer to send these funds to the individual? Please give us some background about the source of these funds?			X		X 1
		X				

51	<p>Could you kindly let us know the source for the funds received into the customer's BANK accounts and the reason for the payments made through customer;s Euro account.</p> <p>Also let us know if you have any concerns regarding the overall activities on all the account of the customer.</p>			X		8	
52	<p>Can you please explain the background to the electronic transfer credit received from COMPANY?</p>	X				2	
53	<p>Please send the credit card statements to date and also provide the following details: The purpose of cash transfer dated DATE and the details of remitter, bank and account number for the payment dated DATE on the credit card.</p> <p>Also please advise whether you have any other concerns regarding the activity.</p>			X		0	Agree - although all are valid questions
			X	X			Agree
54	<p>Could you explain the reason for large funds received from Solicitors?</p>	X				0	

	Could you explain the reason and the background of the funds received from the individual named PERSON?	X								
	The connection between the customer and the individual?		X							
	Could you explain the background of the payments made to individuals named PERSON, PERSON and PERSON?	X								
	The connection between these individuals?		X							
55	Could you please let me know the remitter and remitter bank details?		X							0
56	Could you please explain the reason for the electronic transfer for the CCY received from a law firm named COMPANY at BANK with the reference of 'net proceed - estate of CUSTOMER 2' on DATE?	X								4
	Can you please explain the reason for the two bill payments totalling CCY made to HMRC - Inheritance?	X								
	Totals	17	0	63	24	1	14	0	0	4

Question Type Analysis – Part 2

Case	Questions	Polar Question	Inverted	Negative	Tag Question	Content Question	Interrogative	Tag Question	Inter-Rater Reliability Comments
1	None								
2	Could you confirm the reason for the activity seen?						X		
	Also confirm if you have any concerns on the account activity?	X							
3	Could you confirm the reason for the high credits received?						X		
4	Are you happy with the overall activity on the account?	X							
5	Could you please explain the reason for a credit of CCY received from customer's business account named COMPANY held at BANK on DATE?						X		
	Also the reason for the credit of CCY received from customer's savings account at BANK on DATE?						X		
	Also the credit of CCY received in the account from an individual name PERSON at BANK on DATE?						X		

	The reason for transfers totalling CCY made to customer's account at BANK and BANK on DATE and DATE?		X	
6	Are you happy with the overall activity and cash transactions?	X		
7	Could you confirm the reason for the cash deposit paid into the account?		X	Agree
8	Could you confirm the reason for the above mentioned activity on the account, also advise if you have any concerns on the account?		X	
9	Are you happy with the overall activity on this account?	X		
10	Could you explain the activity mentioned on the account, the reason for the funds being transferred to COMPANY?		X	
	Also advised if you have any concerns on the activity seen on the account?	X		
11	No case details			
12	Could you please confirm the source for the cash deposits totalling CCY paid into the account?		X	
	Also the reason for electronic transfers totalling CCY received from PERSON and PERSON at BANK?		X	
	Also the reasons for electronic transfers for CCY to a second hand car dealing firm named COMPANY at BANK on DATE?		X	

	Also do you have any concerns on the account activity of the customer?	X	
13	Could you please confirm the reason for the large value credits?		X
	Also do you have any concerns on the overall activity on the account?	X	
14	None		Agree
15	Are you happy with the overall activity on this account?	X	
16	Erroneous request		
17	Request to check and let us know if you have any concerns on the above mentioned activity seen on the customer's account?	X	
18	Duplicate		
19	None		Agree
20	Could you please confirm the reason for the credits totalling CCY received with references as 'remittance received by order of COMPANY, CUSTOMER 3 etc.'		X
	Could you please confirm the reason for the transfers made to banks suspense account, quoting references as 'foreign exchange'.		X
	Do you have any concerns regarding the activity on the customer's private banking account?	X	

21	Request to explain the reason for high credit turnover and reason for the high credits received from BANK and COMPANY at COUNTRY.	X	
	Also advise if you have any concerns on the above mentioned account.	X	
22	Could you please confirm the reason for credits totalling CCY payments received from CUSTOMER 1's personal account at BANK.	X	
	Also the reason for the credit totalling CCY received from CUSTOMER 1's account held at BANK COUNTRY	X	
	Also can you confirm the reason for bill payment for CCY made to CUSTOMER 1 at BANK.	X	
	Do you have any concerns on the account?	X	
23	Could you please confirm the reason for electronic credits totalling CCY received from an individual named PERSON at BANK.	X	
	Do you have any concerns on the account?	X	
24	No RFI in system		Agree
25	Can you please confirm the reason and legitimacy of credits received from an account at BANK, quoting reference as 'Voluntary S Overse'?	X	
	Also can you please confirm the reason for numerous payments to a dissolved firm named COMPANY?	X	

	Can you confirm the reason for high turnover seen on the business accounts?		X
	Also do you have any concerns regarding the overall activity seen on the accounts?	X	
26	Please advise the background to these transfers and if you are happy with the activity on this account?		X
27	Could you please confirm the reason for large value credits and wire transfer payment.		X
	Also, do you have any concerns on the overall activity on the account?	X	
28	Kindly advise the reason for the credits from COMPANY at BANK.		X
	Also advice if you have any concerns on the above mentioned account.	X	
29	Could you please confirm the reasons and legitimacy for the credits received as Global transfers (from COUNTRY) ranging between CCY and CCY made to customer's joint account.		X
	Also the reason and legitimacy of an automated credit for CCY received from customer's account at BANK.		X
	Also the reason for an automated credit for CCY received from a law firm named COMPANY at BANK on DATE.		X

	Also the reason for the bill payments totalling CCY sent to the joint account of the customers' at OTHER BANK.		X
	Do you have any concerns on the account?	X	
30	None		
31	None		
32	Could you please confirm the reason for the cash deposits and numerous bill payments received from CUSTOMER 2.		X
	Also, do you have any concerns on the overall activity on the account?	X	
33	Could you please confirm the reason for credits received and payments made also, confirm whether the customer is an employee of BANK.		X
	Also, do you have any concerns on the overall activity on the account?	X	
34	What is the source of these funds and do you have any concern regarding this this transactions?		X
	Do you have any concerns regarding these transactions?	X	
35	Erroneous case reference		
36	Unable to access - not a UK Case		

- | | | |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|
| 37 | Also if you could provide us with any significant information about the customer's background and if you have any concerns regarding the overall activities seen in the account. | X |
| 38 | Please provide the name of the counterparty and the purpose behind the transaction? | X |
| 39 | Hi Team, can you explain the reason for the electronic transfer for CCY received from COMPANY into customer's US dollar account on DATE and the regular credits received from PERSON? | X |
| | Can you explain the relationship between COMPANY and the customer? | X |
| | And can you explain the relationship between the customer and PERSON? | X |
| | Also confirm whether you are happy with the overall conduct of the account? | X |
| | If you have also any concerns on the customer, request to confirm regarding the same. | X |
| 40 | Can you please explain the purpose of the transactions? | X |
| | Can you please explain the origin of the credits and the purpose behind these transactions? | X |
| 41 | Could you please help us with the information regarding the reason for high value credits and high turnover on the account? | X |

	Customer holds multiple accounts in the same profile, so could you provide us with the information regarding the legitimacy of the credits and the overall activity on the account?	X	
	Also, if you have any concerns on the account please update us as to take further course of action.	X	
42	Please confirm the legitimacy of the cash paid.	X	Agree
	Please confirm the reason, connection and customer's association with these individuals.	X	Agree
	Please confirm the reason, connection for these payments.	X	Agree
	Please confirm the legitimacy of the cash paid.	X	Agree
	Please confirm the reason, connection and customer's association with these individuals.	X	Agree
43	Please advise the reason for the large value credit from CUSTOMER 2 and advise the reason for the large value credit from CUSTOMER 2 and the payment made to an individual named PERSON at BANK.	X	
44	Can you please explain the purpose of the transaction and the customer relation with PERSON?	X	
	Can you please explain the purpose of the transaction?	X	
45	Please can you confirm the legitimacy and the background of these transactions?	X	

	Is overall activity in line with the nature of business?	X	
46	Could you please provide me the details of payment (AMOUNT and BENEFICIARY) the customer wanted to make?		X
	Could you please provide me the details of payment (AMOUNT and BENEFICIARY) the customer wanted to make?		X
47	Could you please let us know the source of cash deposits and credits received from various businesses?		X
	Could you please confirm if the cash deposits paid in the account are in relation to sale of property?		X
	Also, please confirm, if you have seen any documentary evidence in relation to the sale of the property.	X	
48	Please help me find rationale behind the below mentioned transactions of the customer.		X
49	Kindly explain the reasons for regular cash deposits paid into the above said accounts and also explain the original source of cash.		X
	Also let us know if you have any concerns on the account activity.	X	
50	Please give us some insight about this debit.		X
	What is the purpose for the customer to send these funds to the individual?		X
	Please give us some background about the source of these funds?		X

51	<p>Could you kindly let us know the source for the funds received into the customer's BANK accounts and the reason for the payments made through customer;s Euro account.</p> <p>Also let us know if you have any concerns regarding the overall activities on all the account of the customer.</p>	X	
52	<p>Can you please explain the background to the electronic transfer credit received from COMPANY?</p>	X	
53	<p>Please send the credit card statements to date and also provide the following details: The purpose of cash transfer dated DATE and the details of remitter, bank and account number for the payment dated DATE on the credit card.</p> <p>Also please advise whether you have any other concerns regarding the activity.</p>	X	Agree
54	<p>Could you explain the reason for large funds received from Solicitors?</p> <p>Could you explain the reason and the background of the funds received from the individual named PERSON?</p> <p>The connection between the customer and the individual?</p> <p>Could you explain the background of the payments made to individuals named PERSON, PERSON and PERSON?</p>	X X X X	

	The connection between these individuals?		X	
55	Could you please let me know the remitter and remitter bank details?		X	
56	Could you please explain the reason for the electronic transfer for the CCY received from a law firm named COMPANY at BANK with the reference of 'net proceed - estate of CUSTOMER 2' on DATE?		X	
	Can you please explain the reason for the two bill payments totalling CCY made to HMRC - Inheritance?		X	
	Totals	28	70	1

Appendix 9 – Amount of IRI Obtained

Investigation Relevant Information	Code	Code Explanation
Person	P	Information of the person/entities both making and receiving the payment, including, where appropriate, details of occupation, salary and source of wealth or funds.
Action	A	The amount and/or method by which the transaction was made, eg. cash or cheque.
Location	L	The country or address of those involved in the transactions.
Item	I	The purpose or rationale for the payment, e.g. the purchase of a house.
Temporal	T	The timing or date(s) of the transaction(s)

Case Number	Codes	No response observed	SAR Raised	Inter-Rater Reliability Comments
1	Alert only		No	
2		X	Yes	
3	P, I, T, T		No	
4	P, P, I, I		No	
5		X	No	
6	P, A, A, I, L		No	
7	P, P, A		No	
8		X	Yes	Agree
9		X	Yes	
10	P, P, P, P, P, P, I, I, L, L, L		No	
11	No case details		N/A	
12		X	Yes	
13		X	Yes	
14	Alert only		No	
15		X	Yes	
16	Erroneous request		N/A	
17		X	No	Agree
18	Duplicate		N/A	
19	Alert only		No	
20	P, P, P, I, I, I, I, I, L		No	
21		X	Yes	
22		X	Yes	
23	P, A, L		No	
24	No RFI in system		Yes	

25	P, I		No	
26			Yes	Agree
27		X	Yes	
28		X	Yes	
29		X	No	
30	Alert only		No	
31	Alert only		No	
32	P, P, A, I		Yes	Agree
33		X	Yes	
34	P, P, A, I, I, I, T		No	
35	Erroneous case reference		N/A	
36	Unable to access – not UK		N/A	
37	P, I, I, T		No	
38	P, I, L		No	
39		X	Yes	
40	P, P, P, P, P, P, P, P, A, A, I, I, I, I, T, T		No	
41	P, A, I		No	Agree
42		X	Yes	
43		X	Yes	
44	P, A, L, I		No	
45		X	Yes	
46		X	No	
47		X	Yes	
48	P, I, L		No	
49		X	Yes	
50	P		No	
51	P, P, P, P, P, P, L, I		No	
52	P, P		No	
53		X	No	
54		X	No	
55		X	Yes	Agree
56	P, P, A, I		No	
Total	P = 45 A = 11 L = 10 I = 28 T = 6	24	21	

Appendix 10 – Form UPR16



FORM UPR16 Research Ethics Review Checklist

Please include this completed form as an appendix to your thesis (see the Postgraduate Research Student Handbook for more information)

Postgraduate Research Student (PGRS) Information		Student ID:	602459
PGRS Name:	Annalise Vineer		
Department:	ICJS	First Supervisor:	Professor Becky Milne
Start Date: <small>(or progression date for Prof Doc students)</small>	1 October 2015		
Study Mode and Route:	Part-time <input checked="" type="checkbox"/>	MPhil <input type="checkbox"/>	MD <input type="checkbox"/>
	Full-time <input type="checkbox"/>	PhD <input type="checkbox"/>	Professional Doctorate <input checked="" type="checkbox"/>
Title of Thesis:	The Awkward Question: An Examination of Questioning Techniques Used By Banks To Prevent Financial Crime		
Thesis Word Count: <small>(excluding ancillary data)</small>	49,312		

If you are unsure about any of the following, please contact the local representative on your Faculty Ethics Committee for advice. Please note that it is your responsibility to follow the University's Ethics Policy and any relevant University, academic or professional guidelines in the conduct of your study

Although the Ethics Committee may have given your study a favourable opinion, the final responsibility for the ethical conduct of this work lies with the researcher(s).

UKRIO Finished Research Checklist:

(If you would like to know more about the checklist, please see your Faculty or Departmental Ethics Committee rep or see the online version of the full checklist at: <http://www.ukrio.org/what-we-do/code-of-practice-for-research/>)

a) Have all of your research and findings been reported accurately, honestly and within a reasonable time frame?	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
b) Have all contributions to knowledge been acknowledged?	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
c) Have you complied with all agreements relating to intellectual property, publication and authorship?	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
d) Has your research data been retained in a secure and accessible form and will it remain so for the required duration?	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
e) Does your research comply with all legal, ethical, and contractual requirements?	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>

Candidate Statement:

I have considered the ethical dimensions of the above named research project, and have successfully obtained the necessary ethical approval(s)

Ethical review number(s) from Faculty Ethics Committee (or from NRES/SCREC):

14/15:58

If you have *not* submitted your work for ethical review, and/or you have answered 'No' to one or more of questions a) to e), please explain below why this is so:

	Date: 21 December 2018
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