

ANNUAL REPORT

United Kingdom Financial
Intelligence Unit

Suspicious
Activity Reports

2022



UKFIU

UK Financial Intelligence Unit



NCA
National Crime Agency

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Introduction

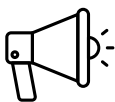
Vince O'Brien, Head of the UKFIU



Welcome to the UKFIU Suspicious Activity Reports (SARs) **Annual Report**. This report will cover statistics for the years **2020-2021** and **2021-2022**.

The UKFIU quickly and effectively **reoriented its operations** at the beginning of the pandemic to ensure it was able to **deliver on its critical core functions** whilst **keeping its staff safe**. Through **flexible work arrangements** and moving our engagement functions to a more **agile online presence**, we ensured we continued to **meet the expectations** of reporters and law enforcement whilst delivering **strong operational results** through a backdrop of **difficult restrictions placed on the unit**.

Headlines



- The NCA has stood up a new Combatting Kleptocracy Cell to investigate criminal sanctions evasion and high end money laundering. SARs are an important data source coming into the cell and the UKFIU has set up a dedicated team within the unit.
- The UKFIU has transformed under the wider SARs reform, establishing new ways of working, new teams, and an uplift in staff to over 150.
- The development of the new and more user friendly SAR portal is nearly complete.

Key Challenges Faced



- The past two years have been dominated by new and changing organised crime threats, particularly fraud, against members of the public, UK businesses and Government Departments.
- The partnership between the regulated sector, UKFIU and law enforcement has been invaluable in tackling these offences and ensuring that criminals are denied assets derived from illicit activity.

What's Next?



- A new SAR portal and Bulk API technology will be delivered to submit SARs, improving the quality and utility of SARs.
- The UKFIU will continue to recruit new staff to grow its headcount to reach the target of 201, driving increased analysis and engagement within the SAR regime.
- We remain committed to working with our law enforcement, government, and private sector partners to improve the quality of SARs and their exploitation by law enforcement.

Thank You



- People and partnerships are at the heart of the UKFIU and this has been the cornerstone of our success during this period of instability.
- We would like to take this opportunity to thank our teams and partners for their hard work and dedication. The impressive work to protect the public and support the UK's AML regime are testament to resilience under challenging circumstances.

Key Terms

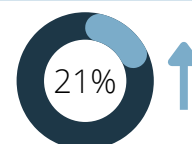
- **SAR** - Suspicious Activity Report, which alerts law enforcement that certain client or customer activity is in some way suspicious and might indicate money laundering or terrorist financing.
- **DAML** - Defence against Money Laundering.
- **DATF** - Defence against Terrorist Finance.

Key Headline Statistics



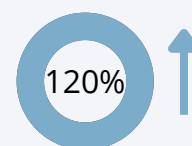
Total SARs Received ¹

- 742,317 in **2020-2021**
- 901,255 in **2021-2022**



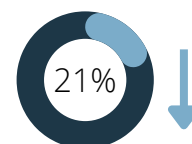
Funds Denied from DAML Requests ²

- £138.6M in **2020-2021**
- £305.7M in **2021-2022**



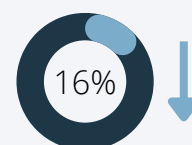
Total DAMLs Received ³

- 105,107 in **2020-2021**
- 83,300 in **2021-2022**



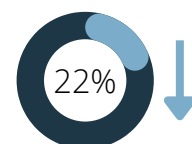
Total DATFs Received

- 425 in **2020-2021**
- 358 in **2021-2022**



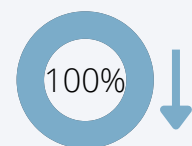
Vulnerable Person SARs Fast-tracked

- 21,066 in **2020-2021**
- 16,458 in **2021-2022**



Total breaches of confidentiality

- 1 in **2020-2021**
- 0 in **2021-2022**



Stats explained

1 The increase in SAR reporting reflects year on year growth; a contributing factor is new SAR reporters in the Fintech and Cryptocurrency sectors.

2 The impressive increase in funds denied reflects a rise in high monetary-value DAML opportunities submitted by reporters, and the increased use of Account Freezing Orders by law enforcement. This LEA activity has been aided by improved DAML quality, the result of enhanced engagement between UKFIU and reporters.

3 The main driver for the decrease in DAMLs received reflects that reporters are now clear that they do not need to request consent when returning funds to the victim of a crime.

Case studies

A reporter provided DAML SARs related to the owner of a number of businesses. The UKFIU identified these businesses were of interest to the NCA Criminal Asset Denial Team who were supporting an overseas fraud investigation. The refused DAML requests enabled a restraint order for over £40m.

A reporter was concerned that a customer had been the victim of a rogue trader and was paying for work at excessive prices. The victim had paid out over £80,000. The UKFIU fast-tracked the SAR to an LEA who immediately visited the home address when the subject and associates were present. All were arrested.

Engagement

Podcasts

produced and published via social media

2020-2021

5

2021-2022

5

12,000+ plays



Visit the [UKFIU podcast home page](#) on Anchor



The UKFIU has 16,000+ followers on LinkedIn

Since joining in Q4 2020

SARs in Action Magazine

issues published on NCA website

2020-2021

6

2021-2022

5

350,000+ readers



To access the SARs in Action magazines, **scan the QR code** to directly access the **UKFIU section of the NCA website**. Note: Links to magazines are found at the bottom of the web page.



REPORTER AND PARTNER ENGAGEMENT

2020-2021

40 Webinars hosted for reporters*

21 Webinars hosted for 'other stakeholders'*

E.g. internal departments or partners

49 engagement events participated in*

E.g. SAR best practice presentations, case studies, Q&A sessions

43 one-to-one engagements

E.g. Reporter submission queries, 1-2-1 feedback

142 queries assessed relating to SAR disclosure



2021-2022

23 Webinars hosted for reporters*

7 Webinars hosted for 'other stakeholders'*

E.g. internal departments or partners

36 engagement events participated in*

E.g. SAR best practice presentations, case studies, Q&A sessions

76 one-to-one engagements

E.g. Reporter submission queries, 1-2-1 feedback

146 queries assessed relating to SAR disclosure

*The reductions in webinar engagement events in 2021-2022 were due to increased concentration of 1-2-1 engagements with reporters following the pandemic restrictions being lifted.

LAW ENFORCEMENT ENGAGEMENT

Arena is a key software tool used by accredited and trained officers in the search and analysis of SARs.



82 Arena training sessions delivered to 688 officers in 2021-2022



2,919 total Arena registrants

- **509 new Arena registrants from 2020-2021**
- **736 new Arena registrants from 2021-2022**

SARs submitted per Reporting Sector



The UKFIU makes no comment as to the relative volume of reports from different sectors. It is for the sectors and their supervisors to assess if the volume of SARs submitted is proportionate to the risks their sectors face.

Industry	April 20-March 21	% of total	% comparison to 2019-20	April 21-March 22	% of total	% comparison to 2020-21
Credit institution – banks	551,015	74.23%	27.46%	637,776	70.77%	15.75%
Credit institution – building societies	29,838	4.02%	-2.42%	56,931	6.32%	90.80%
Credit institution – others	10,236	1.38%	26.68%	14,113	1.57%	37.88%
Financial institution – money service businesses	24,186	3.26%	36.64%	27,397	3.04%	13.28%
Financial institution – others	100,211	13.50%	70.05%	113,246	12.57%	13.01%
Accountants and tax advisers	4,673	0.63%	-12.61%	5,863	0.65%	25.47%
Independent legal professionals	2,215	0.30%	-26.31%	2,859	0.32%	29.07 %
Trust or company service providers	91	0.01%	193.55%	140	0.02%	53.85%
Estate agents	680	0.09%	-21.02%	780	0.09%	14.71%
High value dealers	330	0.04%	-10.81%	304	0.03%	-7.88%
Not under Money Laundering Regulations (MLRs)	12,711	1.71%	18.64%	35,494	3.94%	179.24%
Gaming/ leisure (incl. casinos and some not under MLRs)	6,131	0.83%	19.05%	6,352	0.70%	3.60%
Total	742,317	100%	29.53%	901,255	100%	21.41%

A more detailed breakdown of SARs submitted by industry sector is available on the NCA website: [\[insert hyperlink here\]](#).

DAMLs In Depth

■ 2020-2021 ■ 2021-2022

Total DAMLs

received and processed by UKFIU

2020-2021	2021-2022	
105,107	83,300*	↓ 21%

Total Value Denied

to suspected criminals as a result of DAML requests (refused and granted)

2020-2021	2021-2022	
£138.6M	£305.7M	↑ 120.6%

*Changes in legislation between 2020-2021 and 2021-2022 led to a decrease of received DAMLs.

Granted DAMLs**

2020-2021	2021-2022	
17,601	10,791	↓ 38.7%
17% of total	13% of total	

2020-2021	2021-2022	
£1.8M	£12.9M	↑ 617%

denied to suspected criminals

&

Refused DAMLs

2020-2021	2021-2022	
2,135	2,185	↑ 2.3%
2% of total	3% of total	

2020-2021	2021-2022	
£136.9M	£292.6M	↑ 114%

denied to suspected criminals

**DAMLs are granted on a case by case basis where full DAML criteria are satisfied, as set out in published UKFIU guidance.

Outstanding Moratorium Extension Amounts

For 2019/20 to go in the 2020-2021 reporting year **£18M**

For 2020/21 to go in the 2021-2022 reporting year **£0.2M**

Of the refused DAMLs...

Metric	2020-2021	2021-2022
# Cases that had immediate asset denial action taken (where NCA was notified by law enforcement agencies of actions taken including Account Freezing Orders [AFOs], forfeits, restraints, confiscation uplifts or cash seizures)	1,238 <ul style="list-style-type: none"> 1,225 AFO, forfeits or restraints 10 confiscation uplifts 3 cash seizures 	1,206 <ul style="list-style-type: none"> 1,190 AFO, forfeits or restraints** 15 confiscation uplifts 1 cash seizure
# DAMLs subsequently granted*	606	700

*Although immediate asset denial was not taken on these DAMLs, they could still have led to further operational activity.

DAMLs in Depth Continued

The **sharp increase to £292.6M** denied to suspected criminals as a result of refused DAMLs in 2021-2022 is in part because the **coronavirus pandemic** restricted activity during the previous reporting period, but there were also **7 cases with restraint figures between £10M-£50M** in 2021-2022. You can see a breakdown of all refused cases where immediate asset denial action was taken in the table below.

Refused	Number of Cases		Total Value	
	2020-2021	2021-2022	2020-2021	2021-2022
£0-£500K	1,202	1,146	£55,872,871	£60,229,252
£500K-£1M	19	25	£13,407,114	£17,604,660
£1M-£5M	15	22	£31,846,143	£44,119,414
£5M-£10M	2	6	£11,749,797	£29,463,069
£10M-£50M	0	7	£0	£141,161,201
Totals	1,238	1,206	£112,877,925	£292,577,596

Of these refused cases where immediate asset denial action was taken...

2020-2021

64 cases required 1 or more **moratorium extensions** from...

16 different **law enforcement agencies**. As a result...

£7.1m was **denied to criminals**

2021-2022

99 cases required 1 or more **moratorium extensions** from...

22 different **law enforcement agencies**. As a result...

£69.3m was **denied to criminals**

This demonstrates the benefit provided by moratorium extensions, introduced in the Criminal Finances Act 2017.

Key DAML Metrics



2020-2021 **2.82 days**
2021-2022 **3.1 days**

↑ 10%

Average turnaround time for responses to reporters for all requests. The NCA has a statutory 7 working day period to consider all DAML requests.



2020-2021 **701**
2021-2022 **623**

↓ 11%

Refused cases by law enforcement as a result of a DAML where there was no previous or existing law enforcement investigation known.



As a result of these refused cases...

2020-2021 **£60M** restrained or AFO/forfeiture
2021-2022 **£114M** restrained or AFO/forfeiture
2020-2021 **£33,015** cash seized
2021-2022 **£71,000** cash seized

↑ 89.5%

↑ 115%

Terrorist Finance

DATFs Summary

Metric	2020 - 2021	2021 - 2022	Change
# DATF SARs received	425	358	15.7% ↓
# DATF SARs refused*	66 (15.5%)	80 (22.3%)	21.2% ↑
Value of DATF SARs refused	£4,214,218	£15,262,016	262.2% ↑
£ Restrained or forfeited following interventions from refused DATF requests	£2,378,034	£811,238	65.9% ↓

*This includes requests which are either currently under refusal or have subsequently been granted.

Significant Terrorist Finance (TF) Analysis - Outputs

The below table summarises all the additional analysis that has been undertaken to support the Counter Terrorism Policing (CTP) Network and partners across HMG and internationally.

Metric	2020 - 2021	2021 - 2022	Change
# POCA SARs proactively identified (using UKFIU analysis capabilities) as having additional TF relevance and disseminated to the CTP network	1,651	1,644	0.4% ↓
# UKFIU Analysis provided to the CTP network and other partners across His Majesty's Government as a result of requests for operational support	3,825	3,709	3% ↓
# International reports reviewed for links to terrorism**	1,165	557	52.5% ↓
# International reports disseminated to relevant partners domestically and internationally**	202	102	49.5% ↓

**The decrease in international reports reviewed and disseminated is due to the UKFIU receiving fewer inbound requests.

Intelligence Development

The UKFIU analyses SARs daily to identify those that should be fast-tracked to law enforcement agencies to ensure the intelligence's maximum value is exploited.

SARs read and triaged

for potentially significant intelligence

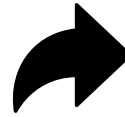
SARs disseminated

to UKFIU law enforcement partners

Vulnerable Person SARs*

2020-2021 **56,398**

2021-2022 **61,489**



21,066

2020-2021

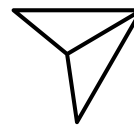
16,458

2021-2022

Politically Exposed Person SARs

2020-2021 **27,055**

2021-2022 **24,032**



2,310

2020-2021

1,437

2021-2022

Integrity Related SARs

(knowledge or suspicion of money laundering and/or terrorist financing that concerns an employee of an LEA or the civil service)

2020-2021 **30,309**

2021-2022 **36,024**



869

2020-2021

732

2021-2022

*The UKFIU fast-tracks a vulnerable person (VP) SAR to an LEA on the basis that there is an immediate risk to a vulnerable individual's wellbeing or safety through exploitation.

The decrease in disseminations for VP SARs is in part due to the following:

- Increased reference to the Banking Protocol in SARs, where the reporter has indicated that the Protocol has been invoked and that an LEA has attended.
- Where LEAs have contacted reporters directly through a DPA request or pre-order enquiry. LEAs have advised the UKFIU that a VP SAR replicates the information already provided through the DPA process and therefore the SAR does not need to be fast-tracked.

Cryptocurrency Workstream

From September 2021

65,505

cryptocurrency SARs have been reviewed to date.

Engagement with stakeholders and the use of more suitable keywords has resulted in a steady increase of SARs identified for review.

350+

SARs identified each day now



80+

SARs identified each day in Sept' 2021

SARs and Cash Declaration Data

2020-2021

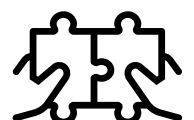
7

2021-2022

10

intelligence development **referrals for HMRC**

relating to **suspected tax fraud** and COVID-19 **grant scheme abuse** following subject **matches on declaration data** and **SAR material**.



International

Inbound



2020-2021 **1,892**

2021-2022 **1,760**

inbound requests
received by the UKFIU

2020-2021 **375**

2021-2022 **333**

asset tracing
requests received

2020-2021 **1,668** **inbound spontaneous**
2021-2022 **1,693** **disseminations** received

Outbound



2020-2021 **958**

2021-2022 **831**

outbound
requests made via
the UKFIU

2020-2021 **1,456**

2021-2022 **1,316**

outbound
spontaneous
disseminations
actioned

As well as processing inbound and outbound requests, some **examples of other activity** the **International Team** is responsible for include:

- International operational **working groups**
- **Intelligence support** to key NCA functions
- Capacity building for engagement with, and support to, global partner FIUs
- **Intelligence development**
- **Representation** in international networks
- **Compliance with FATF** and Egmont membership

Key Resources and Contacts



For a more detailed breakdown of SARs submitted by industry sector, see the NCA website [here](#).



If you have any feedback on the new report format, please contact UKFIUFeedback@nca.gov.uk



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