

# Crime Agency Burdened As Suspicious Money Reports Rise

By **Martin Croucher**

Law360, London (November 8, 2019, 4:49 PM GMT) -- The National Crime Agency has strengthened its staffing to cope with the rising number of suspicious transactions in Britain, but lawyers say the body still urgently needs government help.

The crime-fighting agency said 478,437 so-called **suspicious activity reports** were filed by banks and lawyers in the financial year to March 2019. That represents a rise from the previous record of 463,938 reports in the same period last year.

The rise has been attributed to bankers, insurers, accountants and lawyers fearing they will face criminal charges for failing to report transactions that could possibly be linked to money laundering or terrorist financing — no matter how remote the possibility. The NCA has been overwhelmed as a result by a glut of low-quality reports.

In its annual report into suspicious activity reports, published Wednesday, the body said it had boosted its workforce from 80 to 118 since April. It has also started overhauling its technology to cope with the rising numbers of reports.

Ian Mynot, head of the U.K. financial intelligence unit, the division of the NCA responsible for the reports, said in the report that the agency "does not control the increases in SAR volume, and with these volumes come increased risks that require effective mitigation."

He said the body "has been able to process the increasing volumes" by recruiting extra staff.

But lawyers said there is more work to be done.

"You can't operate that system with those report numbers on the resources that the NCA has," John Binns, partner at BCL Solicitors LLP, said. "It's a ridiculous burden on the NCA and they mainly cope by not looking at them. A lot of them go onto a database that is available to, but not necessarily read by, law enforcement."

The exception, he said, is when companies ask for consent to carry out an activity that could potentially lead to a money-laundering offense, which would require a decision by the agency.

The NCA made decisions on consent requests in-house in two-thirds of cases without referring them on to law enforcement for advice. According to the NCA report, it rejected just 4% of consent applications, 1,300 from 34,000.

Jonah Anderson, a partner at White & Case LLP, said the fact that so few were referred to

police was "troubling."

"Were they understaffed at the beginning of the reporting period and things were falling through the cracks?" he asked. "Or are they getting flooded with consent requests over legal overseas cannabis investment, and that's just something law enforcement isn't going to be interested in."

A spokesperson for the NCA was not immediately available for comment.