

The true scale of UK Money Laundering

Our research shows that UK companies' exposure to EU defined high-risk third countries has grown by **116% in the last 3 years** with significant growth year on year.



Companies we identified with risk

2019 - 19,000 companies
2020 - 29,000 companies
2021 - 40,000 companies



Around **23,000** suspicious addresses exist in Companies House records



35,000

companies formed in 2011 in the UK had no UK based directors

In 2021, the number of UK companies with no UK based directors has grown to



70,000

a net increase of 100% in a decade

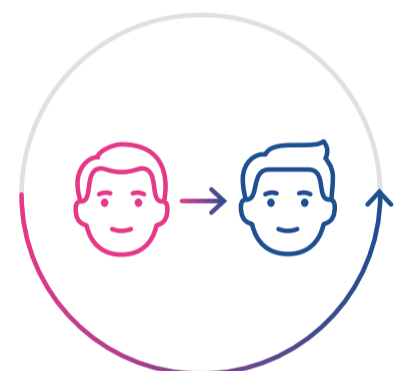
True Financial Crime Stories:



Mr X set up **29 UK companies** on the same day although did not reside in the UK



Mr X is also a director of **1,200 other businesses**



Mr X resigns as director and is replaced by **Mr Y** who holds nationality within a high-risk third country



Mr Y then changes his nationality to British



Current account turnover increases from **£1.6m to £45m**

Such a vast increase in revenue in-flows and out-flows, almost as soon as the director's nationality changed, could be questioned.

But would this situation be picked up by a bank's transaction monitoring, and would the context exist to cause grounds for suspicion?



800 of **Mr X's 1,200 companies** had Companies House as the registered address.



Those involved in criminal activity often **'borrow'** a residential address to link to their companies.



If a borrowed residential address is spotted by chance, the business address is updated to a Companies House Registered Office default address.



It was this that led us to spot potential criminal activity in this example.

Transaction data is often monitored in isolation, as are adverse markers. By bringing them together Experian can create context. Only now can we see the stark oddities; a business with in-flows and out-flows of £45m, with a £2.2 modelled turnover, where the director has changed nationality, is associated to EU defined high-risk country and where the business is born from a formation agent linked to 800 suspicious addresses. **Something doesn't quite add up.**

