Raising the Stakes: New Financial Crime Risks

BeyondFS

A curated summary to help you update your BWRA

In this document, we set out recent developments that raise the stakes for financial crime risk owners – explaining what's changed, why it matters, and the practical steps you can take now to keep your framework credible. Below, we've ordered them by priority – what you should be looking to address first in your next BWRA review.

This is not an exhaustive list of all risks, but a curated set of high-impact developments. Each section includes a summary of what's changed, and why it matters for your business-wide risk assessments. (BWRAs).

New and updated regulations

Development	Summary	Impact on BWRAs
UK 'Failure to Prevent Fraud' offence **(2025)**	New corporate offence: large firms liable for fraud by employees/agents unless reasonable prevention procedures in place.	Update fraud risk assessment, strengthen policies, training, and monitoring as a priority, as this offence comes into force from 1st Sept 2025.
UK National Risk Assessment **(2025)**	Latest government NRA on money laundering and terrorist financing, highlighting sectoral vulnerabilities. Fraud and cryptoassets come into specific focus as increasing threats, and sanctions evasion also features as a major government focus.	Use as contextual input to calibrate your BWRA focus areas. Ensure you put extra work into those areas highlighted as increasing risks by the NRA – but do not treat as a substitute for a firm-specific assessment.
UK/EU **Crypto Regulation (2023)**	UK Financial Services & Markets Act 2023 brought crypto under FCA rules (e.g. financial promotions, travel rule). EU's MiCA and AML Regulation have expanded AML/market abuse rules to crypto. In April 2025, HM Treasury published a draft Statutory Instrument (SI) and Policy Note on the forthcoming regulatory regime for cryptoassets. As a result, throughout 2025, the FCA have released discussion and consultation papers on cryptoassets regulation. Although the outcome of these is yet to published, ensuring you understand your exposure to crytpoassets is vitally important.	All institutions should have undertaken work to understand their exposure to cryptoassets transaction – even 'traditional' banking institutions who consider themselves "off-chain" from crypto may still have exposure to transactions with crypto-exchanges or tumbler facilities. Add crypto to risk assessment scope, ensure counterparties are registered/licensed, and update transaction monitoring.

Development	Summary	Impact on BWRAs
Reforms to the Money Laundering Regulations: PEP changes to MLRs (UK) (2023)	New FCA guidance followed new legislation, outlining a domestic PEP lower-risk starting point, requiring proportionate EDD, and focus on prominent officials only. Clarifies CDD/EDD triggers, high-risk country lists aligned to FATF, pooled account responsibilities. An HM Treasury consultation on digital ID and pooled client accounts guidance was run in early 2024, with a response published in July 2025 outlining the areas where HMT intends to make legislative changes.	Update EDD triggers, amend onboarding processes, retrain staff to reduce unnecessary friction for low-risk UK PEPs. Policy refresh, re-training, tech updates to embed new rules and lists.
FCA PEP Guidance (2025)	New PEP guidance clarifies that UK civil service non-executive board members aren't PEPs, adopts risk-based approach favouring lower risk for domestic PEPs, and offers flexibility in senior-management sign-off.	Firms should update BWRAs to reflect revised PEP scope, document lower risk weighting for domestic PEPs, embed proportionate EDD, and adjust governance to show flexible sign-off while evidencing risk-based rationale.
EU AML Single Rulebook & Authority (AMLR/AMLA) (2024)	New directly applicable AML Regulation and AMLA in Frankfurt harmonises existing rules. AMLA rules apply from July 2025, with direct supervision ramping later. AMLR rules apply from July 2027, including an expansion of obliged entities (e.g. CASPs, football clubs).	For firms with EU branch or network exposure, maintain preparation for full AMLA supervision.

Enforcement and sector signals

Case / Theme	Summary	Impact on BWRAs
Monzo – FCA fine (UK, 2025, £21.1m)	Systemic failings during rapid growth: weak onboarding/KYC, inadequate EDD, and high-risk customers onboarded despite restrictions.	Tighten KYC/EDD at scale; QA onboarding; ensure regulatory undertakings (e.g. VREQ) are actively monitored and enforced internally.
Metro Bank – FCA fine (UK, 2024, £16.7m)	Data lineage/monitoring failure: ~60m transactions (£51bn) missed by AML surveillance due to IT/data feed issues.	Build data controls around TM: reconciliations, break management, completeness/accuracy MI; fast-track fixes when issues are raised.
CB Payments / Coinbase UK – FCA fine (UK, 2024, £3.5m)	Breach of VREQ: serviced >13k high-risk customers while under AML restrictions; poor oversight.	Treat FCA restrictions as hard controls; strengthen onboarding triage for high-risk customers; 1LoD assurance on adherence to regulatory commitments.

Enforcement and sector signals continued

Case / Theme	Summary	Impact on BWRAs
Al Rayan – FCA fine (UK, 2023, £4m)	EDD/SoW gaps for high-risk/PEP clients; KYC review backlogs; weak AML audit and training.	Clear SoW/SoF standards; eliminate periodic review backlogs; reinstate independent AML audit and targeted training.
Guaranty Trust Bank UK – FCA fine (UK, 2023, £7.6m)	Repeat AML failings despite prior warnings; inadequate CDD/monitoring and slow remediation.	Stand up credible remediation with Board oversight and milestones; evidence sustainable fixes to avoid “repeat offender” risk.
Selected wider EU enforcement		
N26 – BaFin fine (DE, 2024, €9.2m)	Systemic delays in filing SARs/STRs; governance shortcomings in AML reporting processes.	Set SAR timeliness KPIs; resource investigations teams; implement aged-alerts governance and audit trail for reporting decisions.
Raiffeisen Bank Int’l – FMA fine (AT, 2024, €2.07m)	Correspondent banking EDD and ongoing monitoring deficiencies with higher-risk respondents.	Refresh correspondent due diligence (ownership, controls, products, geography); enhance payment screening and periodic reviews.
Klarna – FI sanction (SE, 2024, SEK 500m)	Material gaps in AML risk assessment for products/customers; control framework not commensurate with scale.	Re-baseline enterprise AML risk assessment; link risks to controls, metrics, testing; embed in product approval/change.
Revolut Bank UAB – BoL fine (LT, 2025, €3.5m)	Transaction monitoring/relationship surveillance shortcomings; inconsistent identification/escalation of unusual activity.	Re-tune TM models with back-testing; improve case quality standards and QA; enhance risk review triggers.

How you can gather and validate emerging risks

As well as reviewing our list here, we recommend you look even further ahead on the horizon.

For example, the creation of AMLA – the new European Anti-Money Laundering Authority. Although AMLA is only just being established, it will begin issuing guidance and setting expectations that may reshape how risk assessments are designed and tested. It's too early to know exactly how that will work, but MLROs should keep it firmly on the radar as future guidance and technology standards emerge.

The FCA recently said that regulated firms should go beyond what's in the National Risk Assessment – it's useful context, but not a substitute for a business-specific lens.

To do so:

- Blend external intelligence – FCA guidance, Wolfsberg guidance, FATF publications on typologies and frameworks, enforcement notices.

- Use structured checklists – e.g. governance, scope, identification, scoring, control mapping.

- Rate relevance and urgency – not all risks need immediate controls, but all should be recorded and justified.

- Engage risk owners – ensure each risk has a named owner and update cycle.

Need a fresh view?

BeyondFS offers a short, sharp diagnostic of your BWRA to identify gaps against regulatory expectations and industry best practice.

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