SAS® Customer Due Diligence

Protect against financial, regulatory and reputational risk

§sas
THE POWER TO KNOW®

Benefits

- Streamline due diligence investigations with efficient and easy-to-use case management.

- Maintain continuous, prompt attention with automated event tracking instead of periodic manual reviews.

- Manage attributes associated with risk rating with flexibility, speed and agility.

- Find what you're looking for with enhanced global searches – even on file attachments.

- Integrate with SAS Financial Crimes Suite to combine risk rating with monitoring and amortize your system investment.

Overview

To guard your institution against fraud, identity theft, terrorist financing and money laundering, governments have enacted regulations such as Know Your Customer (KYC) and Enhanced Due Diligence (EDD). Financial institutions now must also adhere to Bank Secrecy Act and USA Patriot Act regulations.

Failure to conduct customer due diligence results not only in noncompliance, but other adverse consequences such as large fines and harm to your firm's reputation – which may hamper mergers, acquisitions and expansion.

For these reasons, we offer SAS Customer Due Diligence to help you assess the risk of a customer relationship and establish an expectation about the customer's behavior by collecting data and performing a risk rating on each customer. Risk rating refines the monitoring of all your customers to identify deviations from their transactions or personal information updated within the organization. It also helps your institution meet compliance requirements.

The Solution

From the leader in analytics and enterprise fraud management solutions, SAS Customer Due Diligence allows financial institutions to rate new customers and update existing customer scoring based on key events that could affect the overall risk of the relationship. For example, if your customer has a primary address in England (value 250 points) and has a mailing address in England (150 points), the customer's total score is 400 (medium). If your customer's mailing address changes to Latvia (300 points), this will bring the total score to 550 (high). This address change is the event that triggers a score change.

SAS offers compliance officers, chief risk officers, money laundering officers and business users a comprehensive approach to customer due diligence – one that is always on so you can be as proactive on risk as possible.
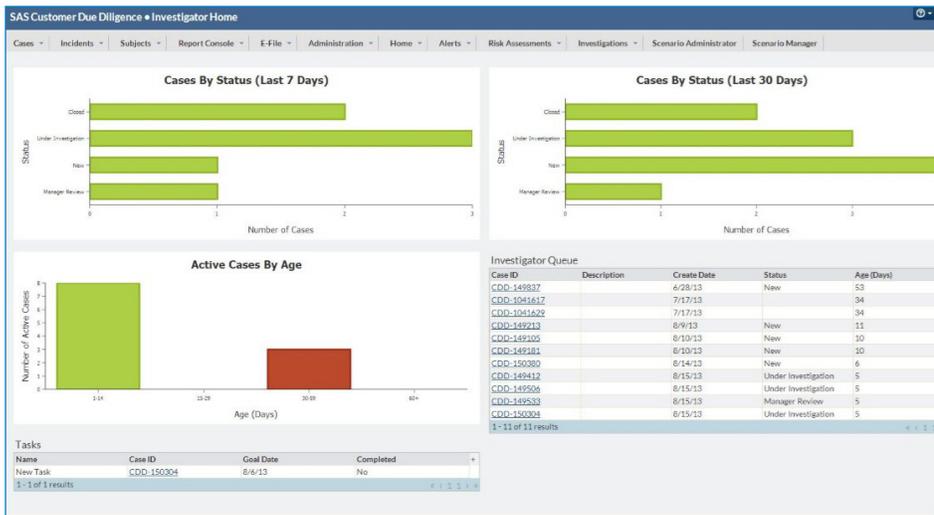
The SAS® Approach

In order to meet regulatory compliance requirements and protect your organization from fines and threats to reputation, SAS collects information throughout your departments, analyzes it all, and provides a risk score for personnel to review on a regular basis. If there is a change in customer attributes, an investigator or analyst is alerted about a potential risk to the institution based on the criteria set.

Many systems can use only a limited number of data elements to accurately score customer relationships. In order to build a better picture of customer interactions with your organization, SAS uses multiple data sources across departments and additional databases.

The solution provides a flexible workflow environment that ensures standard processes are adhered to in order to meet internal policy requirements, as well as compliance standards set by the relevant regulatory agency. With an expedient process to copy scenarios, organizations can more rapidly adjust for segmentation and threshold tuning. And you can visualize data with dashboards.

For triage, distribution and reporting, the investigative case management module is fully auditable and tracks all aspects of the investigation. And with an automated workflow, you gain greater control of case management for multiple workgroups.

The integrated nature of the SAS Financial Crimes Suite supports a phased approach to due diligence implementation to help you implement on budget, on time, and to reduce the cost of compliance. If you wish to consolidate your compliance processes onto a common platform, you can configure additional modules for transaction monitoring, model validation and tuning, and enterprise investigations management on the existing SAS Financial Crimes Suite. This approach provides a consistent platform for managing financial crimes risks.

SAS Customer Due Diligence dashboard.

See operational impact of changes in parameter settings and risk weightings immediately.

Capabilities

Continuous event-based risk rating of entities

How would you rather operate – with periodic manual reviews or automated events? SAS takes a risk-based, scalable approach so you can review events when they happen, instead of reviews over longer intervals of time. To save resources, most organizations review only high- to medium-risk entities periodically; however, SAS Customer Due Diligence performs continuous monitoring and will alert your organization to a rating change for any customer daily for review and disposition.
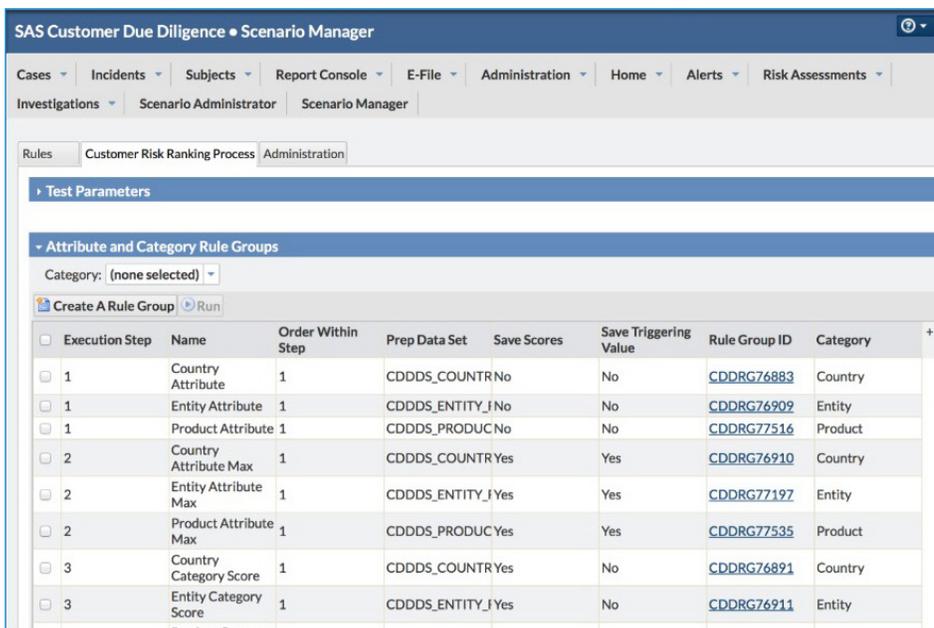
You can review customers nightly to determine if any changes to scored attributes warrant further review. Each attribute may include:

- Regulatory report filing completed.
- Results from negative news.
- Personal identifying information update or change.

Risk attribute management

Risk attribute scoring allows for flexible mapping and management of multiple data elements to more accurately identify and rank high-risk clients for immediate review. By managing risk attributes associated with risk ratings, you can:

- Increase the effectiveness and accuracy of generated work items.
- Reduce the resources wasted on false positives so that analysts can focus on high-risk events.
- See operational impact of changes in parameter settings and risk weightings immediately.

Our solution provides a SAR scoring attribute to instantly place your customers with filed regulatory reports into a high-risk group for enhanced monitoring.

Case management/investigation

SAS Customer Due Diligence provides an end-to-end solution that continuously monitors the entire customer relationship, provides a triaging queue to review and dispose of work items, and confirm client risk rating decisions. Scenarios can generate cases directly, or create alerts for triage and move them to cases as needed.

Investigators can easily manage cases and assess customer activity using several features that increase investigative efficiency, such as:

- Global search on fields and attachments where users can filter categorically, on date/time or numerically.

- An extensive case notes interface with filter and sort capabilities. Investigators can easily add and post notes, sort and add new categories as needed.
- Specific user views of data that are persisted throughout the user experience.
- The ability to manage risk attributes and weighting through an intuitive user interface.

Automated workflow

The SAS workflow ensures adherence to standard processes and automates review throughout the organization. The task list requires approval by individuals in order for the item to continue to move forward, while tracking any changes made through historical versioning for later examination.

Reporting

A visual analytics interface supports the management, investigation and reporting needs of analysts and investigators. The solution documents and retains all actions performed on alerts and cases for audit and regulatory review, and automatically identifies alerts that may be related to existing cases. Range-based or threshold-based alerts let people subscribe to reports and receive notices when a report changes. And SAS provides the added benefit of integration with SAS Office Analytics and SAS Add-In for Microsoft Office.

Interactive dashboards provide fast and deep access so that analysts and investigators can quickly respond to the most critical alerts and perform accurate and comprehensive investigations.

The SAS® Difference

- **More control in scoring**. The flexibility to use weighted scoring for each attribute, as well as weighted scoring at the larger category level, allows financial institutions greater control of scoring for customers. Users can generate work items or alerts on one or many attributes, and run them with collaboration of other scenarios (nested rules) to enrich the data for more accurate risk scoring.

- **Big data analytics**. SAS provides incomparable techniques to access and aggregate data across the organization while performing analysis. This provides you with the most accurate and valuable information for reducing risk and increasing transparency in your customer relationships.

- **Advanced analytics**. Customers have the option of using SAS logistic regression for analytically-driven risk rating.

- **SAS is named as a category leader** in the financial services sector by the "Chartis RiskTech Quadrant for Know Your Customer and Client On-Boarding Solutions," Chartis Research, April 4, 2016.

- **SAS is named as the highest category leader** in the financial services sector by the "Chartis RiskTech Quadrant for Enterprise Fraud Solutions," Chartis Research, March 31, 2016.

Integration with SAS® Financial Crimes Suite

Integration with other SAS Financial Crimes Suite solutions allows for broader insight into a customer's behavior and facilitates communication between departments within the organization. By managing due diligence through our integrated financial crimes suite, you gain not only budgetary relief through incremental implementation in a phased approach, but also an expanded view of stated risk as it compares to customer, product risk and personal identifying information. Superior analytics helps you determine in a continuous and automated fashion which clients are floating between low-to-medium and medium-to-high risk rankings for ongoing review.

Key Features

Event-based risk rating
- Event-based scoring in order to refine the risk of a customer relationship.
- Flexible category scoring for additional confidence in a correct risk rating.
- Individually weighted attributes to scale and articulate the risk to the organization.
- Flexible mapping of risk attributes to additional data sources.
- Ability to introduce new data elements and test on production data.

Case management
- Continuous monitoring and alert generation.
- Global search, fast search indexing, and search attachments (Microsoft Word and PowerPoint, PDF, etc.).
- Individual user views persist through user experience.
- Commenting/notes with sort and filter capabilities and edit/delete/read-only conditions.
- Flexible mapping to additional data sources.
- Create, copy and tune scenarios rapidly to adjust for segmentation and threshold tuning.

Automated workflow
- Automated routing.
- Action item task list.
- Historical versioning.
- Event notification.

Reporting
- Intuitive and interactive dashboards.
- Visual analytics interface.
- Automatic identification of alerts on existing cases.
- Users can subscribe to reports for notice on changes.
- Integration with SAS Office Analytics and SAS Add-In for Microsoft Office.

Integration
- Cross-system visibility.
- Phased implementation approach.
- Big data analytics.
- SAS® Financial Crimes Suite.

§sas
THE POWER TO KNOW®