



“Wherever we are unable to discover information about our new or prospective customers in the public domain, we inevitably turn to KYC.”

Wachovia’s requirements

Wachovia is a diversified financial services company that provides a broad range of retail banking and brokerage, asset and wealth management, and corporate and investment banking products and services.

Wachovia also offers a wide range of corporate and investment banking products and services to a range of corporate and institutional customers. As such, it has a statutory duty to comply with UK and European Union anti-money laundering legislation and carry out due diligence checks on all new and some potential customers.

What did LexisNexis offer?

The LexisNexis KYC application enables users to quickly check online high risk entities against global databases of news, company filings, biographies, international sanctions and Politically Exposed Persons (PEP) lists to assist with the verification of identity and reveal associated interests.

Additional functionality targets negative and derogatory news on the entity under review in an unparalleled archive stretching back 30 years and covering 12,000 sources.

It is within the organisation’s operations and at the point of customer interface, that KYC from LexisNexis has a vital role to play in helping Wachovia carry out due diligence and mitigate the risks it faces from unidentified third parties seeking a relationship with Wachovia.

How did Wachovia benefit?

A key role of the compliance and anti-money laundering team is to provide information for Wachovia’s relationship managers ahead of meetings with prospective customers, providing minimal disruption for potential customers but ensuring as much data and information as possible is uncovered.

“This is a very sensitive time as they are not our customers at this stage, and we endeavour to carry out pre-screening checks, using KYC, before the meeting takes place to give our relationship managers as much information and knowledge as possible,” said Martin Woods, UK Money Laundering Reporting Officer.

“Pre-screening is of great importance to us in the management of risk, and the protection of our staff and franchise,” he added.

One area where KYC can play a key due diligence role is in emerging markets, especially in India and China. “There is a compelling need for more data and information in these two areas especially, and as operators in those areas, banks require as much advance information as possible. KYC provides a valuable resource in these areas.”

Martin also went on to point out “KYC has revealed enlightening information about a party that sought to have a relationship with Wachovia that has caused us to rethink the proposal. Similarly it has been the source of information that enabled Wachovia to enter into relationships with a number of other parties.”