

Case Study: BOQ

Reducing risk and costs while keeping one step ahead of obligations in an evolving regulatory environment

The BOQ Story

As the global environment for fraud, money laundering and terrorist funding continues to evolve, BOQ is focused on exceeding its obligations under the AML/CTF Act whilst consolidating and optimising its customer on-boarding, monitoring and screening processes.

BOQ is one of Australia's leading regional banks, with over 250 branches across Australia. Since 1874 they have prided themselves on building long-term customer relationships based on mutual respect and understanding, offering a full range of personal banking services. BOQ loves to embrace technology, particularly in areas where it helps them to know their customers better.

The increased global focus on money laundering and terrorist funding in recent years resulted in BOQ looking for a flexible screening solution to not only meet, but exceed their obligations under the AML/CTF Act. They also identified an opportunity to consolidate their customer monitoring and screening activities in a single solution, in line with their internal drive to achieve process excellence.

GlobalScreening is an industry recognised solution which allows us to manage our customer monitoring obligations against multiple PEP and Sanctions lists, as well as our own internal undesirable customer lists.

Trent Northhausen
BOQ Business Analyst

Industry

Personal and Business Banking

CHALLENGES

- Ensuring that evolving AML/CTF obligations are being met and exceeded
- Consolidate customer monitoring and screening activities in a locally hosted and industry recognised solution
- Reducing the operational costs of compliance and risk management

SOLUTIONS

- GlobalScreening

RESULTS

- Met internal goals for process excellence
- Significant reduction in risk exposure
- Single solution to maintain multiple screening lists and workflow
- Finely tuned risk scorecard and false positive rules to reduce time spent manually clearing matches



GlobalScreening has significantly reduced our risk of missing updates to various lists, and allows us to increase the lists we subscribe to as the regulatory environment evolves.

Trent Northhausen
BOQ Business Analyst

GlobalScreening, an industry recognized screening solution powered by Equifax, has met BOQ's requirements and the results have been significant.

GlobalScreening manages multiple lists, both internal and external, and has allowed BOQ to automate their previously manual processes to reduce inherent risk. The fully featured online interface also offers case management capability to manage and streamline the end-to-end process, and tools to tailor risk weightings and write false positive reduction rules based on BOQ's risk appetite.

Process Excellence

Prior to GlobalScreening, BOQ was required to perform a manual upload of customer data and a manual download of sanctions lists. By automating this process GlobalScreening has been able to reduce the potential of human error and the associated risks. The extensive selection of lists available in GlobalScreening offers a high level of flexibility and sustainability in future proofing against the constantly changing regulatory environment.

Not only does GlobalScreening have pre-selected lists but its Private List Manager functionality also allows users to build and maintain their own internal screening lists. From a fraud perspective it's now possible for BOQ to identify potential customers who are listed on fraud broadcast bulletins within 24 hours and allows potential matches to be automatically risk weighted and routed to a centralised fraud department for investigation. This has significantly reduced exposure to doing business with risky customers.

Importantly, GlobalScreening allows BOQ to implement workflows and business rules for handling matches. By tweaking risk weightings and implementing false positive reduction rules, BOQ can reduce the number of matches that have to be physically reviewed by staff. Queue and workflow management allows matches to be flowed through to the business area or department the customer belongs to. The case management functionality also reduces the number of systems staff need to interact with, reducing training requirements.

Working With Equifax

Given its strong customer focus, one of the challenges BOQ were faced with when setting up a system was the need to ensure all customer data was maintained locally in Australia where strict data security requirements could best be met. BOQ's IT strategy also meant having a hosted SaaS (software as a service) solution. Other screening solutions BOQ had considered met their IT strategy goals, however, were hosted offshore.

Working with Equifax was like working with a partner rather than a solution provider.

Trent Northhausen
BOQ Business Analyst

About Equifax

Equifax powers the financial future of individuals and organizations around the world. Using the combined strength of unique trusted data, technology and innovative analytics, Equifax has grown from a consumer credit company into a leading provider of insights and knowledge that helps its customers make informed decisions. The company organizes, assimilates and analyzes data on more than 820 million consumers and more than 91 million businesses worldwide, and its database includes employee data contributed from more than 6,600 employers.

Headquartered in Atlanta, Ga., Equifax operates or has investments in 24 countries in North America, Central and South America, Europe and more recently in the Asia Pacific region, with the acquisition of Veda, a data analytics company and the leading provider of credit information and analysis in Australia and New Zealand. Combined the companies bring nearly 170 years of data and insights experience to the marketplace.

Equifax is a member of Standard & Poor's (S&P) 500® Index, and its common stock is traded on the New York Stock Exchange (NYSE) under the symbol EFX. Equifax employs approximately 9,400 employees worldwide.

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GlobalScreening, hosted in Sydney, was able to provide BOQ with a secure interface meeting their strict IT security requirements. Additionally Equifax was able to offer private list maintenance as part of the hosted solution allowing BOQ to achieve their consolidation goals.

During the pilot phase, Equifax was also able to offer the right level of technical assistance in tailoring the configuration to meet BOQ's requirements.

The Results

Since implementing GlobalScreening BOQ have:

- Reduced time spent manually clearing matches as a result of more accurate match results for further investigation through false positive reduction
- Removed requirement for manual intervention each day to run the process
- Received positive feedback from end users on the ease of use of the solution
- Successfully demonstrated to internal and external audit how rules are compiled and true matches managed

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