



# NCA

National Crime Agency

## **SARs Reporter Booklet**

December 2019

This is a UK Financial Intelligence Unit (UKFIU) product for reporters of Suspicious Activity Reports, produced in line with the National Crime Agency's commitment to share perspectives on the SARs regime.

# Overview

This document is produced by the United Kingdom Financial Intelligence Unit (UKFIU) which has national responsibility for receiving, analysing and disseminating financial intelligence submitted through the Suspicious Activity Reports (SARs) regime. The UKFIU sits within the National Crime Agency (NCA) and receives over 470,000 SARs a year.

This booklet contains a sanitised summary of feedback from law enforcement agencies (LEAs) on their use of SARs and includes pertinent information and updates from the UKFIU.

The contents of this booklet are aimed at:

- sharing perspectives on the use of SARs with participants of the regime
- sharing and encouraging best practice among reporters
- providing a feedback mechanism to the UKFIU about the operation of the regime.

More information about the UKFIU, the SARs regime and further guidance notes can be found at the NCA website [www.nationalcrimeagency.gov.uk](http://www.nationalcrimeagency.gov.uk).

Don't forget to also follow us on Twitter – NCA\_UKFIU

We would appreciate your feedback on the effectiveness and format of this document. Please email any comments to [ukfiufeedback@nca.gov.uk](mailto:ukfiufeedback@nca.gov.uk)

# Disclaimer

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# Foreword

Welcome to the latest edition of the UKFIU's Reporter Booklet aimed at all SAR submitters.

The aim of this publication is to provide a snapshot of some of the excellent examples we receive highlighting the work of law enforcement agencies in utilising SAR intelligence to initiate investigations and informing existing ones. While it is impossible for us to provide feedback on every single SAR that we receive (in the last financial year we received over 470,000), I hope that that this booklet – as well as other UKFIU products – go some way in indicating the value of SARs.

SARs are a critical intelligence resource for law enforcement – they provide information like phone numbers, addresses, company details, investment activity, bank accounts and details of other assets. They have been instrumental in identifying sex offenders, fraud victims, murder suspects, missing persons, people traffickers, fugitives and terrorist financing.

These Reporter Booklets focus predominantly on sanitised case studies. News relating to the UKFIU/SARs regime now feature instead in the UKFIU magazine, *SARs In Action*, available via the NCA website – [www.nationalcrimeagency.gov.uk](http://www.nationalcrimeagency.gov.uk) The most recent issue of the magazine was published in November 2019; the 2019 SARs Annual Report is also now available from the website.

Ian Mynot,  
Head of the UKFIU

## UKFIU assistance

For information or assistance with submitting SARs or SAR Online enquiries, please visit [www.nationalcrimeagency.gov.uk](http://www.nationalcrimeagency.gov.uk) or contact the UKFIU on 020 7238 8282:

Press '2' – General SAR enquiries  
Press '3' – SAR Online helpdesk

When contacting the UKFIU please have available your SAR reference number if applicable. If you wish to make a SAR by post you should address your SAR to UKFIU, PO Box 8000, London, SE11 5EN or by fax on 0207 283 8286. **NB:** post and fax are slower than SAR Online and therefore it will take longer for your SAR to be processed. You will not receive an acknowledgement if you use post or fax.

General UKFIU matters may be emailed to [ukfiusars@nca.gov.uk](mailto:ukfiusars@nca.gov.uk)

All defence against money laundering (DAML) request queries are only dealt with via email. Should you have any queries email [DAML@nca.gov.uk](mailto:DAML@nca.gov.uk)

# Case studies

A review of case studies provided by LEAs and other end users<sup>1</sup> of SARs demonstrates how they continue to be instrumental in instigating and supporting investigations to tackle a wide range of the highest priority threats identified by the National Strategic Assessment of Serious and Organised Crime (NSA).

## Money laundering

A SAR was submitted on a subject due to suspicions over their excessive wealth considering their age, profile and modest income. A money laundering investigation was instigated; it is believed the subject has been receiving large sums of money from third parties, and that the money is being loaned or gifted for the subject to purchase properties. Enquiries are ongoing.

## Drugs

A SAR was a key element in a proactive money laundering investigation. Intelligence of drug dealing led to bank accounts and assets being restrained, a term of imprisonment for the main subject and a significant confiscation order. The SAR referred to unusually high cash credits in the subject's account which were inconsistent with their employment.

A reporter was suspicious of funds in their customer's account being the proceeds of crime after media reports indicated that the subject had been convicted of drug offences. As a result of the SAR over £20,000 was restrained.

A SAR led to an account freezing order being obtained against the account of an individual after it had seen large cash deposits at multiple locations around the country with no explanation as to the source of the cash. The investigation concluded that the account was being used to launder money which was suspected to be recoverable property. This resulted in a subsequent successful forfeiture.

## Fraud

SAR intelligence suggested that an individual was the victim of a fraud. Law enforcement agency (LEA) investigations established that the victim had been deceased for some time and that suspicious transactions were made after the date of their death. Enquiries linked to usage of the bank account resulted in the offenders being identified who were arrested on suspicion of fraud offences. Enquiries are ongoing.

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<sup>1</sup> A current or potential user of SARs such as an LEA or relevant government body.

A Defence Against Money Laundering (DAML) SAR indicated a large amount of specific purchases by the same individual. Law enforcement research identified funds being transferred from a business unrelated to the subject. A number of individuals have been arrested and criminal property seized. The DAML SAR was instrumental in detecting this offence as the victims had no idea they had been defrauded. Enquiries are ongoing.

The UKFIU received a DAML request to release funds to an individual. UKFIU liaison with a local LEA identified that the individual was a principle subject in a fraud operation. The UKFIU exercised its powers under the Proceeds of Crime Act 2002 (POCA) to refuse the DAML request, enabling the LEA to secure a restraint for the amount.

The UKFIU received a DAML request to release funds to a customer. The UKFIU undertook checks and allocated the matter to a local LEA as a result of an ongoing interest into allegations of fraud and theft. The UKFIU exercised its powers under POCA to refuse the DAML request, enabling the LEA to secure a restraint for the amount.

A DAML SAR requested consent to pay away funds and close the account. An LEA was already investigating an investment scam; the DAML request was refused meaning that a large proportion of the funds were saved from being dissipated. Enquiries are ongoing.

A SAR reported on the suspicious nature of third party payments and excessive turnover of a business. Large deposits were seen which did not fall in line with the stated business. Funds were also being dissipated to a number of overseas jurisdictions. A forfeiture order was subsequently issued.

An account, open for only a few months, had received a large amount of payments. The subject had been previously investigated by law enforcement for his involvement in a multi-million pound fraud though there had been no subsequent charges. As a result of a SAR a proactive money laundering investigation has commenced and enquiries are ongoing.

## Vulnerable persons

While fulfilling anti-money laundering and terrorist financing obligations reporters sometimes identify those who are being exploited or who are potential victims of fraud. Common types of fraud encountered include investment fraud (and variations including pension liberation fraud),<sup>2</sup> romance fraud<sup>3</sup> and individuals unwittingly engaged in money mule activity. Relevant SARs are identified and fast-tracked by the UKFIU to police forces who will, in many cases, arrange visits by local officers – whilst maintaining the confidentiality aspect of SARs – to offer advice in order to prevent fraud or further losses.

The UKFIU fast-tracked a potential vulnerable person SAR to a local LEA after a reporter suspected that their elderly customer was the victim of a romance fraud. The customer had attempted to send a bank card overseas for someone else to use and there had been a number of payments leaving their account. Officers paid the individual a safeguarding visit and offered advice. The victim had lost in excess of £40,000.

The UKFIU fast-tracked a potential vulnerable person SAR to a local LEA after the reporter raised concerns that its elderly customer was suddenly sending multiple payments to a third party. Local officers visited the customer and it transpired he had been sending money to a sex worker for a number of years. The victim had taken out a loan and lost his savings as a result. Safeguarding advice was given.

The UKFIU fast-tracked a potential vulnerable person SAR to a local LEA. The reporter believed the account holder, who had learning difficulties, had been the victim of a scam. As a result of police intervention, the victim received their money back and restrictions have been placed on their account in an attempt to safeguard them from financial abuse in the future. Social Services have also been involved.

A SAR raised concerns about an elderly person sending funds via money transfer abroad. When questioned he said funds were for his girlfriend with whom he had a virtual relationship. The local LEA made contact with him and he was strongly advised this was a romance scam designed to extract money from him. He has indicated he will not be sending further funds.

## Other

LEA and partners worked together to close down a criminal operation being used to launder the proceeds of, as well as a vehicle for, trafficking people into the country. Information provided within a SAR gave details of individuals in the network and showed how the proceeds were being laundered. The investigation is ongoing.

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<sup>2</sup> Fraud where members of the public are encouraged to access their pension before retirement, following false representations of anticipated levels of returns when investments are either non-existent or incapable of providing such a return.

<sup>3</sup> Dating or romance scam, when the 'perfect partner', usually online, gains the victim's trust and asks for money.

## SAR glossary codes (as of November 2019)

| <b>Request for a defence under POCA/TACT (Terrorism Act)</b>               |   |
|--|---|
| XXS99XX  | Request for a defence under POCA  |
| XXGVTXX  | Request for a defence under POCA for £3,000 or less   |
| Tick 'Consent' and submit under TACT                                       | Request for a defence under TACT  |
| <b>Money laundering</b>  |   |
| XXPRFXX  | Relates to person(s) providing professional services or specialist knowledge that wittingly or unwittingly facilitates money laundering |
| XXTBMLXX   | Trade-based money laundering  |
| XXPROPXX   | Relates to purchases and rental of real estate property   |
| XXVAXX   | Virtual assets  |
| XXILTXX  | Illegal lotteries – operating or facilitating illegal lotteries   |
| <b>Predicate offences - economic crimes</b>                                |   |
| XXTEOSXX   | Tax evasion offshore  |
| XXTEUKXX   | Tax evasion UK-based  |
| XXF1XX   | Proceeds from benefit fraud   |
| XXF2XX   | Excise evasion (duty on alcohol, tobacco, fuel etc.)  |
| XXF3XX   | Corporate tax evasion (tax evasion by businesses, corporations)   |
| XXF4XX   | Personal tax evasion (tax evasion by individuals e.g. income tax)   |
| XXF5XX   | VAT fraud e.g. carousel – Missing Trader Intra-Community (MTIC) fraud   |
| XXF9XX   | Frauds against private sector   |
| XXD9XX   | Bribery and corruption  |
| <b>Politically Exposed Persons (PEPs)</b>                                  |   |
| XXD7XX   | International PEPs  |
| XXD8XX   | Domestic PEPs   |
| <b>Money laundering/terrorist financing relating to vulnerable persons</b> |   |
| XXV2XX   | Risk to vulnerable adults   |
| XXV3XX   | Risk to children – including sexual abuse and exploitation  |
| <b>Other predicate offences</b>  |   |
| XXFIREXX   | Firearms  |
| XXOICXX  | Organised immigration crime   |
| XXMSHTXX   | Modern slavery and human trafficking  |
| XXDRUXX  | Illegal supply of drugs   |
| <b>Projects/other</b>  |   |
| XXPCPXX  | Counter-proliferation   |
| XXVICTXX   | Where the purpose of the activity is to return money to a victim of crime   |