

## **1. Introduction**

**1.1** Changes to the legislation concerning money laundering (the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2003) have broadened the definition of money laundering and increased the range of activities caught by the statutory framework. It is no longer merely an issue for banks and the financial sector but now applies to all companies and institutions. These new obligations require companies to establish internal procedures to prevent the use of their services for money laundering.

## **2. Scope of the Policy**

**2.1** This policy applies to all employees. The policy sets out the procedures that must be followed to enable the company to comply with its legal obligations.

**2.2** Peak employees who need to be the most vigilant are those dealing with the receipt or outlay of funds whether in the form of cash, cheque or bank transfer.

## **3. Definition of money laundering**

**3.1** The legislation defines the offences relating to money laundering as: concealing, disguising, converting or removing criminal property from the UK, entering into an arrangement which the person knows or suspects or facilitates (by whatever means) the acquisition, retention, use or control of criminal property by or on behalf of another person. Acquiring, using or having possession of criminal property. Making a disclosure to a person which is likely to prejudice a money laundering investigation

**3.2** Money laundering regulations apply to cash transactions in excess of 10,000 euros. However the Proceeds of Crime Act applies to all transactions – cheques, cash, bank transfers, property and equipment to individuals or agents or third parties.

## **4. Risks to which Peak Collections may be exposed**

**4.1** To counter the risk of becoming accidentally involved in money laundering, the principal risks need to be identified, assessed and procedures put into place to mitigate the risks.

**4.2** It could be considered suspicious for a debt to be settled by an independent third party. All instances where this is attempted should be reviewed.

**4.3** Cash payments in excess of £500 should be referred to management before acceptance.

**4.4** Where possible, all arrears or settlement payments should be made by card or bank transfer. Cheques may occasionally be acceptable but must be referred to management for authorisation.

## **5. Customer identification – “know your customer”**

**5.1** It is important that controls are in place to identify the customer or other third party dealing with the company.

**5.2** For commercial debt, if the organisation is not known to the company, have sight of letter headed documents, check websites or request credit checks to verify the validity of the potential customer. Cheques drawn from an unusual source should always be investigated.

## **6. Controls to mitigate risk**

**6.1** Third party details should be checked for all transactions over £5000 as described above

**6.2** A third party should not be permitted to pay the arrears/balance of a customer who is not present at the time

**6.3** Refunds of payments made in respect of either consumer or commercial debt should only be made by the same method and to the same account as the original payment was made.

## **7. Procedure for instances when we have carried out “know your customer” checks and are still suspicious of a transaction**

**7.1** When you know or suspect that a money laundering activity is taking or has taken place you must disclose this immediately to your line manager. If, in consultation with your line manager suspicion is upheld, a disclosure report should be made to the Money Laundering Reporting Officer (MLRO). The MLRO nominated Peak Collections is the Managing Director Simon Shuttleworth, e-mail [simon.shuttleworth@peakcollections.com](mailto:simon.shuttleworth@peakcollections.com)

**7.2** The report should contain as much detail as possible including: full available details of the people, companies involved and all staff members who have dealt with the suspected transaction Reasons as to why you are suspicious Dates of the transactions, amounts involved and method of transfer of money and any other information that may help the MLRO judge the case for knowledge or suspicion of money laundering.

**7.3** Once you have reported your suspicions to the MLRO neither you nor your concurring line manager should make any further enquiries nor discuss your suspicions further unless instructed by the MLRO to avoid making a disclosure which may prejudice a money laundering investigation.

## **8. Duties of the Money Laundering Reporting Officer (MLRO)**

**8.1** The MLRO will consider the notification and any other available internal information considered relevant, such as.

- Reviewing any other transaction patterns and volumes;
- The number of (if any) other case instructions relating to the customer/business involved;
- The number of any one-off transactions and linked one-off transactions;

- Any identification evidence held;
- and undertake such other reasonable enquiries he/she thinks appropriate in order to ensure that all available information is taken into account in deciding whether a report to Serious Organised Crime Agency (SOCA) is required. The MLRO may also need to discuss the report with the employee.

**8.2** The MLRO should keep a copy of all reported suspicious transactions together with additional backup and reasons for final conclusions, whether reported to SOCA or not for a minimum of 2 years (5 year for all instances reported to SOCA).

## **9. Advice to Members of Staff in Identifying Money Laundering**

It is not possible to give a definitive list of ways to spot money laundering or how to decide whether to make a report to the MLRO. The following are types of risk factors which may be considered

- A secretive person or business eg that refuses to provide requested information without a reasonable explanation.
- Is the customer requesting a large cash transaction – especially where the cash is used notes or small denominations
- Attempted payment of any substantial sum in cash (over £5,000).
- Concerns about the honesty, integrity, identity or location of the people involved.
- Involvement of an unconnected third party without a logical reason or explanation.
- Overpayments for no apparent reason.
- Cancellation, reversal or requests for refunds of earlier transactions.
- Requests for payments or refunds after funds have been paid into the companies client account by a third party.

Any other facts which tend to suggest that something unusual is happening and give reasonable suspicion about the motives of individuals.

## **10. Conclusion**

Instances of suspected money laundering are likely to be rare given the nature of services provided by the company. However we must be aware of the legislative requirements, as failure to comply would have serious implications for both the company and individuals concerned. Please take prompt action referring to the guidance in this policy and if you have any suspicions please consult your line manager or the MLRO about your concerns.

All staff will be required to complete CPD accredited training in this subject and to successfully sit an examination.



## Anti-Money Laundering Policy

Issue No: 6  
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Confidentiality level: Public

### Acknowledgement:

I have read and understood the content of this policy.

I am aware of where to find it on the Integrated Management System to ensure I am updated with any amendments to it.

I agree to abide by the content of this policy at all times.

Signature:

Date: