



## CLC AML non-compliance case studies

The following case studies are anonymised examples of AML non-compliance that the CLC has found during its ongoing monitoring of CLC Practices.

The CLC is committed to tackling the fight against money laundering, particularly in the conveyancing sector, and will take action against any CLC Practice found not to be fully compliant with their AML obligations.

For advice on compliance with AML obligations, visit the [CLC's AML toolkit](#) where you will find the Legal Sector AML guidance, helpful articles, templates and links to relevant websites.

### Case study 1 – March 2019

Concern: The CLC completed a routine monitoring inspection visit of a CLC practice. The practice was considered non-compliant due to failing to have a practice-wide risk assessment and an up to date AML policy and procedure, a lack of staff training in respect of AML and the MLRO had not completed enhanced AML training.

CLC Action: The practice was given 14 days' written notice to correct the above actions, failing which disciplinary action would be taken.

Outcome: Within the notice period, the practice submitted a compliant AML policy and practice-wide risk assessment, certificates and records of AML training for the MLRO and for other relevant staff members.

### Case study 2 – March 2019

Concern: During an onsite inspection of a CLC Practice, it became apparent that they did not have an AML policy and was therefore considered non-compliant with the AML/CTF Code.

CLC Action: The practice was given 14 days' written notice to provide an adequate policy, failing which disciplinary action would be taken.

Outcome: The practice provided an AML policy within the notice period.

### Case study 3 – January 2019

Concern: The CLC was contacted by a CLC Practice as they had received a Production Order under s.345(1) of the Proceeds of Crime Act. CLC Code of Conduct Overriding Principle 4(f) requires CLC Practices to comply with any court order.

The practice was also asked to provide a copy of the file to the CLC for review.

The client was purchasing a property using a gift from several family members totalling more than £100,000. The practice obtained a gift letter from each donor and a copy the financial information demonstrating the transfer of funds to the client.

From a review of the file, it became apparent that the practice did not complete any ID or source of wealth checks on the gift donors.

CLC Action: To ensure that the practice complied with AML requirements and the AML/CTF Code, the CLC carried out an AML focused inspection.

Outcome: No immediate AML concerns were raised at the inspection.

#### **Case Study 4 – May 2018**

Concern: The client paid a large sum of money to the practice's client account. The practice completed CDD on the client which resulted in suspicions of money laundering.

CLC Practice Action: The practice submitted a DAML SAR to the NCA.

Outcome: The practice requested consent from the NCA to proceed but this request was refused. The NCA advised the practice to return the funds to the client. The practice complied with the NCA's request.

Advice: The NCA has published helpful guidance on [submitting better quality SARs](#).

Published April 2019