



Ashurst

# ACi Banking Investigators Forum

Ashurst was delighted to host the [ACi Banking Investigators Forum](#) on Thursday 5th October 2023. We were pleased to moderate insightful discussions between banking investigators who came together to drive key areas of focus for the industry.

At Ashurst, we're here to do more than keep pace; we are here to champion new ideas and to innovate; to deeply understand our clients' needs and to help them realise their ambitions; to go beyond the ordinary, and to find solutions which create a better future for our clients and our communities. At Ashurst, we call this Outpacing Change.

The agenda of the forum reflected that - with panel sessions on the impact of artificial intelligence ("AI") on banking investigations; shifts and trends in banking investigations; emerging risks for internal investigators; the impact of crypto-currency on the financial services market; the latest on investment scams; and significant new economic crime legislation.

# Key Takeaways

Evolving regulatory challenges and economic pressures experienced by banks fed into a number of the thematic issues identified across the discussion panels, with some of the key takeaways identified below:

- The Economic Crime Act includes a new corporate offence of failing to prevent fraud, which is likely to come into force in early 2024. Fraud is the most prevalent criminal offence in the UK, assisted by the increase in scams and social engineering post-2020 in particular, recent developments of which were covered in the investment scams and AI panel discussions respectively. As with the 2010 UK Bribery Act, the only defence to the strict corporate offence is ensuring reasonable prevention procedures are in place. The new offence is likely to exacerbate increased auditor scrutiny on finances and controls currently experienced at organisations.
- AI is creating new risks but also opportunities for banking investigators and financial crime prevention professionals. Deep fake frauds are increasingly common and generative AI increases the sophistication of scams and phishing attacks. However, using AI in relation to supervised machine-learning is proving an efficient and cost-effective alternative to traditional rules-based transaction monitoring, reducing false positives while increasing suspicious activity reporting. While most banks are exploring the use of AI, awareness and response to AI threats is limited and remains a key risk. Understanding your data and ensuring data quality is key to unlocking potential benefits.
- Threats from bank insiders, whether maliciously or inadvertently, is an increasingly critical issue. The cost of living crisis heightens both internal and external fraud risks. The prevalence of working from home reduces oversight of employees, with confidential data abuse and unauthorised use of devices - which has resulted in \$2bn in fines being levied against banks globally - on the rise. Opportunities to identify and report inappropriate or abnormal behaviour are reduced. Team isolation also increases the risk of social engineering, particularly as they become more sophisticated. Firms should continue to consider their risk exposure in light of the new model of working.

Thank you again to all delegates and should you wish to get in touch with Ashurst speakers, please find contact details below.

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