

## National Westminster Bank Plc pleads guilty to breaches of Regulations 8(1), 8(3) and 14(1) of the Money Laundering Regulations 2007

National Westminster Bank Plc (“NatWest”) has today pleaded guilty to three offences under regulation 45(1) of the Money Laundering Regulations 2007 (“MLR 2007”) for failure to comply with regulation 8(1) of the MLR 2007 between 7 November 2013 and 23 June 2016 and 8(3) and 14(1) of the MLR 2007 between 8 November 2012 and 23 June 2016 in relation to the accounts of a UK incorporated customer.

These regulations required the firm to determine and conduct risk sensitive ongoing monitoring of its customers for the purposes of preventing money laundering. The offences relate to operational weaknesses between 2012 and 2016 which meant that NatWest did not adequately monitor the accounts of that customer.

NatWest has cooperated fully with the FCA since its investigation began. The FCA has confirmed it will not take action against any individual current or former employee of NatWest. NatWest is not aware of, and is not anticipating, any other authority investigating its conduct in this matter.

The case has been remitted to the Crown Court for sentencing which will be determined at a subsequent hearing, expected to be in four to eight weeks’ time. A provision will be made in NatWest’s Q3 2021 financial accounts in anticipation of a potential fine being imposed at that hearing.

Financial crime continues to evolve, whether through fraud, scams, cyber-attacks or other criminal activity. NatWest continues to make significant, multi-year investments to strengthen and improve its overall financial crime control framework with prevention systems and capabilities. The bank has invested almost £700m in the last five years including upgrades to transaction monitoring systems, automated customer screening and new customer due diligence solutions.

NatWest currently has more than 5,000 staff in specialist financial crime roles, dedicated to detecting and preventing financial crime under the leadership and focus of a centralised bank-wide ‘FinCrime Hub’. As part of its ongoing programme of investment in its people, processes and technology, NatWest’s financial plans already include over £1bn to further strengthen financial crime controls over the next five years, including investment in new technologies and capabilities to further enhance Customer Due Diligence, Transaction Monitoring, Sanctions and Anti-Bribery and Corruption systems.

NatWest CEO, Alison Rose, said:

*“We deeply regret that NatWest failed to adequately monitor and therefore prevent money laundering by one of our customers between 2012 and 2016. NatWest has a vital part to play in detecting and preventing financial crime and we take extremely seriously our responsibility to prevent money laundering by third parties.*”

*“In the years since this case, we have invested significant resources and continue to enhance our efforts to effectively combat financial crime. We work tirelessly with colleagues, other banks, industry bodies, law enforcement, regulators, and governments to help find collaborative solutions to this shared challenge. These partnerships are crucial to counter the significant and evolving threat of financial crime to society.”*

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