

Verifying a Customer's Identity

It is crucial to be aware of how criminals may use your firm and the importance of verifying the customer's identity.

In the IFA/Mortgage field, the regulations impose more specific requirements relating to checking an individual's identity and establishing who the customer actually is.

You must verify the following core information:

- Full name
- Permanent address including postcode
- Occupation
- Date of birth
- Nationality



Obtaining Proof of Identity

You must verify the information that a customer provides by checking their identity. You can do this by obtaining the following original documents, for example:

- A full current passport
- An armed forces identity card
- National identity card (non UK resident)
- Current UK photo-card driving licence
- HM Revenue Customer tax notification



Obtaining Proof of Address

You must verify the current permanent address given by the customer. You can do this by obtaining one of the following original documents, for example.

- Recent utility bill (Gas, Electric, Water)
- Current local authority council tax bill
- Bank or building society or credit union passbook with current address
- Local council rent card or tenancy agreement.



Mandatory Obligation to Report

UK Criminal law imposes a mandatory obligation on all staff within the regulated financial sector to report, as soon as is practicable, where they have knowledge or suspicion of money laundering or where there are reasonable grounds to know or suspect that this is the case.



Nominated Person

Each firm should formally appoint a "Nominated Person" (with a deputy). You should report any suspicions directly to your firm's Nominated Person.

Once you have reported your suspicion to the nominated person or deputy, you will have fulfilled your duty under the Money Laundering Regulations and Proceeds of Crime Act.



Money Laundering Offences

Offences under the Money Laundering regulations can attract unlimited fines and the following terms of imprisonment:

- Up to 14 years for the principal money laundering offences
- Up to 5 years for the failure to report an offence and the tipping off offences
- Up to 2 years for contravening the systems requirements of the Regulations.