



Home Office

ECONOMIC CRIME QUARTERLY

August 2025



Introduction

Welcome to the Economic Crime Quarterly, covering updates from Q2.

Spotlight

We are pleased to announce the UK's fourth National Risk Assessment (NRA) of Money Laundering and Terrorist Financing was published on 17 July, a detailed overview can be found on page 2 and 3. There has been positive progress on SARs. Following successful testing, it has been announced all officers in the UKFIU now have access to the new SARs Digital Service.

Home Office colleagues recently returned from the latest Anti-Corruption Working Group (ACWG) meeting in Brasilia, which you can read more about on page 6. UK Finance also published their Annual Fraud Report, insights and key stats can be found on page 8.

We have now delivered a total of 97 of the 146 ECP2 milestones (85 complete and 12 complete as ongoing BAU) with a further 21 in progress.

Newsletter Highlights

- PUBLISHED: 2025 National Risk Assessment of Money Laundering and Terrorist Financing
- New milestone for SARs Digital Service
- Economic Crime Areas of Research Interest published
- Economic Crime Experts Directory launched
- Defence Against Money Laundering Statutory Instrument
- G20 Anti-Corruption Working Group: Brasilia, June 2025
- The Law Society hosts roundtable on the Economic Crime Corporate Transparency Act 2023
- UK Finance releases Annual Fraud Report

If you wish to discuss this newsletter in more detail or contribute to the next issue, please contact us at HOECSET@homeoffice.gov.uk.

Please do feel free to share this newsletter across your network.

PUBLISHED: 2025 National Risk Assessment of Money Laundering and Terrorist Financing

The UK's fourth National Risk Assessment (NRA) of Money Laundering and Terrorist Financing was published on the 17 July 2025. The NRA is a key part of our risk based approach to tackling money laundering and terrorist financing (ML/TF), pooling together the collective knowledge from across the Anti Money -Laundering (AML) /CTF landscape.

The NRA finds the UK continues to be exposed to a high level of money laundering risk. However, since the publication of the last NRA in 2020, the wider context has shifted due to increasing global insecurity, technological developments and shifts in predicate offending which have altered the risk landscape and the methods used by criminals.

The increasing role of new technology offers opportunities to improve the detection and prevention of money laundering. However, new technologies and associated services can also be exploited for money laundering and terrorist financing. Increased use of cryptoassets and electronic money institutions and payment service providers (EMIs and PSPs) in the licit economy are reflected in criminal use.

There is also growing convergence between money laundering, kleptocracy, and sanctions evasion. Sanctioned entities and individuals have sought to obscure links to their funds by exploiting established money laundering networks, which is evident in both OFSI and law enforcement work. Risks associated with cash-based money laundering in the UK remain high, including cash smuggling, the use of money mules and the exploitation of legitimate channels (including Post Offices) for inserting criminal proceeds into the banking system.

We will be carrying out outreach to relevant sectors and businesses to communicate the NRA's findings over the coming months and work to address the NRA's findings and further strengthen our response is ongoing.

REGULATED SECTOR RISK SCORES

Each regulated sector is given a **high**, **medium** or **low** risk score for ML and TF.

- This is based on an assessment of the fundamental vulnerabilities in the sector (the characteristics of the services provided that might make them appealing to criminals), our assessment of the scale and likelihood of offending and the effectiveness of the response by law enforcement, supervisors and the private sector.
- Both EMIs and PSPs and Cryptoasset service providers moved from medium to high risk ratings for ML due to their increased use and complexity, with EMIs and PSPs also rising to high risk for TF.
- Wealth management and TCSPs also rose from low to medium risk for terrorist financing, reflecting a better understanding of how the sectors can be used for TF, particularly internationally.
- Art market participants moved from high to medium risk for ML, reflecting improvements in the response since their original addition to the regulations in 2020.

SECTOR	ML Risk Rating	Change Since 2020	TF Risk Rating	Change Since 2020
RETAIL BANKING	High	No Change	High	No Change
WHOLESALE BANKING AND MARKETS	High	No Change	Low	No Change
WEALTH MANAGEMENT	High	No Change	Medium	Increase
INSURANCE	Low	New	Low	New
EMI/PSPs	High	Increase	High	Increase
CASPS	High	Increase	Medium	No Change
MSBS	High	No Change	High	No Change
HVD	Medium	No Change	Low	No Change
ART MARKET PARTICIPANTS	Medium	Decrease	Low	No change
CASINOS	Medium	Increase	Low	No Change
NPOS	Low	No Change	Low	No Change
LEGAL SERVICE PROVIDERS	High	No Change	Low	No Change
ACCOUNTANCY SERVICES	High	No Change	Low	No Change
TCSPS	High	No Change	Medium	Increase
ESTATE AGENCY BUSINESSES	Medium	No Change	Low	No Change
LETTING AGENCY BUSINESSES	Low	Decrease	Low	No Change

UNREGULATED SECTOR RISKS

The NRA also identifies risks that are not currently regulated. This includes both areas that are linked to existing regulated sector and broader, cross cutting areas of concern.

- The first group covers crowdfunding platforms, property developers, retail betting and online gambling, letting agents below the current threshold, antiques, antiquities, digital art and jewellery and shifts away from cash amongst high value dealers.

For cross cutting risks the NRA identifies:

- **Artificial intelligence:** AI could enhance criminal capabilities in areas such as money muling, identity theft, and account creation but can also improve our defences.
- **Schools and universities:** insufficient due diligence means schools and universities are at risk of accepting the proceeds of crime in payment of fees. Students are also at risk of being recruited, either complicitly or ignorantly as money mules.
- **Football clubs and agents:** football clubs and agents can be used to both generate and launder criminal funds. Illegal betting, match fixing and bribery can all generate criminal proceeds whilst club investment, loans, sponsorships, the transfer market, and falsification of sales and services can all provide a route to launder illicit money.

New milestone for SARs Digital Service

All officers in the UKFIU now have access to the new SARs Digital Service (SDS). This follows a successful testing stage with a pilot group of users who provided valuable feedback.

Although the application initially has limited, yet useful search and view functionality, the early onboarding of UKFIU staff means users can influence future development – ensuring the service meets their needs. More features will be added to the application over the coming months, until the SDS supersedes legacy platforms.

The system will ultimately offer an end-to-end service – from the regulated sectors that submit suspicious activity reports, to agencies that exploit the intelligence to protect the UK from money laundering and terrorist financing.

A comprehensive IT Health Check will be carried out over the summer, after which partner agencies across law enforcement and government can also be onboarded. Select users from those organisations will be invited into a testing group early autumn, with wider access for all users to follow.

“This is a significant milestone for the programme. Whilst functionality is currently in the preliminary stages, we are now in a position to move forward with users at the centre of our activity”.

Within a week of onboarding UKFIU staff, we deployed enhancements and will continue to do this over the coming months as we prepare to onboard partners.”

Martin Sidaway, Programme Director

Economic Crime Areas of Research Interest published

Following on from the NECC and Home Office Economic Crime academic conference hosted by RUSI in autumn last year, the NECC has published the Areas of Research Interest (ARIs). A link to the report can be found [here](#). The ARIs have also been uploaded to the [ari.org.uk](#)

The ARIs set out the key evidence gaps on economic crime to help inform academia and external research partners of the NECC and HO priorities when considering research topics in this area. They do not represent all possible evidence gaps and research questions in relation to economic crime, but set out those areas felt to be a priority for further research, and where external research can have the most impact for future policy and operational decision making. The ARIs for money laundering also align with the findings and intelligence gaps identified in the [2025 National Risk Assessment of Money Laundering and Terrorist Financing](#) – particularly on the vulnerabilities and offenders involved in money laundering.

If you are currently working on any research proposals that align with the themes in this publication or would like to discuss these questions further, please contact:

- NECC-IF-Research@nca.gov.uk
- EconomicCrimeResearch@homeoffice.gov.uk

Economic Crime Experts Directory launched

Dr Diana Johnson and Dr Sam Mapston from the University of West England Bristol have launched the Economic Crime Expert Directory.

AIM



This Directory is intended to facilitate the connection of academics who publish research about economic or financial crime with stakeholders including Government departments, law enforcement agencies and civil society organisations, in order to inform their research and to disseminate it. You can access the Directory [here](#).

If you have any queries about this Directory, or if you would like to be added to it as an expert or a stakeholder please contact the Directory designers:

- [Dr Diana Johnson](#), Senior Lecturer, UWE Bristol
- [Dr Sam Mapston](#), Senior Lecturer, UWE Bristol

Defence Against Money Laundering Statutory Instrument

On 31 July, [The Proceeds of Crime \(Money Laundering\) \(Threshold Amount\) \(Amendment\) Order 2025](#) came into force.

This will raise the threshold amount for two exemptions which apply to certain money laundering offences under the Proceeds of Crime Act 2002, from £1,000 to £3,000.

The thresholds are the level below which businesses can be exempted from committing an offence when they are either operating an account or returning money for the purposes of terminating the business relationship with a customer, where criminal activity is suspected. The threshold for acts in operation of an account apply to deposit-taking bodies (banks, building societies) and electronic money and payment institutions and the threshold for exiting and paying away applies to the whole AML regulated sector.

This is part of the Government's efforts to support the public and private sector in maximising our collective response against the threat, by reducing the volume of low value DAMLs and enabling resource to be redirected across the system to be focussed on higher value activity.

Guidance on reporting obligations has been updated and can be accessed directly here: [Guidance on the exemptions from the money laundering obligations and money laundering reporting obligations in the Proceeds of Crime Act 2002 - GOV.UK](#)

G20 Anti-Corruption Working Group: Brasilia, June 2025

Since 2010 the G20 has convened an Anti-Corruption Working Group (ACWG) reporting to G20 Leaders on Anti-Corruption themes that have impacted the economic and business environment.

Themes:

- Public and private sector integrity and transparency
- Bribery
- International cooperation
- Asset recovery
- Beneficial ownership transparency
- Capacity-building
- Vulnerable sectors such as energy and wildlife

The UK delegation to the ACWG is led by the Joint Anti-Corruption Unit (JACU) who recently returned from the latest ACWG meeting in Brasilia.

The current G20 Presidency is held by South Africa, and co-chaired by Brazil. This years discussions and outputs focused on developing High Level Principles on management OF seized and Confiscated Assets linked to Corruption, Country Accountability reports on Whistleblower protections, and Compendiums of Good Practice on the role of Multi-stakeholders in tackling Corruption.

The group will publish this years reports after its final meeting in late October.

JACU are happy to discuss topics you think the ACWG should be championing, please contact [Jennifer McGilvray](#) to discuss further.

Outputs:

- Action plans
- High level principles
- Accountability reports
- A range of good practice guides all of which are published for wider use



The ACWG also receives formal insights on bribery and corruption concerns from the B20, made up from business representatives from the G20 countries, selected invited countries, and international organisations to discuss economic and business issues.

JACU would strongly encourage any readers to speak with your B20 representatives to champion the issues where you think the G20 can best focus its efforts on either on this years topics or ones for future years.

The Law Society hosts roundtable on the Economic Crime Corporate Transparency Act 2023

The Law Society of England and Wales recently hosted a roundtable on 5 June on the Economic Crime and Corporate Transparency Act 2023 (ECCTA) and the new failure to prevent fraud offence which comes into force on 1 September 2025. The new offence is intended to hold large organisations to account if they or their clients benefit from certain fraudulent activities perpetrated by employees and other associated people.

The roundtable provided valuable insight from our members, collectively exploring the implications of this significant legislative development. The session covered what organisations have done, or may wish to do, in preparation for the new offence; in particular with regard to billing practices, time recording and expense policies. It also touched on the role of anti-fraud champions within organisations, training covering actions that could trigger corporate criminal liability and updating of terms and conditions.

While the Home Office has published [comprehensive guidance](#) on the failure to prevent fraud offence, there remains considerable variation in understanding who is captured by the new provisions and how prepared legal practitioners are. The new offence creates strict liability for firms which means that even if senior management were unaware of the fraud, the firm can be held liable. This means that the defence of 'reasonable procedures' to prevent fraud is critical, which in turn raises questions over how organisations should respond practically. There are also concerns as to whether the new offence will be actively enforced. It is hoped that this will be the case and result in an increased number of investigations and prosecutions, driving a cultural change in anti-fraud awareness across organisations in the UK.

While solicitors are already subject to strict ethical standards and have some relevant controls in place, firms will need to assess their exposure and consider whether enhancements are needed to their fraud prevention frameworks. We encourage them to undertake and record appropriate risk assessments focused on fraud-related threats across departments and third-party relationships. Organisations should review their internal controls, whistleblowing policies, training and incident response mechanisms. They may also need to make corporate governance adjustments to ensure senior management oversight.

We look forward to engaging with the Solicitors Regulation Authority (SRA) and the Home Office to obtain a greater understanding of the expectations around the new offence. We will continue to support our members by updating resources and holding training sessions to raise awareness and understanding of how to prevent and detect economic crime. We will host a further roundtable on this topic at the upcoming Law Society Economic Crime Conference on 23 September 2025.

Ian Jeffery
Chief Executive Officer, Law Society of England and Wales

UK Finance releases Annual Fraud Report

UK Finance has released its latest annual fraud report, detailing the amount its members reported as stolen through payment fraud in 2024. You can read the report in full [here](#).

- Criminals stole **£1.17 billion** through unauthorised and authorised fraud in 2024, broadly unchanged from 2023.
- Banks prevented **£1.45 billion** of unauthorised fraud through advanced security systems.
- **70%** of authorised push payment (APP) fraud cases started online and **16%** started through telecommunications networks.
- The financial services sector remains at the forefront of efforts to protect customers, including partnering with other sectors, government and law enforcement to prevent and disrupt this criminal activity and bring perpetrators to justice

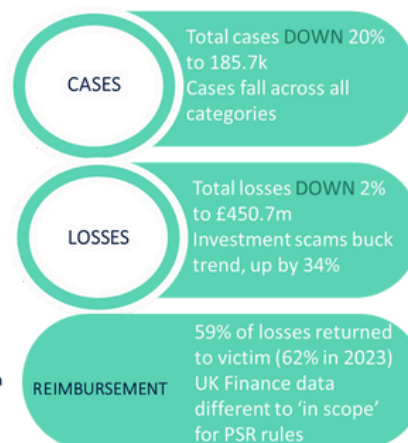
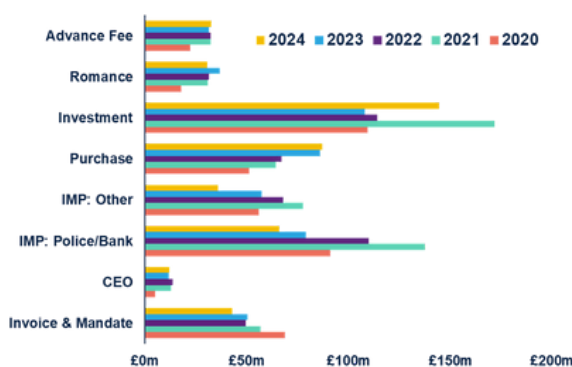


Fraud continues to blight this country, with over £1 billion stolen by criminals in 2024. This causes severe harm to individuals, society and our economy as the stolen money goes to serious organised crime groups, both here and abroad. The financial services industry works tirelessly to protect customers and prevent billions more being stolen by fraudsters, but we know that criminals are always looking for new ways to exploit victims. To deal with this threat, we need a more proactive approach with the public and private sectors working more closely together and using data and intelligence more effectively.

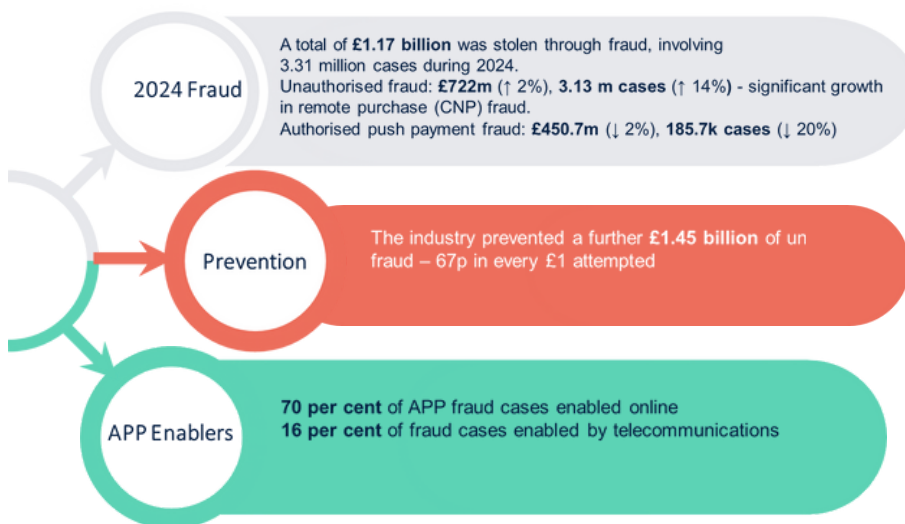
We also need the technology and telecommunication sectors to step up and actually fight the fraud originating on their platforms and networks.

Ben Donaldson, Managing Director of Economic Crime at UK Finance

AUTHORISED LOSSES



FRAUD DATA OVERVIEW



UK Finance also published their paper on Proliferation Finance in March, which summarises the current regulatory framework for proliferation financing, and subsequent approach to risk management for the financial sector. You can read it [here](#).