

The FinTech Compliance Playbook.

Compliance done right. **Growth done faster.**

How FinTechs turn sanctions, PEP and adverse-media screening from a regulatory obligation into a growth advantage.

CONTENTS

Nine Chapters, One Operating Model for FinTech Compliance

1	Why Compliance Defines FinTech Success	3
2	The FinTech Compliance Landscape	4
3	The Three Pillars of FinTech Compliance	5
4	When FinTechs Get It Wrong: Real-World Lessons	6
5	How Compliance Drives Growth	8
6	The FinTech Compliance Roadmap	9
7	Automation in Action: The Future of Compliance Efficiency	10
8	Compliance Culture and Leadership	12
9	Why FinTechs Choose sanctions.io	13
	Conclusion: Turn Compliance into Your Competitive Edge	14
	Sources	15

SECTION 1

Why Compliance Defines FinTech Success

The FinTech sector is built on speed: onboarding customers in minutes, launching products in weeks and scaling across borders. Yet that speed brings a new kind of risk: **regulatory scrutiny that moves just as fast.**

Compliance is no longer a legal checkbox. It is a strategic business function that can either accelerate growth or bring it to a halt.

Regulators around the world, including the FCA in the UK, BaFin in Germany and FinCEN in the US, now expect FinTechs to embed compliance into their core technology stack: from customer onboarding to transaction monitoring and audit-ready record-keeping. Falling short risks fines, lost investment, reputational damage and even prosecution.

Regulations vary across jurisdictions and change regularly. Manual screening and legacy systems are no longer sufficient for increasingly stringent requirements.

Technology, however, also moves fast. Automation, AI-powered contextual awareness and integrated workflows mean compliance can now operate more efficiently than ever before.

THE PREMISE OF THIS PLAYBOOK

Compliance and growth are not opposites. For FinTechs, they are interdependent, and the firms that treat compliance as infrastructure, not overhead, scale faster.

SECTION 2

The FinTech Compliance Landscape

The regulatory environment has never been more complex. FinTechs must screen against global regimes such as OFAC, the EU, the UN and OFSI, while staying compliant with local regulation.

GLOBAL PRESSURES

Sanctions volatility	Over 20,000 new restrictions were introduced globally between 2022 and 2024 following geopolitical crises. ¹
AML/CTF evolution	Regulators demand continuous screening and transaction monitoring, not just at onboarding.
Cross-border compliance	A payment from Berlin to Nairobi may trigger checks across five sanctions jurisdictions.

FINTECH CHALLENGES

1 Fragmented customer data across multiple systems	2 Manual review queues delaying onboarding
3 Resource-strained compliance teams	4 Maintaining audit trails for every decision
5 Constantly evolving sanctions lists and regulations	

SECTION 3

The Three Pillars of FinTech Compliance

Every effective compliance framework rests on three pillars. **Automated,** they save tremendous time and resources.

1

Sanctions screening

FinTechs must screen customers and transactions against global sanctions lists from OFAC, the EU, the UN and OFSI.

Legacy tools often trigger excessive false positives, in some cases up to 90%.²

2

PEP screening

Politically exposed persons require enhanced due diligence.

Missing a PEP connection can cause regulatory breaches, as several challenger banks discovered when they failed to detect PEP relationships within their user base.

3

Adverse media

Monitoring news and online sources helps detect reputational risk early, before it becomes regulatory risk.

THE MODERN APPROACH

AI-driven matching and NLP-based name recognition cut false positives through advanced name-matching, so analysts spend their time on genuine risk, not noise.

SECTION 4

When FinTechs Get It Wrong: Real-World Lessons

Even the most innovative FinTechs stumble when compliance fails to keep pace with growth.

Revolut Lithuania · 2025 · AML controls

In April 2025 the Bank of Lithuania, the regulator for Revolut's EU banking arm, imposed a €3.5 million fine, its largest ever, after a scheduled inspection found deficiencies in monitoring business relationships and transactions.³ No money laundering was found; the issue was not intent but scaling faster than compliance infrastructure.

RESULT

A remediation plan agreed with the regulator, reputational cost, and renewed focus on automation and governance.

LESSON

Monitoring capability must grow in step with customer volume; a routine inspection is enough to expose the gap.

N26 Germany · 2021–2024 · Suspicious-activity reporting

In September 2021 BaFin fined N26 €4.25 million for weak money-laundering controls and capped new customer growth at 50,000 a month. In May 2024 a second fine of €9.2 million followed, for systematically late reports throughout 2022.⁴

RESULT

Nearly three years of capped growth. N26 overhauled its AML framework, invested over €80 million in monitoring technology and staff, and the cap was lifted on 1 June 2024.

LESSON

Regulators can, and will, throttle growth directly. Timely reporting is a business-continuity issue, not paperwork.

Wirecard Germany · 2020 · Governance

Once Germany's FinTech pride, Wirecard collapsed after years of weak oversight, a demonstration of what happens when compliance is treated as a checkbox instead of a culture.

RESULT

Insolvency, criminal charges against senior executives, and widespread reform of German financial supervision.

LESSON

Controls without culture fail. Governance has to be independent, resourced and taken seriously at board level.

THE COMMON THREAD

In each case the failure was not a lack of rules but a lack of infrastructure: monitoring, reporting and governance that could not keep pace with growth.

The FinTechs that avoid these outcomes build compliance into the product and the data flow from day one, and automate what humans cannot scale.

SECTION 5

How Compliance Drives Growth

Compliance and growth are not opposites. **They are interdependent.**

1

Trust as currency

Every FinTech sells trust. When onboarding is efficient and secure, customers stay longer and spend more. Delays and friction create poor first impressions and erode trust.

2

Faster onboarding

Real-time automated sanctions checks remove manual delays. Firms using automation report up to 70% fewer false positives⁵ and faster onboarding times.

3

Investor confidence

VCs and institutional investors now assess compliance maturity during due diligence. Transparent, auditable systems prove it.

4

Global expansion

Dynamic, global list coverage enables frictionless entry into new markets where local regulators demand stringent controls.

CASE STUDY · DATA.WORLD

How data.world partnered with sanctions.io to strengthen its compliance program and automate sanctions screening.

[Read the case study →](#)

SECTION 6

The FinTech Compliance Roadmap

A structured roadmap moves FinTechs from reactive to proactive compliance, **and to sustainable growth**.

PHASE 1

Assess

Identify regulatory exposure, existing systems and data flows. Map every customer touchpoint where screening is required: onboarding, transactions and periodic reviews.

PHASE 2

Build

Define risk appetite and screening policies. Determine which lists to monitor and design escalation workflows.

PHASE 3

Integrate

Connect compliance to core systems. With the sanctions.io API, FinTechs embed real-time screening directly into their own platforms or CRMs such as HubSpot and Salesforce.

PHASE 4

Train

Equip staff with scenario-based training and appoint clear decision-makers who promote a culture of compliance.

PHASE 5

Audit & optimize

Review outcomes quarterly, track false-positive rates and document every decision for regulator readiness.

The result is a **proactive, data-driven compliance engine** that supports operational scale and regulatory readiness at the same time.

SECTION 7

Automation in Action: The Future of Compliance Efficiency

Automation is redefining how FinTechs manage compliance. It is no longer an optional process but **an integrated part of the customer journey** and of scalable growth.

Smarter screening through AI

Artificial intelligence now powers intelligent name matching, contextual risk analysis and language recognition, helping compliance teams focus on true risk rather than repetitive review. Machine learning continuously refines matching accuracy by learning from false positives, reducing operational drag and improving audit outcomes.

Continuous monitoring and instant alerts

Automated systems rescreen entire customer databases periodically. Real-time alerts replace static reviews, giving compliance teams a live view of risk exposure and immediate visibility of regulatory change.

Scalability without complexity

For fast-growing FinTechs, automation means scaling compliance in lockstep with customer acquisition. A single API integration can screen millions of records, monitor global watchlists and log every decision automatically, ensuring consistency, transparency and readiness for regulatory review.

Why it matters

Automation is not about replacing people; it is about amplifying capability. By embedding AI-driven compliance into the tech stack, FinTechs move from reactive reporting to proactive risk management, achieving faster onboarding, lower costs and stronger regulatory confidence.

— IN NUMBERS

The Cost of Manual Compliance and the Automation Dividend

95%

Traditional AML systems generate up to 95% false positives.⁶ Nearly every alert needs review, yet most yield no actionable risk, wasting resources and delaying onboarding.

–70%

AI-based screening tools reduce false positives by up to 70%⁷ while improving detection of genuinely suspicious activity.

\$232K

False-positive investigations cost compliance teams about \$232,457 and 308 hours every year.⁸

2–4×

AI-powered AML solutions deliver two to four times more confirmed detections of suspicious activity,⁹ while cutting false positives by 60% in real-world deployments.

Every hour reclaimed from false positives is an hour spent on **real risk**, **real customers** and **real growth**.

SECTION 8

Compliance Culture and Leadership

Technology alone is not enough. Compliance success requires leadership commitment and **a culture that values integrity as much as growth.**

1 Tone from the top

Executives must treat compliance as a strategic priority: reviewed in board meetings, linked to KPIs and framed as a growth enabler.

2 Cross-department collaboration

Marketing, sales and product teams should understand how their actions affect risk exposure. Embedding sanctions.io screening into CRM workflows encourages ownership across functions.

3 Continuous learning

Regular training and industry updates keep teams alert to emerging threats such as crypto-laundering and synthetic-identity fraud.

Culture turns compliance from a requirement into **a shared value**, consistent and resilient across every process.

SECTION 9

Why FinTechs Choose sanctions.io

sanctions.io delivers everything modern FinTechs need to **stay compliant and stay ahead.**

400+

CUSTOMERS

60 min

UPDATE FREQUENCY

200k

ADVERSE MEDIA SOURCES

- **Comprehensive global coverage** of major sanctions, PEP and watchlist sources, over 200,000 adverse media sources and a 60-minute update cycle for the most current data, trusted by 400+ customers.
- **API integration** for any system, including native integrations for screening in BigID, HubSpot and Salesforce.
- **Smart-matching technology** using natural language processing and machine learning to significantly reduce false positives and boost accuracy.
- **Simple, transparent contracts and pricing** that scale alongside your business.
- **A unified risk view** comprising sanctions, PEP and watchlist screening and adverse-media monitoring.

With sanctions.io, compliance becomes **a strategic advantage, not a burden.**

— CONCLUSION

Turn Compliance into Your Competitive Edge

The FinTechs that will win the next decade treat compliance as a growth strategy, not an obligation. By automating screening, integrating AI-driven tools and embedding compliance into every workflow, they gain:

- Faster onboarding and better customer experiences
- Stronger investor and regulator trust
- Scalable operations that adapt instantly to global regulatory change

In short, compliance is not just protection; it is momentum.

YOUR NEXT STEPS

- 1 Assess your current compliance and sanctions screening process for vulnerabilities and inefficiencies.
- 2 Read the **Sanctions Screening Guide** to learn how to implement better screening.
- 3 Explore our vendor selection resources, including the **Vendor Selection Guide and checklist builder**, to understand which features matter in a screening solution.

Book a call

See how leading FinTechs transform compliance into growth.

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