



United Kingdom

COUNTRY RISK BRIEFING – 2025





Country Overview

**Location:**

Island off northwest Europe

**GDP:**

Ranked around 6th globally; nominal GDP \$3.64 Trillion (2024 World Bank estimate)

**Capital:**

London

**Education:**

High literacy rate, globally renowned universities

**Currency:**

Pound Sterling (£, GBP)

**Major Economic Sectors: :**

Financial and professional services, manufacturing, technology, energy, agriculture, pharmaceuticals

**Population:**

Approximately 69 million (2025 UN estimate)

**Natural Resources: :**

Oil and natural gas, coal, minerals, forests, renewables

**Unemployment Rate:**

4.7% (2025 Office for National Statistics estimate)

**Government:**

Parliamentary constitutional monarchy; a Commonwealth member country

Economy & Politics

The United Kingdom (UK), comprising England, Scotland, Wales, and Northern Ireland, is predominantly service-based, with financial and professional services at its core – sectors that require robust regulatory oversight due to their vulnerability to financial crime. The UK's open economy consistently ranks high on the World Bank's Ease of Doing Business Index, reflecting a strong legal and regulatory framework. However, challenges such as inflation and supply chain disruptions persist. Government initiatives promoting innovation, green energy, and digital transformation help to address these challenges and sustain growth but also create evolving financial crime risks.

The UK maintains a strong global trade presence, with key partners including the US, EU, China, and Canada. Its top imports are energy products, electrical machinery, clothing, and food, while major exports include machinery, chemicals, pharmaceuticals, and financial services. Despite Brexit-related disruptions, the UK continues to expand trade through new agreements across Asia-Pacific, the Americas, and beyond. It remains a key destination for foreign investment, supported by a stable legal system and skilled workforce. However, the evolving trade landscape and expansion into new markets introduces exposure to varied regulatory standards and compliance expectations, increasing the importance of robust anti-financial crime and due diligence measures in cross-border business.

The UK is a parliamentary constitutional monarchy, with the monarch as ceremonial head of state and executive power held by the Prime Minister and Cabinet. Its bicameral Parliament includes the elected House of Commons and the appointed House of Lords. The UK's uncoded constitution is based on laws, conventions, and judicial decisions. Devolved governments in Scotland, Wales, and Northern Ireland hold varying legislative powers. Globally, the UK holds influence through its UN Security Council seat, NATO, the G7, and the Commonwealth. Post-Brexit, political debates continue over Scottish independence, Northern Ireland, and the UK's global role.

Themis Expert View



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The UK offers a clear window into the modern financial crime landscape: fast-moving, borderless, and increasingly shaped by digital innovation and agile, globalised criminal networks. The country's open economy, world-class financial and professional services, and strong appeal to high-net-worth individuals make it a natural destination for legitimate investment. But these same strengths also create vulnerabilities. Nowhere is this more visible than in the City of London, where the concentration of global financial institutions, complex legal structures, and cross-border connectivity offer ample opportunities to obscure the origin of illicit funds.

Within this environment, fraudsters, corrupt officials, organised crime groups, and offshore networks exploit gaps in oversight to launder money, bypass sanctions, and move criminal proceeds. The UK has faced a series of wake-up calls in recent years—from the exposure of UK property ownership by corrupt foreign elites to COVID-19 procurement scandals. In response, the government has stepped up its AML framework, including:

- The Register of Overseas Entities (ROE) to improve transparency of foreign ownership
- Strategic reforms through the Economic Crime Plan 2 (2023–26)
- Expanded funding for key agencies like the National Crime Agency (NCA)
- Tougher regulation under the Economic Crime and Corporate Transparency Act

Despite these efforts, risks remain high. The latest NRA confirms the UK is still a major destination and conduit for illicit finance, including foreign corruption, sanctions evasion, and complex money laundering schemes using UK-registered companies and professional enablers. The UK’s financial and professional services sectors remain exposed to abuse by criminals and corrupt actors, often through multi-layered corporate structures and offshore jurisdictions. The 2025 NRA confirms that misuse of corporate vehicles and trusted professional services continues to be a key risk vector, and one that demands ongoing regulatory scrutiny and improved due diligence across the sector.

Alongside traditional money laundering and corruption, fraud and cyber-enabled crimes now dominate the UK crime landscape—accounting for nearly half of all recorded crimes in England and Wales. The surge is increasingly driven by new technologies, with criminals exploiting advances in AI, digital payments, and social engineering tactics to deceive individuals and businesses alike. High-harm fraud types—such as investment scams, romance fraud, and payment diversion—are often orchestrated by transnational organised crime groups as well. For businesses operating in the UK, it’s important to focus on both traditional threats like money laundering as well as emerging risks, from sanctions evasion to cyber-enabled crime. Robust, forwardthinking AML efforts are paramount to keeping UK businesses safe today.



2025 National Risk Assessment

The UK published in 2025 its latest [National Risk Assessment](#) of Money Laundering and Terrorist Financing (NRA). The assessment offers a sharp and timely snapshot of how financial crime is evolving—and how the UK is fighting back. As criminals become smarter and more adaptable, the NRA offers a playbook for staying ahead. It is a critical tool for informing the country's AML policy and regulation, while also giving businesses the intelligence they need to spot risks and protect themselves. The NRA draws on a broad range of expertise—from the private sector, academia, and open-source intelligence, to insights from law enforcement, regulators, and across government—to provide a comprehensive and informed picture of the UK's financial crime risks.

The 2025 NRA confirms that the UK continues to face significant risks from money laundering, terrorist financing, and a range of related financial crimes. While there has been progress, the threat landscape is evolving—driven by geopolitical shifts, technological advances, and increasingly sophisticated criminal tactics.

Some key risks identified in the NRA include:



Kleptocracy, Sanctions Evasion & Money Laundering Are Intertwining.

Sanctioned actors are exploiting long-standing laundering networks, with support from complicit professionals and complex ownership structures—highlighting the continued risk posed by professional enablers and opaque legal arrangements.



Technology Is Changing the Risk Landscape. The rapid growth of fintech, cryptoassets, and AI is transforming how criminals operate, leading to increased risk across these industries.



The Financial and Professional Sectors Remain Attractive Targets.

These sectors offer both legitimacy and access, making them ideal channels for integrating illicit funds into the legitimate economy and setting up complex structures that obscure beneficial ownership.



UK Companies Are Still Being Misused. According to the NCA, organised crime groups continue to use front companies and UK-registered companies in layered, offshore structures to launder illicit proceeds.



Fraud Is the UK's Most Prevalent Crime. Fraud now accounts for over 43% of all crime in England and Wales as of 2024. High-harm fraud types include investment fraud, romance scams, and payment fraud. Organised crime groups with links to Ghana, Nigeria, India, and Southeast Asia pose the greatest threat in this area.



The Cybercrime Threat Remains High. The cybercrime landscape in the UK is dominated by phishing, social media account takeovers, and other high-volume but low-sophistication crimes, as well as ransomware attacks, which are less frequent but far more damaging.

The 2025 NRA also provides a detailed overview of how different sectors are exposed to financial crime risks. It is intended to help firms, supervisors, and stakeholders both within and outside regulated sectors to understand their vulnerabilities and the broader context in which these risks occur.

Sector	ML Risk Rating	Change since 2020	TF Risk Rating	Change since 2020
Retail Banking	High	No Change	High	No Change
Wholesale Banking & 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
Cryptoasset Businesses	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	No Change Increase
Estate Agency Businesses	Medium	No Change	Low	No Change
Letting Agency Businesses	Low	Decrease	Low	No Change

Regulatory Overview

Primary Anti-Financial Crime Regulators and Agencies

- **Financial Conduct Authority (FCA)** is the UK's primary financial regulator and AML supervisor for credit institutions and crypto firms.
- **HM Revenue and Customs (HMRC)** acts as the AML supervisor for several non-financial sectors (e.g. estate agents, art dealers, money service businesses, not supervised by the FCA).
- **National Crime Agency (NCA)** is the UK's lead agency for tackling serious and organised crime and the National Economic Crime Centre (NECC) is hosted within the NCA.
- **UK Financial Intelligence Unit (UKFIU)** is the UK's financial intelligence unit, receiving, analysing, and disseminating Suspicious Activity Reports (SARs) and Suspicious Transaction Reports (STRs).
- **Serious Fraud Office (SFO)** is an independent agency that investigates and prosecutes major fraud, bribery, and corruption cases, including related money laundering.
- **Office of Financial Sanctions Implementation (OFSI)** is a unit within HM Treasury that implements and enforces UK financial sanctions regimes.
- **Office of Trade Sanctions Implementation (OTSI)** sits within the Department for Business and Trade (DBT) and implements and enforces UK trade sanctions.
- **Border Force** is an enforcement agency under the Home Office that protects the UK border and prevents the smuggling of illicit cash and goods as part of broader AML efforts.

Primary Anti-Financial Crime Legislation

- **The Proceeds of Crime Act 2002 (POCA)** establishes the UK's primary money laundering legislation and allows for asset seizures, investigative powers, and civil recovery of criminal proceeds.
- **The Bribery Act 2010** makes it a criminal offence for organisations to fail to prevent bribery and applies broadly to UK individuals and entities, including those operating abroad.
- **The Terrorism Act 2000 (TACT)** criminalises terrorist financing and mandates that institutions file Suspicious Activity Reports (SARs) to the UK Financial Intelligence Unit when they suspect terrorist financing.
- **The Anti-Terrorism, Crime and Security Act 2001** enhances terrorist financing laws by allowing the civil recovery, freezing, seizure, and forfeiture of terrorist property.
- **The Financial Services and Markets Act 2000 (FSMA)** provides the FCA with the framework and powers to supervise, investigate, and enforce actions against financial services firms.
- **The Criminal Finances Act 2017** expands regulatory powers to help recover illicit assets and introduces Unexplained Wealth Orders, account freezing orders, and new corporate offences.
- **The Money Laundering Regulations 2017 (MLRs)** requires regulated firms to implement measures to prevent money laundering and terrorist financing, including customer due diligence and transaction monitoring.
- **The Serious Crime Act 2015** strengthens the ability of law enforcement agencies to disrupt and prosecute serious and organised crime.
- **The Sanctions and Anti-Money Laundering Act 2018 (SAMLA)** gives the UK authority to impose sanctions to meet international obligations and counter terrorism and financial crime.

Financial Action Task Force Assessment

The UK underwent its most recent Financial Action Task Force (FATF) [Mutual Evaluation](#) in 2018, which assessed its AML/CTF regime. The evaluation found the UK had a strong understanding of its money laundering and terrorist financing risks, supported by a well-developed framework. It was deemed effective in investigation, prosecution, asset confiscation, targeted sanctions, protection of non-profits, and international cooperation. However, weaknesses were found in supervisory practices, preventive measures, and the use of financial intelligence. The UK underwent a Follow-Up Report in May 2022, with the FATF noting significant progress. Two areas of vulnerability remained: a need to strengthen the UKFIU's capacity, and gaps in due diligence for all cross-border correspondent relationships, including within the European Economic Area (EEA).

Category	2018 FATF Mutual Evaluation	2022 FATF Follow-Up Report
Overall Assessment	The UK's AML/CTF framework was found to be effective overall.	The UK made significant progress in addressing technical deficiencies.
Technical Compliance Ratings	Compliant: 23 Recommendations Largely Compliant: 15 Recommendations Partially Compliant: 2 Recommendations: - R.13 (Correspondent Banking) – Lack of enhanced due diligence within the EEA; - R.29 (FIU) – Concerns over the UKFIU's independence & re-sourcing.	Compliant: 24 Recommendations Largely Compliant: 15 Recommendations Partially Compliant: 1 Recommendation: R.13 R.29 (FIU) – Concerns over the UKFIU's independence & resourcing.
Key Risks Identified	- Overseas predicate offences (e.g., foreign corruption) - High-end and cash-based money laundering - Proceeds from fraud, tax offences, drug & human trafficking, organised crime - Exposure through Overseas Territories and Crown Dependencies	
Strengths	- AML investigation & prosecution - Asset confiscation - Targeted sanctions - Protection of non-profit sector - International cooperation	
Areas for Improvement	- Supervisory practices - Implementation of preventive measures - Use of financial intelligence	

Financial Crime Risk Matrix

Crime Type	Risk Level*	Key Indices	Key High-Risk Sectors	Cross-Border Nexus
Money Laundering	High	2025 NRA see here* The NRA found that the UK is exposed to a high level of money laundering risk. Basel AML Index 2024 see here* 10 / 4.14 (Ranked 140th of 152 countries) <i>*Basel AML Score is on a 10-0 scale, with 10 representing the maximum risk.</i> Global Organized Crime Index 2023 see here* Financial Crime: 10 / 7.5 AML Resilience: 10 / 6.5 <i>*Global Organized Crime Index Score is on a 10-0 scale, with 0 denoting non-existent crime and 10 severe influence.</i>	Financial Services, Real Estate, Luxury Goods, Art Market	Often involves complex international financial networks and offshore havens
Financial Secrecy	High	Financial Secrecy Index 2025 see here* Overall score: 20 / 100/45th globally) <i>*Secrecy index measures the level of financial secrecy, with 0 meaning no secrecy and 100 meaning maximum secrecy.</i>	Corporate Services, Trust Providers	Often involves offshore jurisdictions and professional service providers
Fraud	High	2025 NRA see here* The NRA found that fraud is the most experienced crime in the UK and is a key predicate offence to money laundering. Cyber-enabled fraud is a key concern.	Financial Services, Insurance, Corporate Sector	Can involve cross-border investment and cyber fraud schemes
Sanctions Evasion	High	The UK government has issued Red Alerts for sanctions evasion risks, including: Alert: Financial Sanctions Evasion – Russian Elites and Enablers (2022) Alert: Gold-based Financial and Trade Sanctions Circumvention (2023)	Trade, Transportation & Logistics, Financial Services	Typically conducted through international trade and third-country intermediaries
Drug Trafficking	Medium-High	Global Organized Crime Index 2023 see here* Heroin Trade: 10 / 4.5 Cocaine Trade: 10 / 7 Cannabis Trade: 10 / 5.5 Synthetic Drug Trade: 10 / 6 <i>*Global Crime Index Score is on a 10-0 scale, with 0 being non-existent crime to 10 being severe influence.</i>	Transportation & Logistics, Financial Services, Retail	Involves cross-border trafficking and production, as well as complex international financial networks

Cybercrime	Medium– High	2025 NRA see here* The NRA found that the UK's cybercrime threat is high. National Cyber Security Index National Cyber Security Index see here* Overall score: 100/75; Ranked 24th <i>*Index measures the preparedness of countries to prevent cyber threats, with 100 representing the highest level of cybersecurity readiness.</i> Global Organized Crime Index 2023 see here* Cyber-Dependent Crimes: 10 / 6.5 <i>*Global Crime Index Score is on a 10–0 scale, with 0 being non-existent crime to 10 being severe influence.</i>	Technology, Financial Services, Retail, Public Sector	Routinely involves cross-border actors
Modern Slavery & Human Trafficking	Medium-High	US Department of State 2022 Trafficking in Persons Report: Tier 1 Walk Free Global Slavery Index: Vulnerability: 100/14 Governance Response: 100/68 <i>*Vulnerability score measures vulnerability to modern slavery with a greater score reflecting higher levels of vulnerability.</i> <i>*Governance score measures government response to modern slavery with a higher score reflecting stronger government re-sponse.</i> Global Organized Crime Index 2023 see here* Human Trafficking: 10 / 7 Human Smuggling: 10 / 6 <i>*Global Crime Index Score is on a 10–0 scale, with 0 being non-existent crime to 10 being severe influence.</i>	Agriculture, Construction, Domestic Work, Financial Services	Often involves recruitment and movement across borders
Tax Crime	Medium	Corporate Tax Haven Index 2024 see here* Overall score: 18) 100/59th globally) <i>*Index ranks the world's biggest enablers of global corporate tax abuse, with scores ranging from 0 (no room for tax abuse) to 100 (unlimited room for tax abuse).</i> OECD Global Forum on Transparency and Exchange of Information for Tax Purposes see here: Largely Compliant	Corporate Sector, Real Estate, Financial Services	Often involves offshore tax avoidance schemes

Bribery & Corruption	Medium	Transparency International Corruption Perceptions Index 2024 see here* 100/71 (Ranked 20th of 180 countries) <i>*Transparency International Corruption Perceptions Index score is the perceived level of public corruption, where 0 means highly corrupt and 100 means very clean.</i> Trace 2024 Bribery Risk Matrix see here* Rank 6th; Score 100/13 <i>*Trace measures business bribery risk with a lower score indicating a lower bribery risk, while a higher score indicating a higher bribery risk.</i> Global Organized Crime Index 2023 see here* Government Transparency and Accountability: 10 / 6.5 State-Embedded Criminality: 10 / 3.5 Private Sector Criminality: 10 / 7.5 <i>*Global Crime Index Score is on a 10-0 scale, with 0 being non-existent crime to 10 being severe influence.</i> Worldwide Governance Indicators see here* Control of Corruption: 100 / 92.92 <i>*The WGI represent a country's score and rank among all countries worldwide on each governance dimension.</i>	Public Sector, NGOs, Construction, Healthcare	Often involves international financial networks and offshore havens
Environmental Crime	Low-Medium	2025 NRA see here* The NRA found that the UK can be a source, transit, and destination country for illegal wildlife crime. Global Organized Crime Index 2023 see here* Flora Crimes: 10 / 3 Fauna Crimes: 10 / 4 Non-Renewable Resource Crimes: 10 / 2.5 <i>*Global Crime Index Score is on a 10-0 scale, with 0 being non-existent crime to 10 being severe influence.</i>	Mining, Forestry, Travel Sector	Often includes illicit trade and complex international financial networks
Arms Trafficking	Low-Medium	Global Organized Crime Index 2023 see here* Arms Trafficking: 10 / 4.5 <i>*Global Crime Index Score is on a 10-0 scale, with 0 being non-existent crime to 10 being severe influence.</i>	Transportation & Logistics	Involves cross-border trafficking and regional conflict implications
Terrorist Financing	Low	Global Terrorism Index (GTI) 2024 see here* Overall Score: 10 / 2.6 (Ranked 41st of 163 countries) <i>*The GTI scores each country on a scale from 0 to 10; where 0 represents no impact from terrorism and 10 represents the highest measurable impact of terrorism.</i>	Charities, Non-Profit Organisations	Can include cross-border money movement via informal channels

*Methodology: Each financial crime risk rating is derived from a combination of globally recognised indices and supplementary risk factors. Each index score is normalised and translated into a Red-Amber-Green (RAG) rating. Specifically, jurisdictions or entities are grouped based on their position within the distribution of index values, with the top, middle, and bottom third of scores per index corresponding respectively to Green, Amber, and Red (e.g. a 5/10 rating in one index would be equivalent to a 12/24 rating in another). Additional risk factors – such as enforcement actions, FATF evaluations, and our own Themis internal intelligence – also influence the final RAG classification through an overlay and adjustment process.

Areas of Financial Crime Vulnerability



- **Complex International Capital Flows:** As a leading global financial centre, the UK sees vast international capital flows – a landscape ripe for criminals to disguise illicit funds within legitimate markets.
- **Professional Enablers:** Financial services, lawyers, and corporate service providers are targeted – knowingly or not – as intermediaries to help criminals exploit legal loopholes to move and conceal illicit assets. In particular, the City of London is targeted due to its concentration of high-end professional services and its global reputation as a key financial and professional hub.
- **Opaque Property Market Dynamics:** The high-end real estate market, especially in London, acts as a magnet for financial crime, with anonymous ownership structures and offshore companies enabling criminals and wealthy elites to disguise the true origins of their wealth.
- **Overseas Territories and Crown Dependencies:** The UK's ties to its Overseas Territories and Crown Dependencies are exploited by criminals to support a network of financial secrecy, often for tax evasion, money laundering, or hidden ownership.
- **Regulatory Enforcement Challenges and Loopholes:** Despite strong regulations, enforcement gaps and legal complexities – particularly around limited partnerships and corporate transparency – leave blind spots that criminals exploit.
- **Evolution of Technology and Criminal Techniques:** From generative AI to automated fraud, criminals are outpacing regulators, leaving a regulatory lag.
- **Global Transport and Travel Hub:** As a major international travel hub, the UK faces heightened exposure to the trafficking of illicit goods, including drugs and wildlife, as well as people; this makes the UK a key node in transnational crime.

Financial Crime Risk In-Depth

01 Money Laundering: High Risk

The UK's status as a global financial hub — with easy company formation and world-class professional services — makes it a prime target for money laundering. Criminals exploit legal structures and vulnerable sectors like banking, wealth management, legal services, and money service businesses to move and hide illicit funds, despite ongoing efforts by government and industry to crack down on financial crime.

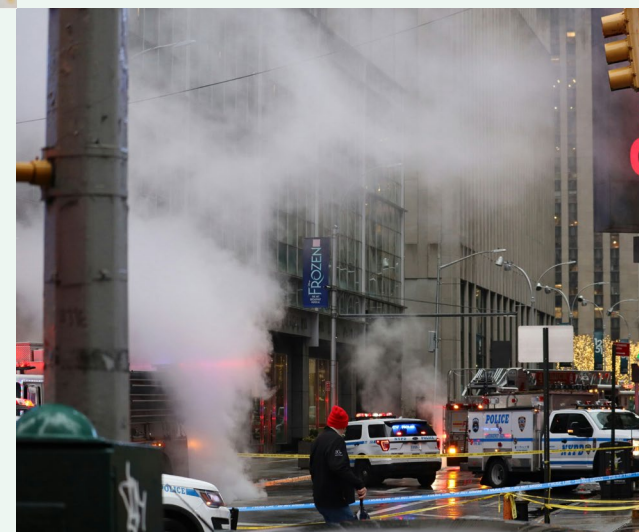


03 Terrorist Financing: Low Risk

The UK faces a relatively low terrorist financing risk, mostly involving small-scale plots or funds sent overseas by individuals. Vulnerabilities exist in the financial and charitable sectors, particularly through weak monitoring of transactions and donations. International financing networks — including Hamas — have also exploited the UK's global financial role and corporate services in recent years.

02 Bribery & Corruption: Medium Risk

Corruption remains a serious challenge in the UK, fueled by weak company formation rules, transparency gaps, and patchy enforcement. Risks include abuse of public contracts, political favouritism, and exploitation of the UK's financial and property sectors by foreign elites, especially oligarchs. With several high-profile bribery scandals in recent years such as the Glencore oil scandal involving UK companies abroad as well, reforms are underway — but systemic vulnerabilities persist.



04 Sanctions Evasion:
High Risk

The UK is vulnerable to sanctions evasion risks due to its status as a global financial hub and gateway for international business and trade. Criminals and sanctioned entities exploit complex corporate structures, financial and professional services, and trade routes to bypass restrictions or hide assets. Authorities continue to enhance monitoring and enforcement to counter these sophisticated evasion tactics, but international sanction circumvention networks are quickly adaptable and often turn to third countries to evade enforcement mechanisms.

06 Drug Trafficking:
Medium-High Risk

Drug trafficking is a core driver of organised crime in the UK, with the country serving as both a major consumer and transit point. Cocaine and heroin markets are tied to international cartels and gangs from South America, Asia, and Eastern Europe. While cannabis has traditionally posed lower trafficking risks, rising cases of forced labour on illicit farms are changing that. Synthetic drugs, especially fentanyl, are also emerging threats. Drug trafficking often overlaps with violence, firearms, and exploitation, highlighting the broader complexity of drug-related crime in the UK.

07 Fraud:
High Risk

Fraud is the UK's most common crime, comprising over 40% of all reported offences, with billions in losses each year. From bank scams and romance fraud to government impersonation schemes, most fraud relies on some combination of online platforms, payment services, and social engineering. While traditional threats like payment and corporate fraud persist, emerging risks — including AI-enabled fraud — are raising the stakes. Authorised Push Payment (APP) fraud remains a major concern, especially as new rules now require banks to reimburse victims, underscoring the urgent need for stronger anti-fraud measures across the private sector.

05 Cybercrime:
Medium-High Risk

Cybercrime remains a major and growing threat in the UK, ranging from phishing and malware to ransomware attacks. The country faces increasing cyber threats from both domestic and foreign actors, particularly state-affiliated groups in Eastern Europe, China, Iran, and North Korea, with ransomware and data breaches causing widespread disruption and financial damage to both the private and public sectors. The wide availability of cyber tools and technologies has lowered the entry barrier for cybercriminals, enabling frequent and diverse attacks, including emerging threats like deepfakes and cryptocurrency hacks.

08 Modern Slavery & Human Trafficking:
Medium-High Risk

Modern slavery and human trafficking remain serious challenges in the UK, with forced labour and sexual exploitation the most common forms. Victims — often from Eastern Europe, Africa, and Southeast Asia — are trafficked into industries like agriculture, construction, domestic work, and the sex trade, frequently through deception or coercion via online ads and social media. The UK is also a major destination for migrant smuggling. Despite these risks, the UK holds Tier 1 status for anti-trafficking efforts, reflecting strong regulatory and law enforcement efforts.

08 Arms Trafficking: Low-Medium Risk

The UK faces moderate arms trafficking risks, primarily involving illegal firearms smuggled from Central and Eastern Europe via the Channel and Northern Ireland. Although gun offences are relatively low due to strict regulations, criminal networks often link arms trafficking with drug trade and other crimes, exploiting established trafficking routes.

10 Financial Secrecy: High Risk

The UK remains a key hub for financial secrecy, with London's high-end property market a prime tool for concealing wealth, especially by politically exposed persons and the ultra-wealthy. Despite government efforts to boost transparency around ownership and corporate structures, major gaps persist — particularly in tax disclosure and limited partnership rules — keeping the UK high on global financial secrecy rankings.



09 Environmental Crime: Low-Medium Risk

The UK faces diverse environmental crime risks, mainly as a transit and destination hub. As a major travel hub, it is a key seizure point for illegal wildlife products like live birds, reptiles, and ivory, with online marketplaces expanding access and sales. Illegal waste dumping is a growing issue, while non-renewable resource crimes are relatively rare, primarily involving secondary exposure for the financial sector to the illicit gold trade, as well as other mining-related financial crime and corruption risks.

11 Tax Crime: Medium Risk

Tax offences remain a dominant crime in the UK, with losses from tax fraud estimated at around £10 billion annually. Tax fraud has grown increasingly complex and is often linked to money laundering and offshore corporate structures. High-risk sectors targeted as enablers include real estate, professional services, family offices, and other financial services. Despite legislation like the Criminal Finance Act 2017 designed to prosecute corporate tax evasion, enforcement has been limited, highlighting ongoing challenges in combating tax crime effectively.

Case Study

Glencore International Bribery Case

In August 2024, Alex Beard, the former head of oil trading at Glencore, was charged by the UK's Serious Fraud Office (SFO) with conspiring to make corrupt payments to benefit the company's oil operations in West Africa. Beard, who led Glencore's oil division from 2007 until his retirement in 2019, faces charges alongside four other former executives: Andrew Gibson, Paul Hopkirk, Ramon Labiaga, and Martin Wakefield. The charges relate to oil contracts in Cameroon, Nigeria, and Ivory Coast between 2007 and 2014.

KEY TAKEAWAYS:

- **Systemic and Cross-Border Risk:** The Glencore case reflects broader geographical and sectoral related vulnerabilities, underlining the heightened risks posed to UK companies operating in these areas. The energy and commodities trading sectors are particularly susceptible to corruption due to the high value of contracts and reliance on government-controlled assets.
- **Role of Intermediaries:** Use of local agents and intermediaries increases corruption risk, especially when due diligence and monitoring mechanisms are lacking.
- **High-Level Accountability:** The case involves senior executives, highlighting that liability for corrupt practices can reach the highest levels of corporate leadership.
- **Importance of Internal Controls:** Weak internal governance and oversight can lead to significant legal, and reputational consequences for multinational companies.

Why This Case Matters: This case underscores critical internal governance risks faced by multinational corporations, particularly those operating in high-value, high-risk sectors such as oil and commodities trading. The energy sector is especially vulnerable to bribery and corruption, a risk that intensifies in jurisdictions with weak regulatory frameworks.

UK companies engaged in such markets are inherently exposed to these threats. Factors such as complex trading structures, dependence on local intermediaries, and fierce competition for access to state-controlled resources further heighten the risk environment, making robust internal controls and compliance systems essential.

The screenshot displays a digital investigation interface. On the left, a profile card for Alex Beard is shown with the following details: Date of birth: 1967-08-03, Gender: Male, Nationality: British, UK, Jurisdiction: United Kingdom, and Address: Residential: London. Below the profile card is a green button labeled 'In monitoring'. To the right of the profile card is a search bar with the text 'Enter your search' and a magnifying glass icon. Below the search bar is a network diagram showing Alex Beard at the center, connected to five other individuals: Martin Wakefield, Paul Hopkirk, Ramon Labiaga, Andrew Clifford Gibson, and Glencore AG. On the far right, a sidebar contains a notification area with a blue box stating: 'Selecting View URL Evidence will direct you to the link. Please note that the source may have expired and is provided by a third-party. Select View PDF Evidence to access the PDF version'. Below this is a section titled 'Law Enforcement' with a pink box stating: 'Law Enforcement has been reported against Alex Beard'. Underneath, there are two entries for 'Police - Serious Fraud Office - News - United Kingdom'. The first entry is for an 'Event: Charge' dated '2024-09-10', with links for 'View URL Evidence' and 'View PDF Evidence'. The second entry is for an 'Event: Charge' dated '2024-08-01', also with links for 'View URL Evidence' and 'View PDF Evidence'. Both entries mention 'Subject to law enforcement action by the Serious Fraud Office.'

Case Study

Jonathan Arafiena – £12M Investment Fraud

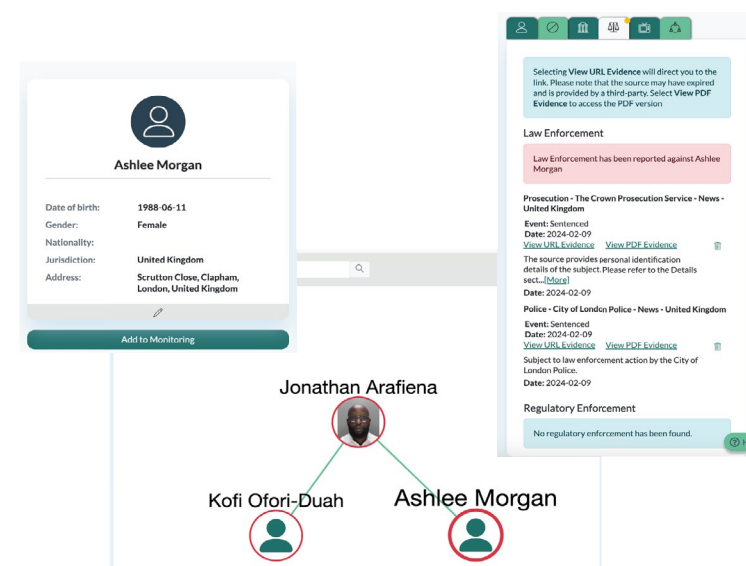
A London-based man, Jonathan Arafiena, was convicted of orchestrating a sophisticated investment fraud that defrauded over 310 victims of more than £12 million. Arafiena and his associates, Ashlee Morgan and Kofi Ofori-Duah, used high-pressure cold-calling tactics to sell fake investments in commodities, shares, cryptocurrencies, and IPOs. Victims were promised high returns and easy access to their funds, which were never invested as claimed. The fraud was uncovered through reports to Action Fraud, leading to an

investigation by the City of London Police. Arafiena was arrested in 2019, and during the investigation, authorities seized luxury assets including a Rolls-Royce Wraith, 84 gold bars, and high-end watches. He was sentenced to five years in prison after pleading guilty to money laundering. Morgan and Ofori-Duah played active roles in setting up landing pages and websites where victims would enter their personal details, as well as in the laundering of proceeds from these scams.

Why This Case Matters: This case underscores the evolving nature of financial crimes, where traditional scams are increasingly facilitated through digital platforms and complex financial networks. It highlights the necessity for robust regulatory frameworks, enhanced due diligence, and international cooperation to combat such sophisticated fraud schemes.

KEY TAKEAWAYS:

- **High-Pressure Tactics:** This case is a classic boiler room scam – fraudsters use aggressive cold calls to push worthless investments, often preying on vulnerable people like the elderly.
- **Identity Theft:** Over 50 bank accounts linked to the fraud were opened with stolen or coerced personal IDs, highlighting rampant identity theft.
- **Money Laundering Nexus:** Illicit funds were laundered through bank accounts and crypto wallets, moved overseas to places like the UAE and Lithuania. Luxury assets like gold and high-end cars were also seized, revealing sophisticated asset concealment.
- **Organised Crime Network:** Multiple individuals coordinated fake websites and money laundering, underscoring the complexity of criminal groups behind financial scams.



Key Financial Crime Watchpoints

The following watchpoints highlight common financial crime risk indicators to lookout for as regards clients, partners, suppliers, and broader business transactions and relationships. They are designed to support client risk assessments, enhanced due diligence and transaction monitoring by identifying patterns frequently associated with financial crime in the UK.

- **Complex Domestic Structures:** Watch out for clients using multi-layered setups like limited partnerships — including Scottish Limited Partnerships — and entities in secrecy jurisdictions. These often hide true ownership and enable money laundering layering.
- **Overseas Ownership:** Scrutinise UK firms with foreign subsidiaries in low-transparency countries. Frequent intercompany payments without clear business reasons, tangled ownership, and funds routed through multiple offshore entities can signal tax evasion or money laundering.
- **High-Risk Transactions Involving PEPs:** Pay close attention when PEPs or other high net-worth individuals and their associates move large sums, especially linked to high-value sectors like real estate or private aviation, or through corruption-prone jurisdictions.
- **Corporate Vehicles in Property Market:** Buying UK real estate through overseas companies hides beneficial owners and fund sources, creating a major transparency risk. Enhanced due diligence is a must.
- **Unexplained Ties to High-Risk Countries:** Be wary of individuals or entities with unclear links to sanctioned or poorly regulated jurisdictions, as these raise red flags for illicit activity.



How Themis Can Help

Financial crime has evolved faster than traditional systems. Themis delivers a new AI-powered, end-to-end platform purposebuilt to help businesses detect, prevent, and respond to threats in real time. A modular solution that fuses advanced analytics, automation, and proprietary intelligence to tackle risk at scale and fast. As financial crime becomes more complex, Themis delivers clarity, speed, and impact. This isn't an evolution. It's the platform the future demands — powered by data, powered by Themis.

Themis aims to be a leader in applying AI-led solutions to the problems of financial crime, and we are uniquely placed to do so. With strong working relationships with governments and businesses of many shapes and sizes, our software is developed with the needs of the whole financial crime compliance ecosystem in mind. By combining a focus on innovative technology with

leading human intelligence and insight, Themis is capable of not only meeting those needs as they currently are but also anticipating them as they evolve in an uncertain future.

Our Reports and Services

Enjoyed this briefing? Keen for a more detailed analysis that's specific to your business? We deliver longer, bespoke reports and executive briefings about specific countries or sectors. Whether you're investing in new markets, expanding your own footprint or ensuring your financial crime country risk assessments align with the Wolfsberg Group's principles, our Risk Intelligence team can help. We specialise in complex, strategic projects where financial crime risks are new, emerging, or poorly understood.

Get in touch to find out more.

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Research-driven analysis that informs and inspires action to tackle financial crime

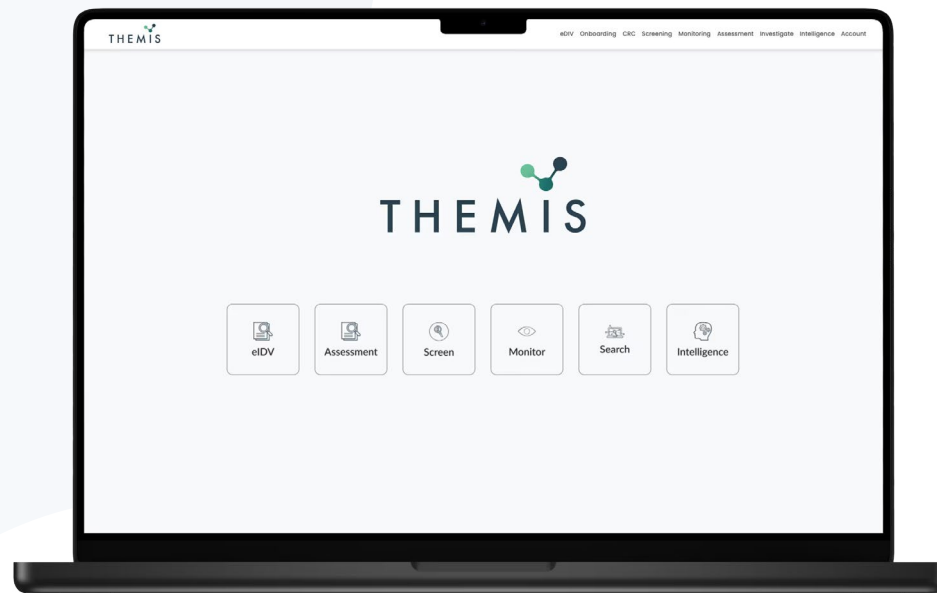
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