



DIGITAL ID AND AML FOR ESTATE AGENTS

# 7 questions to ask before you choose a digital ID verification provider






# Knock, knock, it's HMRC at the door.

No estate agency owner wants a visit from the regulators at HMRC, but with anti-money laundering rules increasing, and more firms receiving fines for compliance failures, it's something that you need to be prepared for.

There are a number of options when it comes to digital ID and AML solutions for estate agents, so we've produced this essential guide which will:

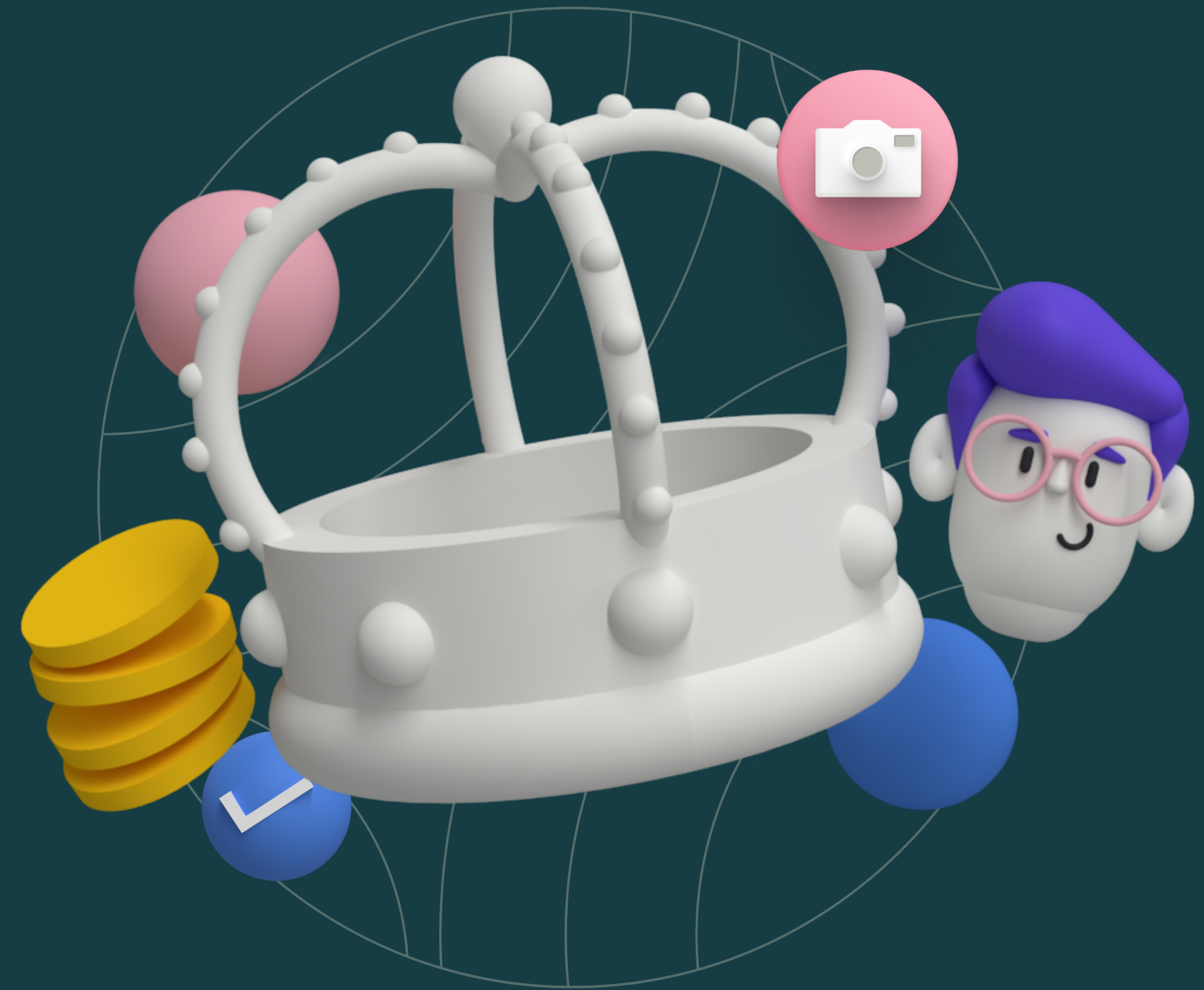
- Assist you in making an informed decision about the features you need
- Choose the solution that best suits your business
- Help to mitigate the risk of falling foul of fraudsters and HMRC

You'll also discover how using digital AML and ID checks can turn a regulatory hurdle into an opportunity to streamline the administrative burden on sales teams, supercharging the productivity of your agents.



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**What's HMRC's approach to digital ID verification?**





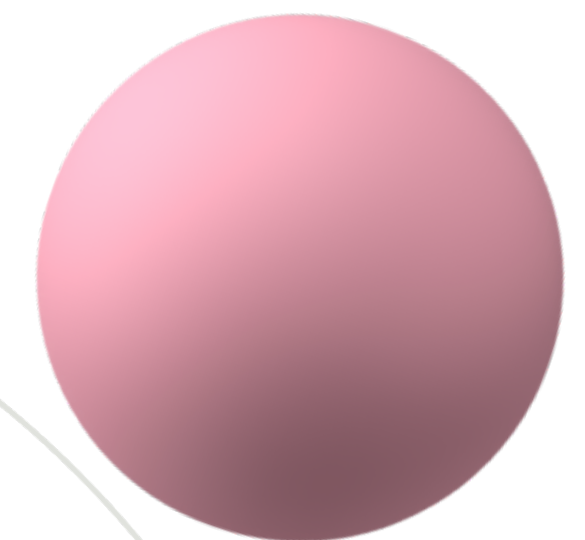
**Regulatory compliance used to be an administrative tickbox for estate agents, but it's now a big deal. With HMRC's active regulation increasing with more audits and more fines than ever before, staying compliant has never been as important as it is today.**

HMRC is tasked with reducing financial crimes involving property fraud, and as such their approach is constantly evolving to deal with the ever increasing sophistication of fraudsters. There's a growing responsibility being placed on estate agents, who are often the first targets in a property fraud, to thoroughly vet customers before progressing any negotiations.

To assist property professionals in dealing with this ever-present threat, government agencies are now recognising the benefits of digital AML checks. Many, such as HM Land Registry, are actively rewarding businesses that implement the leading tools with significantly reduced consequences in the case of unconscious involvement in property fraud.

**HMRC guidance says that firms must use a provider that allows their system to be set to fail a customer at a level appropriate to the perceived risk of the customer.**

- ✓ Thirdfort allows estate agents to choose from a Lite ID check for quick, cost-effective checks that don't require any direct client input, or more thorough Standard ID checks for when transactions appear more risky and require enhanced due diligence.





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What key features should you look for in an AML check provider?



## Digital ID tools make fulfilling KYC and AML obligations easier, more consistent and a lot faster.

Instead of the dreaded back and forth over multiple emails and calls to get clients' information and paperwork, using a leading digital AML provider makes compliance as simple as sending a link to a customer. Buyers and sellers will self-complete a due diligence process and provide you with everything you need to carry out checks in line with requirements from a regulatory perspective.

Not all providers offer the same set of features and you should consider what you need when choosing the best solution for your business.

### The key features to consider when choosing a digital ID provider:

#### 1. Mobile app for customers

Making it as simple as possible for users to complete their checks when and where is most convenient to them is essential to maximising the benefits of using digital technologies.

- ✓ Does the provider allow your customers to complete the AML check on their mobile phones?

#### 2. Secure ID verification

Electronic ID verification on a mobile device removes the hassle of receiving and returning hard documents, or wasting time chasing scans via email.

- ✓ Does the provider use facial recognition software to confirm that the individual claiming an identity is the same as the one contained on an identity document – for example, by comparing a selfie and the image contained on the ID document?
- ✓ Does the provider use specialised verification and liveness technology that can mitigate against attempts at fraud using forged documents or deep fakes to fool basic facial recognition tools?

### 3. Ongoing AML monitoring

Estate agents must check customers against the standard AML databases and continue to monitor the relationship after it is established and for its duration.

- ✓ Does the provider check customer records against all required databases?
- ✓ Does the provider provide the tools for ongoing monitoring of AML databases?

### 4. Source of funds

Asking customers for proof that they have the funds to proceed with a property transaction is often awkward and time consuming, but it's an obligation that estate agents can't avoid.

- ✓ Does the provider use Open Banking to connect with customers' banks for simple source of funds checks in seconds?

With the click of a link, Thirdfort's mobile-first solution guides your customers through a fully compliant ID and AML check, with financial checks made simple through our industry leading Open Banking connection with most major banks. Ongoing monitoring is made simple, providing notifications of any changes related to an individual's status within all required AML databases.





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**What trust signals and accreditations should you look for when selecting a digital ID provider?**



**Make sure the provider you are considering is able to prove they have gone to lengths to ensure that their solution is fully compliant with all AML and data processing regulations, and can provide all-important guarantees to cover your firm in the case of a serious issue, such as a data breach.**

**Regulatory criteria to check for digital AML software providers:**

- ✓ Is the provider registered with the Information Commissioner's Office to store personal data?
- ✓ Has the provider's compliance with the standards been assessed by the relevant industry authorities and found sufficient?
- ✓ Does the provider use a range of positive information sources, and link a person through other sources to both current and previous circumstances?
- ✓ Does the provider use negative information sources, such as databases relating to identity fraud and deceased persons?

- ✓ Does the provider use a wide range of alert sources, such as up to date financial sanctions information?
- ✓ Does the provider let you easily see what checks were carried out and see the results of these checks in real-time?
- ✓ Does the provider make it simple for you to retain records of the information used to verify identity information for 5 years from the end of your business relationship with the customer?
- ✓ Does the provider allow you to download results to be stored on your own server/filing system?

Thirdfort operates in line with all of the relevant requirements and has active relationships with the AML and data regulators. Whilst there are no specific KYC accreditations provided by HMRC, we have worked alongside government agencies to develop our solution in line with their requirements.

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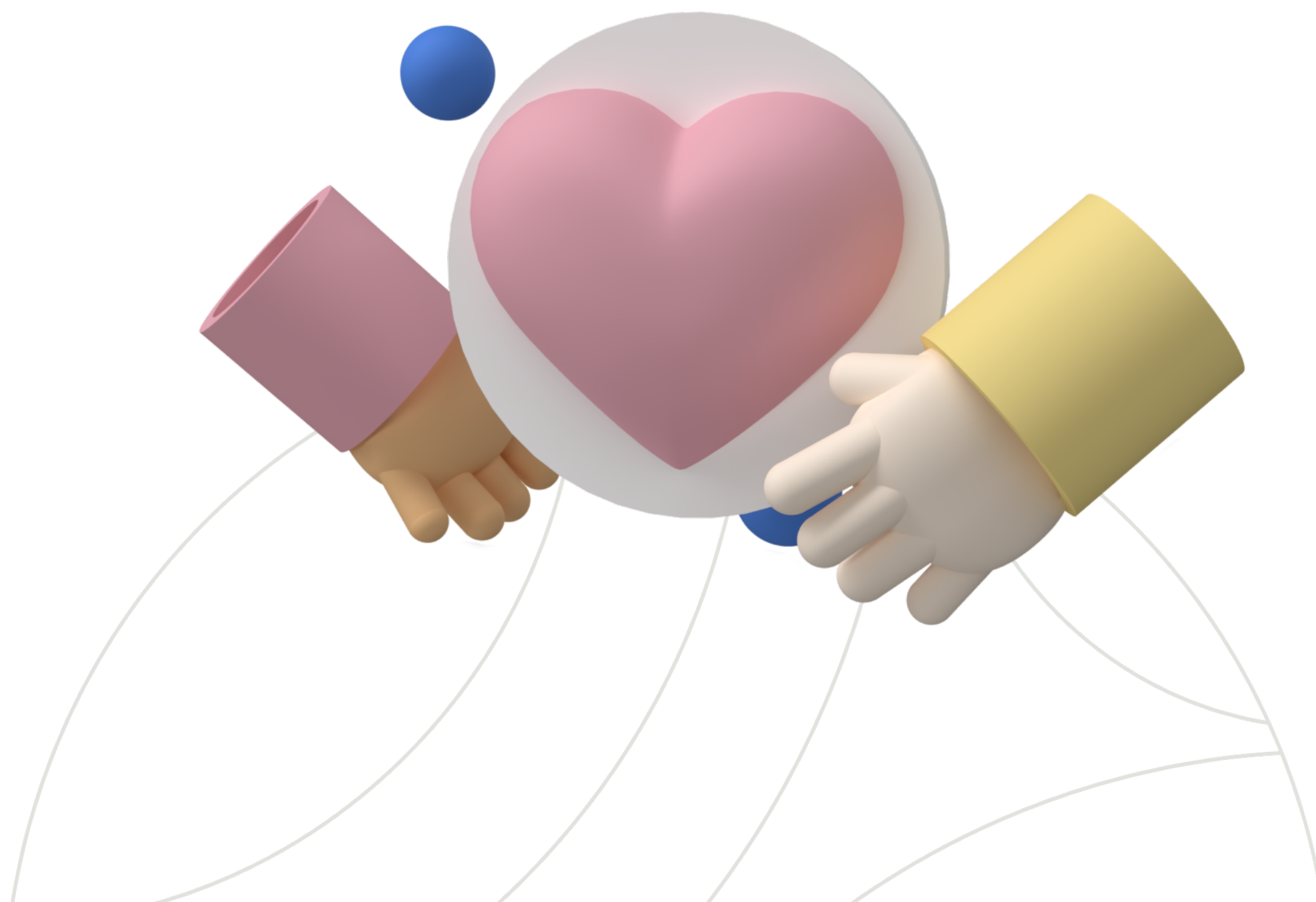
**How will using a digital AML  
check save your business time  
and money?**





**By automating a large part of the regulatory burden placed on estate agents, best-in-class digital ID tools are a business accelerator, freeing up sales people to focus on what they do best – negotiating deals.**

It's important to understand how a provider's service offering will make things simple for your sales team and support your customers if they have technical issues or questions.



**Ensure that the provider you choose for your firm guarantees you:**

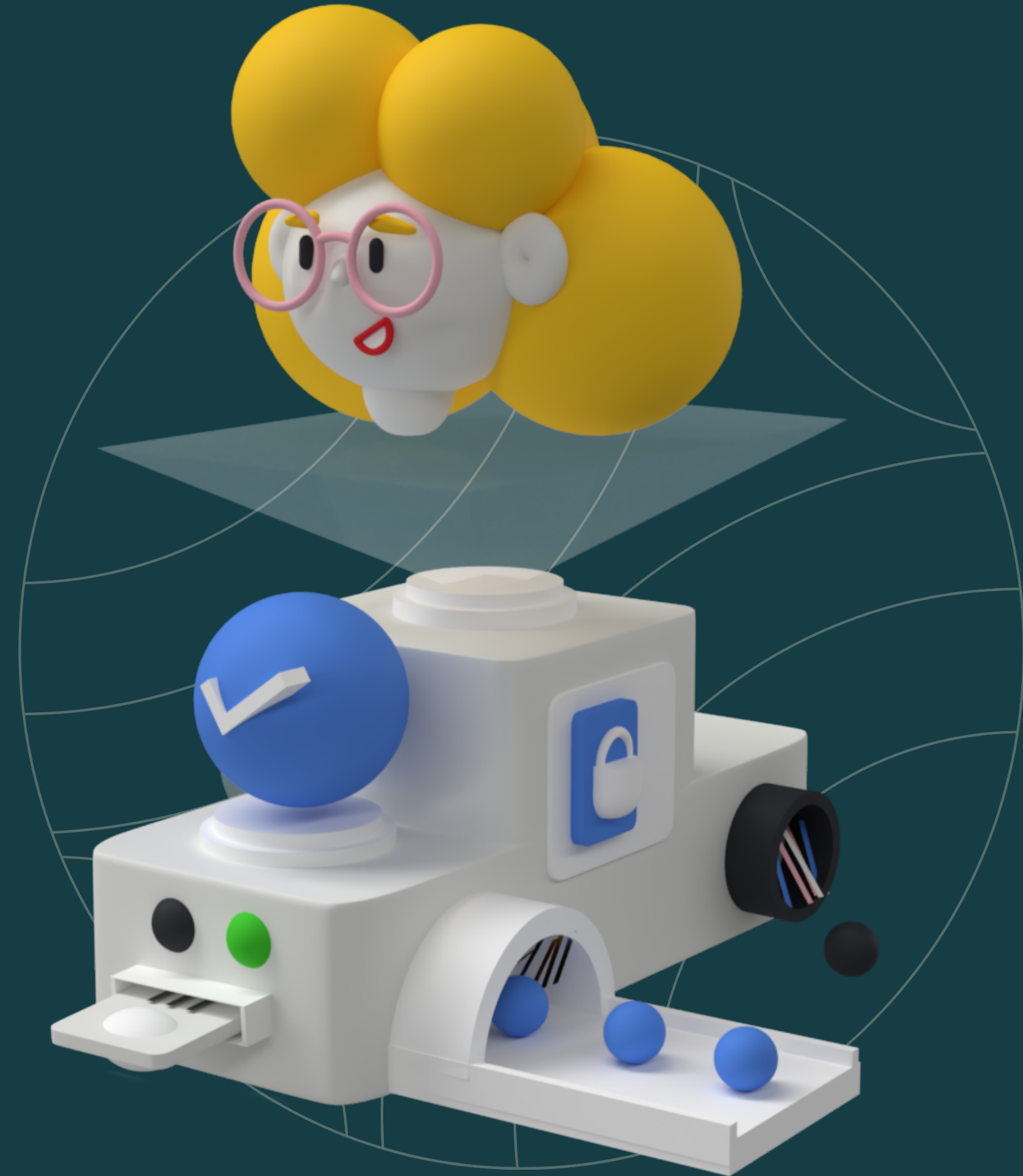
- ✓ A well-designed, user friendly verification process for your clients, no matter what their level of ability using technology. This will minimise any incomplete or failed attempts.
- ✓ A dedicated support team of experts to help any users who are struggling to use the tool. Without this it could be your team that has to provide technical support!
- ✓ A simple way to access reports in the format best suited to your business. At a minimum you should be able to download results in spreadsheet and PDF formats.

We recommend asking the provider you're considering if they have any data around the average time saved per ID check. This will allow you to calculate a rough estimate of how much you'll save versus the cost of implementation.

By implementing Thirdfort in their businesses, our customers cut the average time spent onboarding a client by 80%, with a reduction of the average number of days to onboard a new client going from five to one.

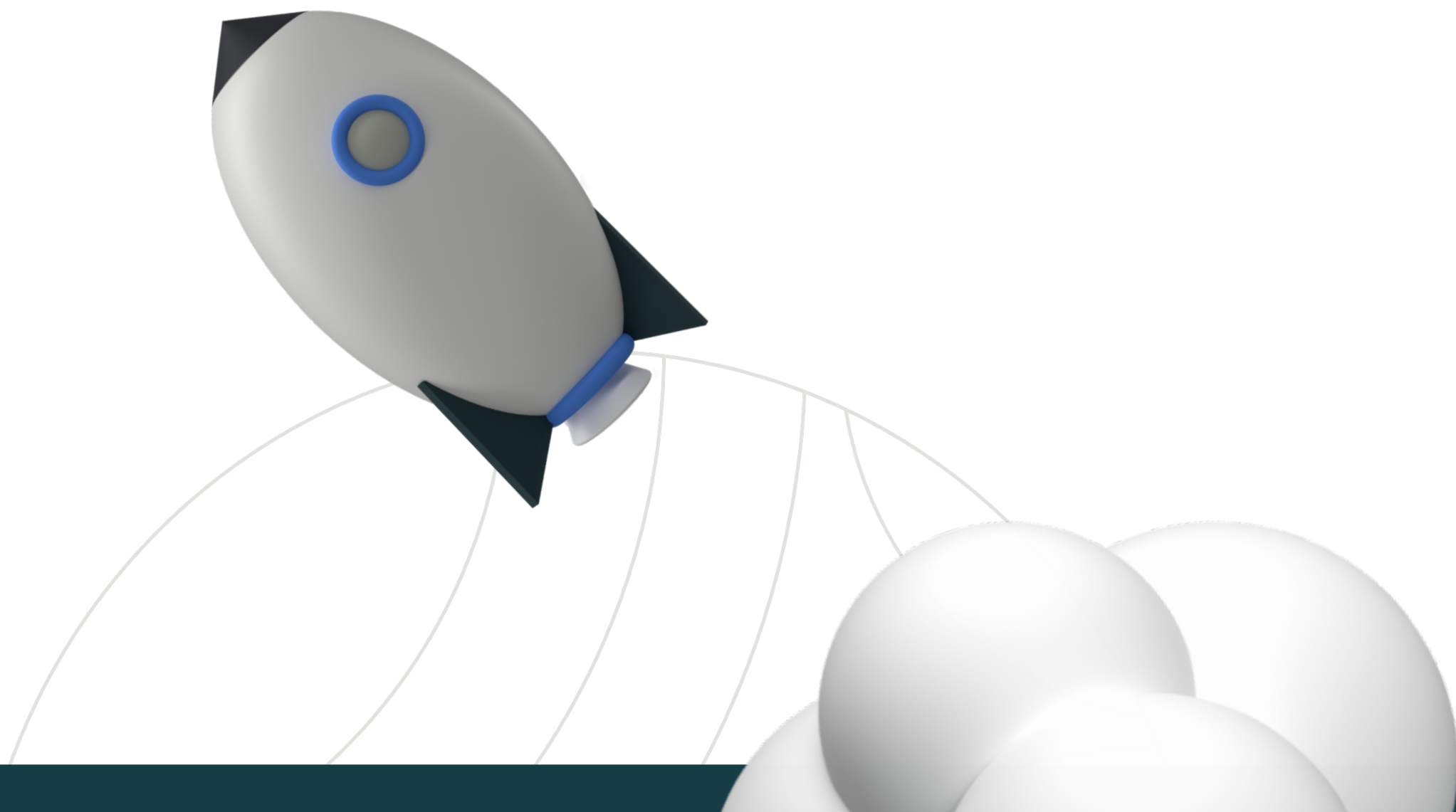
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**Will your clients find your chosen solution easy to use?**



**Providing customers with a user-friendly way to complete their AML checks, from wherever they are, at a time that suits them, is one of the key benefits of digital identity verification. However, not all solutions make the experience easy for consumers of all levels of ability when it comes to using technology.**

A poor user experience will lead to many customer complaints and failed checks, so it's important to understand what the provider you're considering has put in place to ensure high completion rates.



**You should confirm that the provider you're considering:**

- ✓ Provides clear guidance and is easy to use. There should be no technical jargon and each step should be intuitive and obvious even to novice users.
- ✓ Offers a high level of support to those users who do run into problems. At a minimum, support should be offered through the phone, live chat and email.
- ✓ Covers all the countries where your buyers and sellers reside. Most digital providers will have solutions for most passports around the world.
- ✓ Can be used by a smartphone anywhere, as long as the phone is connected to the internet.

An important metric which you can use to compare providers is the percentage of verifications that are successful over a period of time. This is known as the 'completion rate'. Thirdfort has a dedicated customer service team who are on-hand to assist any customers who are having issues using the app, which has led to Thirdfort's impressive average 90% completion rate.



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**How seriously does your provider  
take the cybersecurity of your firm?**

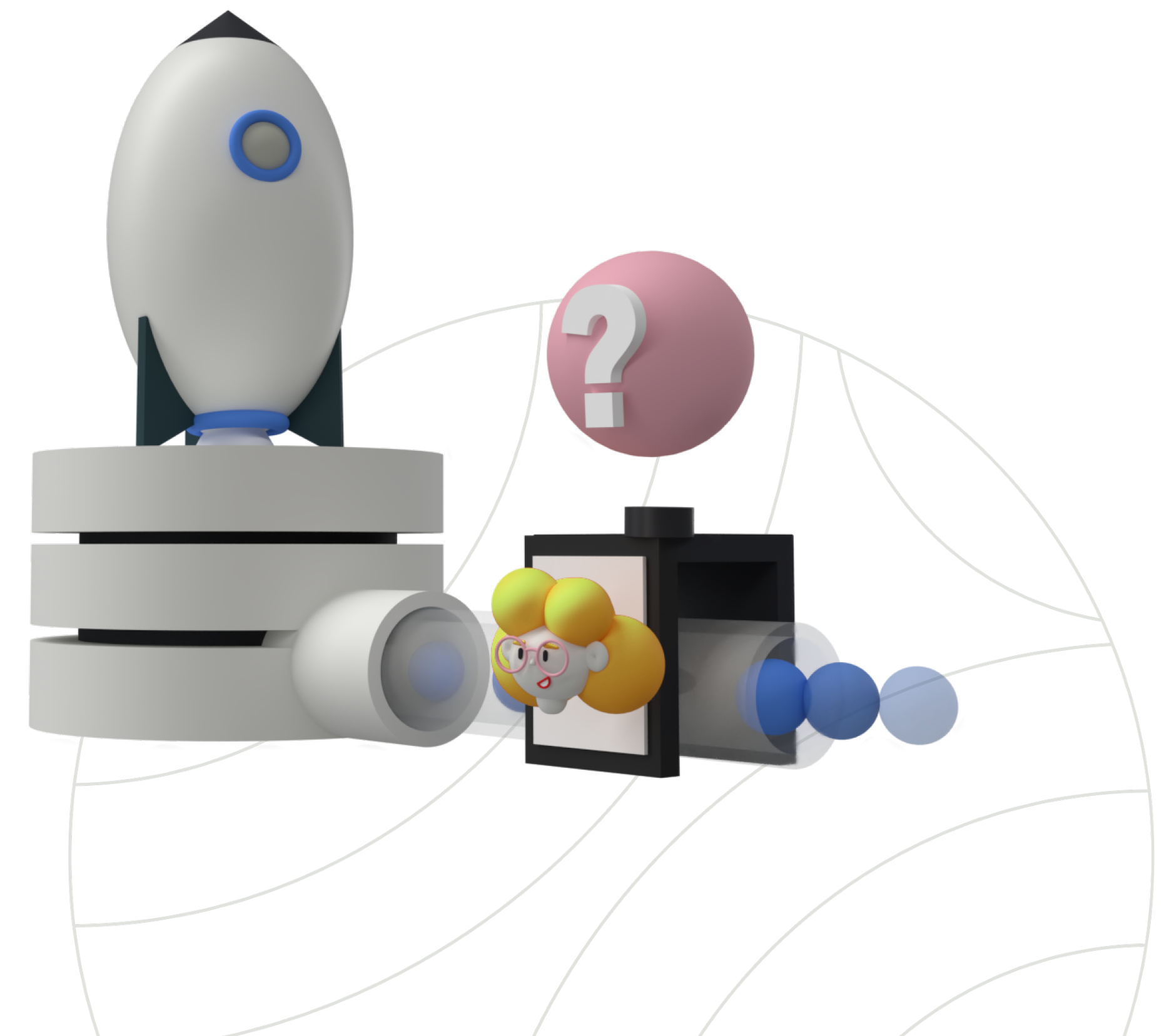


**The criminal organisations behind the majority of property frauds are always looking for ways to beat the system, and they have deep pockets. As the sophistication of their attacks increases, so does the requirement for your digital AML tool of choice to evolve and combat any and every risk.**

**What you should know about cybersecurity:**

- ✓ What recognised cybersecurity accreditations does the provider have?
- ✓ Does the provider contract with external cybersecurity experts?
- ✓ Are you satisfied that any external security experts have a strong track record?

Thirdfort sets the standards when it comes to security. Our dedication to secure operations has earned Thirdfort the UK government-backed Cyber Essentials Plus certification. This best-in-class accreditation means we have passed the most rigorous hands-on technical verification of our security processes and systems by an external Cyber Security expert.



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**How should you decide on the best contractual options for your firm?**





**Some of the amount your firm pays will be upfront cost and may be considered to be capital expenditure. There will be a portion that will be operating expenditure.**

Make sure that the solution that you choose matches how you want to pay.

**You should ensure that the provider gives you the following options:**

- ✓ **Pay As You Go:** If you only do a few checks a month, a pay per check option will suit you best.

- ✓ **Monthly contract:** If you expect to complete 25+ checks a month, you should request a contract with volume discounts, and the ability for your unused allowance to rollover.
- ✓ **Lock-in periods:** Contractual obligations to your chosen supplier should never exceed 12 months. This will provide you with flexibility should your business requirements or government guidance change.

Thirdfort not only provides both PAYG and contractual options, which are capped at 12 months, but we also offer a suite of products to suit your requirements. This allows you to select a low-cost Lite option for simplified due diligence, and a more thorough Standard option for enhanced checks, when they are required.

Using Thirdfort empowers your agents with a set of highly flexible AML tools tailored perfectly for the requirements of estate agents.







Thirdfort is a mobile app-based solution that lets estate agents verify client ID, complete all required AML and source of funds checks in minutes.

Combining ID verification technology to confirm vendors and buyers are who they claim to be, with cutting-edge Open Banking technology to prove money is from a legitimate source, Thirdfort provides a turn-key AML solution for a rapidly growing number of estate agents around the UK.

If you're considering options for upgrading your firm's AML processes to stay in front of an increasingly risky regulatory landscape, and supercharging the productivity of your sales team at the same time, then let's chat.

## Contact Our Team Today



**contact@thirdfort.com**



**www.thirdfort.com**

