

Welcome



Martin McColl

29th April 2010

Agenda



- Introductions
- Declared Cash / ONCH
- Regulatory Compliance
- Overview of P& BA
- Communications
- Transaction Corrections
- Branch Discrepancies
- Dispute procedure
- Visit P & BA teams
 - Cash / Bureau – Carol King
 - Cheques – Tracy Mather
 - A& L – Michala Millington
 - Camelot – Paul Smith
 - Debit Cards – Sue Oxley
- Review effectiveness of day



- Introductions

Declared Cash / ONCH



ANDREW KEIGHLEY – RETAIL CASH TEAM

- Overview of process
- McColl branch ONCH declarations
- Hints & Tips



Regulatory Compliance

Marie Perry

Policy & Standards Manager

Statutes and regulations



Financial Services and Markets Act

Money Laundering Regulations

Proceeds of Crime Act

Payment Services Directive

Consumer Credit Directive

Data Protection Act

Telecommunications Act

Postal Services Act

What our team does



- Interpret what the regulations mean for POL
- Maintain relationships with Regulators and Bank of Ireland
- Provide advice on regulatory issues at product development stage
- Provide approval for all internal communications and training in relation to Financial Services
- Manage the Training and Development framework for driving compliant sales in the network
- Manage anti money laundering processes for the business
- Provide assurance to clients, e.g. NS&I and DVLA
- Assure business processes
- Management reporting to measure compliance in the network

Anti money laundering controls



POL is the principle operator for Bureau de Change and accountable to HM Revenue and Customs

The Money Laundering regulations require us to have robust controls to prevent money being laundered through our branches, including:

- Train our colleagues to understand anti money laundering processes
- Have processes in place to report suspicious activity
- Have robust identification and 'know your customer' controls in place
- Assess the risk of money laundering through the business and have proportionate controls to prevent it happening

Proceeds of Crime Act



The Proceeds of Crime Act makes it an offence to:

1. Acquire, possess, conceal, transfer or use the proceeds of crime
2. Fail to disclose knowledge or suspicion that money laundering is taking place
3. 'Tip off' an individual that they may be the subject of a suspicious activity report, or disclose any information that may jeopardise a criminal investigation

Maximum penalties are 14 years imprisonment and/or an unlimited fine (point 1) and five years imprisonment and/or an unlimited fine (points 2 and 3)

These are personal liabilities for each individual working in our branches.

Counter Processes



Identification requirements for Bureau de Change

- If a transaction is £5000 or more
- If two or more transactions are linked and total £500 or more
- If the customer wants to enter into a business relationship with POL
- If the customer/transaction is suspicious (regardless of the values of transaction)

Reporting suspicious activity

- All transactions across all Financial products
- Is the transaction reasonable in context of the transaction type?
- Is it reasonable for what you know about the customer?
- Does the transaction make good commercial sense?
- Where has the money come from and what's it being used for?

Financial Services



Sell products in a non-advised capacity

Providing accurate and balanced information to allow the customer to make an informed decision

Displaying and providing promotional material that is in date

No hand made/locally produced material to be displayed

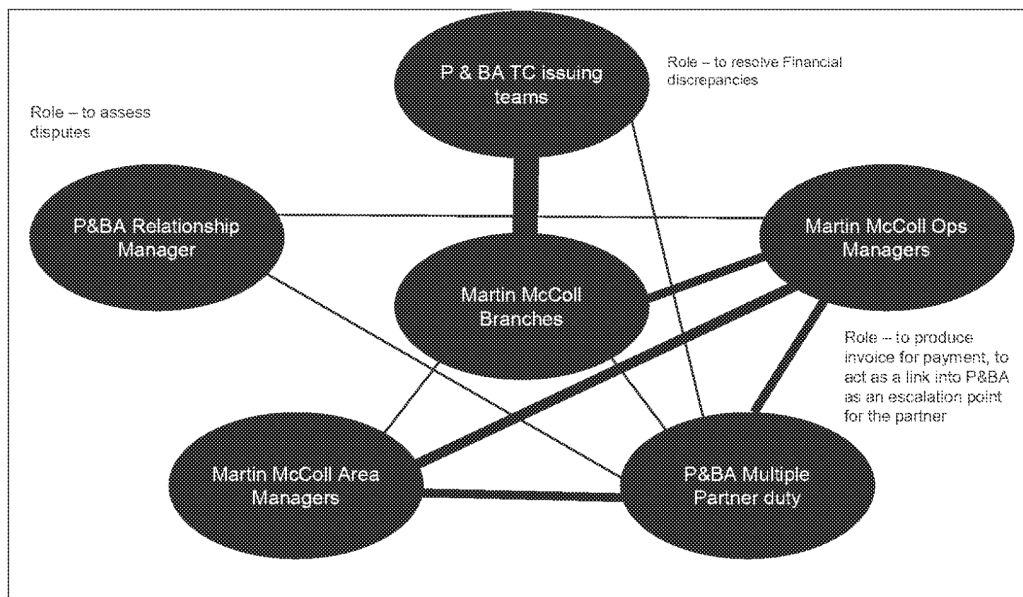
After sales service – secondary ID checks

P&BA Structure



- Hand out

Communication Links



Transaction Corrections



- Data received from Horizon and Clients is matched to identify any transaction differences.
- Open items (differences) are investigated, some will be resolved.
- Where the Horizon stream is incorrect, Transaction Corrections are produced and sent electronically to the branch.
- Transaction correction received by the branch – usually next day.
- Transaction correction accepted by the multiple and Assigned to Nominee.
- Transaction corrected and difference resolved
- TC Pack , P& BA use to highlight problems/issues and discuss with either Operations or Area Managers as appropriate

Transaction correction disputes



- Multiple ensures that they have read narrative on TC and examined corresponding evidence thoroughly
- Multiple to gather evidence to support the dispute
- Multiple contact the issuer of the transaction correction to formally dispute
- Issuer may advise Multiple to Assign to Nominee, whilst investigated, depending on Branch Trading date
- Issuer responds to the multiple with one of the following:
 - Agree dispute & issue a reversal transaction correction.
 - Disagree dispute & transaction correction stands.
 - Request more evidence from Branch
 - Multiple Partner duty will block Transaction Corrections only with agreement of the Operations/Area Manager
- Multiple Partners may can appeal to Andy Winn in writing with all the evidence available.

Multiple Partner Blocking Criteria for Transaction Corrections and Branch Discrepancies



Reason for blocking	P&BA requirement	Length of time blocking allowed	Reasons why blocking will be refused
Value of TC or BD is more than £1k debit or credit	Information provided by the partner that allows the P & BA Multiple Account duty to confirm that a compensating item is due e.g. H number to show they have contacted the Helpline if appropriate	Until compensating amount is issued/assigned to nominee	Value requested for blocking does not equal the value of the BD or TC, Value will not be receiving a compensating entry
Value of TC or BD is more than £1k debit or credit and partner requests more time to understand cause of TC or BD	Update from partner regarding progress of their investigation e.g. product /date of error that may help resolve	One month - until next invoice	Value has been blocked for 1 month pending investigation - and further information has not been provided / received by P& BA
Issue of TC is being disputed with duty holder or formally in writing to the Relationship Manager	Information provided by the partner that allows the P&BA Multiple Account duty to investigate further i.e. Team member name , contact number H number , Product	Until formal dispute process completed	Value has been formally disputed and decision made that it is to stand
Value of TC/ BD is less than £1k	A compensating amount is visible in POLFS	Until compensating amount is issued/assigned to nominee	Value requested for blocking does not equal the value of the BD or TC

Weekly TC Report – EXAMPLE



User name	Multiple Partner	Branch Code	Branch Name	Description	Description 1	TC Date	Type	TC Number	Amount
ADMINBATCH	Multiple Partner	74XXX	Any Town	Assign Nominee	Redeem Rem Discrepshort	22.05.2008	TX	6100020054	£20.00
ADMINBATCH	Multiple Partner	74XXX	Any Town	Assign Nominee	Unpaid Cheque TC POLFS	21.05.2008	TX	6100006032	£40.00
ADMINBATCH	Multiple Partner	74XXX	Any Town	Assign Nominee	REM SURPLUS WRITE ON	23.05.2008	TX	6100082062	-£5.00
ADMINBATCH	Multiple Partner	74XXX	Any Town	Assign Nominee	Unpaid Cheque TC POLFS	22.05.2008	TX	6100057051	£200.00
ADMINBATCH	Multiple Partner	74XXX	Any Town	Assign Nominee	A&L Deposit TC	20.05.2008	TX	6100025025	-£36.85
ADMINBATCH	Multiple Partner	74XXX	Any Town	Assign Nominee	TC Rem In Miskeyed	20.05.2008	TX	6100029048	£140.00
ADMINBATCH	Multiple Partner	74XXX	Any Town	Assign Nominee	NS&I Cash Deposit	20.05.2008	TX	6100117039	-£300.00
ADMINBATCH	Multiple Partner	74XXX	Any Town	Assign Nominee	A&L Deposit TC	22.05.2008	TX	6100062049	£1,441.30
	Multiple Partner	86XXX	Toytown	Special Del Env SDC5	Special Del Env SDC5	22.05.2008	TC	6000187037	£0.01
ADMINBATCH	Multiple Partner	106XXX	Play Town	Assign Nominee	Unpaid Cheque TC POLFS	23.05.2008	TX	6100089030	£79.00
	Multiple Partner	106XXX	Play Town	Rem Out Cheque TC	Rem Out Cheque TC	22.05.2008	TC	6000009969	£174.00
ADMINBATCH	Multiple Partner	106XXX	Play Town	Assign Nominee	REM SURPLUS WRITE ON	23.05.2008	TX	6100056055	-£280.00
ADMINBATCH	Multiple Partner	106XXX	Play Town	Assign Nominee	Post Office Fin Services	22.05.2008	TX	6100048033	-£300.00
ADMINBATCH	Multiple Partner	173XXX	Anywhere FPO	Assign Nominee	Chequeprizes Balancing E	22.05.2008	TX	6100005056	£2,834.20
ADMINBATCH	Multiple Partner	173XXX	Anywhere FPO	Assign Nominee	REM SURPLUS WRITE ON	17.05.2008	TX	6100082057	-£50.00
	Multiple Partner	173XXX	Anywhere FPO	TC Rem Shortages	TC Rem Shortages	22.05.2008	TC	6000049726	£20.00

Branch Discrepancies



BALANCE SNAPSHOT – during month

-Cash derived from horizon 'v' Physical cash counted = snapshot discrepancy

BRANCH TRADING – monthly

-Individual tills balanced – cash discrepancies identified, as above

-Final till balances and individual discrepancies consolidated =
Branch discrepancy transferred to local suspense. These should be
accepted and Assign to Nominee

Visit to P&BA Operational Teams



- Cash / Bureau – Carol King
- Cheques – Tracy Mather
- A& L – Michala Millington
- Camelot – Paul Smith
- Debit Cards – Sue Oxley

Review of day



- Benefits of visit
- Improvement Opportunities
- Actions agreed
- Next Steps