

Financial crime risks in a new normal



Global shocks such as the COVID-19 pandemic, and a constantly evolving economic landscape, present real challenges to business. With a significant increase in financial crime risks (FCR) – as criminals seek to exploit times of crisis for financial gain - businesses need to stay vigilant to mitigate the damage they may cause.

FCR case study

March 26 – May 25 2020

 1,005 reports of COVID-19 related fraud

 269 victims

 \$1.8m lost in total¹

An ongoing problem

Business email compromise (BEC) is an ongoing problem common to many businesses. But in times of crisis, other financial crime risks can be exacerbated.



How can we help?

Financial Crime Risks can be an additional burden at an already difficult time for many businesses. HSBC can offer support and guidance to help you understand and overcome the challenges your business may face. [Read our article on Financial Crime Risks here.](#)

Contact us for more information

Economic distress

In hard times, distressed businesses can become easy targets for criminals looking for a front for illicit activity, such as money laundering.

\$15m

money laundering case linked to illegal online cannabis sales

84,000

4 directors and one employee facing charges after making 84,000 transactions²

Impact on trade flows

As the crisis causes disruption to supply chains, companies need to respond quickly to fill supply gaps. This may mean lower levels of due diligence being undertaken – or exposure to increased risk.

Exploiting government support

Cyber-criminals may pose as agencies that can help your business so it's more important than ever to ...

Stay vigilant

1. Educate staff to look out for red flags, particularly those who work in the finance department.
2. Don't let "workarounds" creep into business processes or impede transparency across the organization.
3. Continue to perform onboarding and ongoing checks on suppliers to ensure clear visibility over third-party risks.
4. Ensure planning against financial crime risks remains a key part of your business strategy.

¹ <https://www.antifraudcentre-centreantifraude.ca/index-eng.htm>

² <https://www.cbc.ca/news/canada/edmonton/money-laundering-illegal-online-cannabis-alberta-1.5402636>

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