

FEXCO PACIFIC NOW FIGHTS FINANCIAL CRIME TWENTY TIMES FASTER

Fexco Pacific is a leading provider of foreign exchange and money transfer services in New Zealand, Fiji, Samoa, Tonga, and several other countries across the Pacific. With over 95 offices and 400 staff, Fexco Pacific provides money remittance as an agent of Western Union and foreign exchange through their No. 1 Currency retail stores. They process over 2 million transactions a year.

The challenge: How can we monitor transactions faster?

In light of the ever-increasing regulation around anti-money laundering (AML) and counter financing of terrorism (CFT), businesses are facing considerable governance and operational pressures to combat financial crime. These regulatory matters are compounded for Fexco Pacific, thanks to the large volume of financial transactions they process in their retail outlets across multiple jurisdictions every day.

Fexco Pacific attempted to meet its compliance responsibilities by monitoring transactions manually using Excel spreadsheets, which led to slow turnaround times for processing and investigating suspicious activity. Unfortunately, this situation wasn't unique to just one of Fexco's locations; all their offices throughout the Pacific Islands were grappling with the same issue. As a result, the compliance officers in each of the nine countries Fexco Pacific operates in were stretched to capacity – if not beyond.

Jane Quinn, the Operations Risk and Compliance Manager for Fexco Pacific Group, was deeply concerned the increasing volume of transactions was resulting in missing potential suspicious transactions.

“It took up to three weeks to process each report, line by line. This meant suspicious activity wasn't identified in good time. It was taking a very long time to spot suspicious and unusual activity and flag it.”

The solution: Change from manual to automated transaction monitoring using Jade ThirdEye

To monitor transactions effectively, suspicious transaction reports (STR) must be raised within a few working days of a suspicious transaction being identified.

“We hadn't even got to the stage of identifying suspicious transactions in a timely manner, let alone raising an STR.”

After much consideration, Fexco Pacific concluded the best way to solve their problem was through an automated anti-money laundering solution that was equipped to handle the high volumes of money remittance transactions they processed, among other things. So they went to the market to review and compare the industry-leading products for fighting financial crime.

After an extensive selection process, they chose Jade ThirdEye. This intuitive software removed the time-consuming, manual process of detecting suspicious transactions and helped Jane and her team meet their AML and CFT compliance obligations. It also had the scale and flexibility that set them up to manage increasing volumes of transactions for their expanding business.



One of the main reasons for selecting Jade ThirdEye was its ability to handle Fexco Pacific's data. Because the company is transactional, rather than customer-based, they don't have account numbers to store transactions against. Jade's competitor products couldn't solve this business challenge.

"We needed a product that could accommodate the absence of a customer number, but still connect the dots if there was a pattern of behaviour. If, for example, a customer comes in twice this week and twice the following week, Jade ThirdEye can create a 'pseudo' customer number that we can attach the data to, for reporting and monitoring," she explained.

Another key consideration in the decision was that Jade has support people who are local to their clients. "We've been stuck with offshore support before," explained Jane, "which created issues with time zones and availability."

In fact, two members of Jade's account management team were on hand for the initial rollout and training, which went very smoothly. The local support desk helped during the bedding-in phase, which encountered the usual teething problems of logins, passwords, and authentication.

"Having the support team to call on was fantastic – they offer a great service," said Jane. An example of this was when the support team helped Fexco Pacific's Fiji office changed its Internet provider. This meant a change in IP address, so the Jade ThirdEye support desk jumped in to solve this quickly.

Jade ThirdEye, being a software as a service (SaaS) solution, made it easy to deploy to nine countries. Fexco Pacific staff in each country could access the system without needing to set up Jade ThirdEye in each country. All they needed was a browser.

The benefits: Agility, efficiency, transparency

Fexco Pacific rolled Jade ThirdEye out incrementally across the remittance side of their business, starting with New Zealand, and followed by each of the other eight countries.

Jane explained that they initially had a standard set of transaction monitoring rules in place. But this didn't work for each country, which had their own unique regulations and requirements. "Jade ThirdEye lets us tweak the rules to fit each country's legislation and currency thresholds."

Jane and her team appreciate how they can upload initial data into Jade ThirdEye and run the rules in draft mode before these go live.

They find this extremely helpful, as it helps them minimise false positives. “Clearing the alerts is a big effort, but it’s good to be able to do this properly, as we are creating a history and pattern of customer activity.”

Because of these features in Jade ThirdEye, Fexco Pacific’s compliance team is now up to date and able to review alerts within 24 hours of these being raised. They can now clear the alerts promptly, getting rid of the three-week delay that used to exist - that’s twenty times faster.

A long-term, flexible partnership

Fexco Pacific have found a partner in Jade for monitoring transactions and flagging suspicious activity.

“Jade ThirdEye is definitely a fit for our business,” said Jane. “We like being able to customise the alerts ourselves. We also enjoy that it can accommodate the absence of customer numbers and that we can process rules in draft before we promote them to live.”

Fexco Pacific also likes the fact that Jade is an evolving company that’s constantly developing and upgrading its solutions. “It’s good knowing that it’s not going to stagnate and that Jade is constantly developing it. We also like how they’re very open to taking our feedback on board to improve Jade ThirdEye.”

For more information visit: jadethirdeye.com

Jade ThirdEye can:

Identify suspicious behaviour quickly and accurately

Minimise false positives

Focus specialist investigative efforts where they’re most valuable

Monitor high volumes of transactions

Create customised rules

Screen customers against the fully integrated World-Check or Dow Jones Risk and Compliance watchlist

About Jade ThirdEye: Jade ThirdEye detects suspicious transactions, combats money laundering, and helps businesses meet their AML/CFT compliance obligations. It provides a powerful, uncomplicated way to check data about customers and transactions for suspicious activity.

