

The background features a dark blue field with a pattern of thin, white, overlapping circles. Three large, solid-colored circles are overlaid: a purple one on the left, a medium blue one at the top right, and a teal one at the bottom right. The text is positioned on the teal circle.

AML Transaction Monitoring Solutions, 2024

PwC

Executive Summary

A global leader in anti-money laundering (AML) transaction monitoring, PwC boasts many strengths in this area, which stem from its deep expertise in financial crime risk management and its robust suite of innovative solutions. PwC is known for having a deep understanding of complex regulatory landscapes and evolving financial crime threats that enables it to tailor solutions to specific client needs. The firm's global reach and extensive network of professionals facilitate tailored support, collaboration and knowledge sharing across a variety of industries, ensuring that clients meet the highest standards of regulatory compliance and best practice. PwC's innovative use of

technology, including advanced analytics and generative artificial intelligence (GenAI), enhances the efficiency and effectiveness of institutions' transaction monitoring processes. Additionally, PwC's commitment to ongoing research and development keeps it at the forefront of AML advances, allowing it to provide cutting-edge solutions to its clients.

PwC's capabilities, heritage and FinCrime experience give it a vital role in the AML ecosystem, especially in transaction monitoring, with a modular risk management approach that fits perfectly with the evolution of FinCrime into a more complex and interwoven ecosystem. Its coverage across typologies and product channels enables firms to conduct deep risk assessments across broad and diversified portfolios, while the Model Edge platform delivers the level of flexibility and customization the industry requires, at vast scale and speed.

— Nick Vitchev,
Chartis Research

Key Considerations

- The market for AML transaction monitoring solutions continues to expand rapidly, driven by regulatory requirements, increasing financial crime and the need for comprehensive risk-mitigation strategies.
- Demand has grown for sophisticated monitoring solutions capable of real-time detection and response, and innovations in AI, machine learning (ML) and Big Data analytics are revolutionizing the capabilities of transaction monitoring solutions.
- To stay ahead in a fiercely competitive landscape, leading vendors are investing heavily in product innovation, strategic partnerships and geographic expansion. Mergers and acquisitions are also reshaping the market, as companies seek to bolster their offerings and broaden their market reach.

PwC – Category Leader in AML Transaction Monitoring Solutions

Our analysis of PwC is included in the Chartis report [AML Transaction Monitoring Solutions, 2024: Quadrant Update](#), published in October 2024. The report also included other providers of AML transaction monitoring solutions: Abrigo, BPC, Clari5, ComplyAdvantage, Complytek, DataVisor, Dixtior, Eastnets, Feedzai, Fenargo, FIS, Flagright, FOCAL, Hawk, IMTF, LexisNexis Risk Solutions, Linkurious, Lucinity, Manipal Group, Napier AI, Nasdaq Verafin, NetGuardians, NICE Actimize, Oracle, Prometeia, Quantexa, Refine Intelligence, Salv, SAS, Sumsub, Sygno, SymphonyAI, ThetaRay, Tookitaki, Vneuron and WorkFusion.

Chartis has named PwC as a category leader in the 2024 RiskTech Quadrant® for AML Transaction Monitoring Solutions (see Figure 1 on page 3). Leveraging such advanced tools as AI and GenAI, ML and data analytics, PwC provides highly effective and scalable solutions that enable financial institutions to detect and prevent suspicious activity in real time. Its ability to combine advanced analytics and technology with strong data integration and processing, underpinned by a deep understanding of regulatory requirements, positions PwC as a key player in addressing the increasingly complex AML and compliance landscape, helping its clients stay ahead of emerging risks and evolving money laundering tactics.

Moreover, PwC's comprehensive approach to AML compliance, which spans consulting, technology integration and managed services, gives it a unique standing in the AML space. Its commitment to continuous improvement, closely incorporating regulatory developments and requirements (including cross-border compliance and the rise of digital assets), ensures that clients are equipped with forward-thinking and resilient transaction monitoring systems. This expertise, combined with PwC's proven track record of delivering tangible results across a range of industries and use cases, stands out as a compelling and effective approach in the AML ecosystem.

Figure 1: PwC's positioning; AML transaction monitoring solutions, 2024



AML Transaction Monitoring Solutions

Data and system integrations (5 stars: best-in-class capabilities)

PwC's comprehensive suite of proprietary tools, breadth of integrations and deep industry expertise contributed significantly to its best-in-class ranking. Its Model Edge offering is a sophisticated, cloud-based, end-to-end model management solution designed to facilitate the comprehensive management, monitoring, and governance of an organization's entire portfolio of models, including those utilizing artificial intelligence (AI). It includes a library of AI-based models to choose from and a prompt-driven approach to build and deploy custom AI-models at speed. This advanced platform ensures that all aspects of model lifecycle management are seamlessly integrated, providing robust support for the development, deployment, and continuous refinement of models. PwC's solutions are designed to support a broad spectrum of integrations, including real-time data processing, AI-powered analytics, and cross-platform connectivity, enabling a comprehensive and unified approach to AML compliance. Their expertise in managing complex integrations ensures smooth deployment, minimal disruption, and enhanced operational efficiency for clients.

Focus on modeling (5 stars: best-in-class capabilities)

Chartis believes that advanced modeling, delivered via the Model Edge platform, is one of the key competitive advantages of PwC's financial crime suite – notably in AML. PwC's heightened focus on modeling in transaction monitoring solutions stems from its deep heritage and understanding of financial crime risks and its ability to translate this knowledge into sophisticated analytical models. Its solutions leverage advanced analytics to identify complex patterns and anomalies in transaction data, enabling early detection of potential money laundering and terrorist financing activities. It allows institutions to follow best practices and execute with agility, supported by ready-to-use code and expert guidance. Additionally, it facilitates easy logging of key decisions, providing accountability and visibility for all stakeholders, ensuring audit readiness. PwC's expertise in developing tailored risk typologies allows for precise targeting of high-risk areas, optimizing resource allocation and enhancing the effectiveness of monitoring efforts. PwC excels in developing highly customizable risk models that reflect the latest money laundering typologies, incorporating advanced ML techniques and real-time analytics to detect complex, evolving threats. The company's solutions are built with a deep understanding of global regulatory requirements and the diverse risk profiles across industries. This allows solutions to be tailored to specific client needs for precise detection of suspicious activities. PwC's commitment to continuous model refinement, transparency and evolving criminal tactics ensures that its clients stay ahead of the curve in mitigating financial crime risks.

Focus on speed and volume (5 stars: best-in-class capabilities)

PwC's emphasis on the speed and capacity of its solutions has earned the company a best-in-class ranking, reflecting its expertise in managing high alert volumes in real time. The solutions are specifically tailored to process significant numbers of alerts for triaging and auto-closures, designed to handle increased volumes with near real-time efficiency. PwC's offerings are engineered to scale with clients' growing needs, ensuring that as alert volumes rise, the system can swiftly adapt. This capability to monitor large-scale data flows both rapidly and effectively establishes PwC as a leader in driving clients' operational efficiencies. By providing the agility and reliability necessary to meet regulatory demands and operational objectives, PwC positions itself as a trusted partner for clients seeking to enhance their financial crime management systems.

Platform and case management (5 stars: best-in-class capabilities)

Reflecting PwC's robust and user-friendly approach to adjudicating alerts through advanced analytics and superior reporting capabilities, Chartis has named PwC's platform as best-in-class. PwC's platform offers seamless integration with clients' case management tools through the use of Workbench. The AI-based models for triaging, narrative automation, and other essential functions (e.g. SAR form automation) help improve quality and drive efficiency. The approach leveraged by PwC with these models results in a feedback loop that helps improve program effectiveness. Processed alerts and cases can be transferred back into the client's case management tools, offering flexibility in generating various report summaries. Moreover, PwC's suite includes a range of analytics and dashboards that can be employed either as plug-and-play solutions or customized according to specific client needs, thereby enhancing management reporting capabilities. The platform also supports the implementation of various customized workflows based on client requirements, ensuring that clients benefit from a streamlined and efficient workflow tailored to their unique operational needs. With such robust features as automated triage, workflow management, reporting and customizable dashboards, PwC's platform focuses on helping clients manage and monitor their AML risk while maintaining regulatory compliance, making its alert concierge platform a critical asset for managing AML operations at scale.

Workflow automation (4 stars: industry-leading capabilities)

With its strong commitment to leveraging technology to streamline the AML compliance process, PwC received a 4-star ranking for workflow automation, demonstrating industry-leading capabilities. PwC solution offers customizable interactive workflows, enabling clients to select paths tailored to their specific needs. The solutions incorporate intelligent workflow automation features that significantly reduce manual effort and accelerate investigations, while still allowing for human oversight when necessary. By minimizing manual intervention, the platform enhances decision-making speed and operational efficiency. Although complex cases may still require human review, PwC's integration of automation into the alert adjudication process helps firms mitigate the risk of human error and improve overall operational efficiencies.

Solution packaging and deployment (4 stars: industry-leading capabilities)

PwC's industry-leading ranking for its solution packaging and deployment stems from its well-structured, flexible approach to delivering and implementing technology. Although more targeted at large end-use cases that are best placed to benefit from its deep modeling and multi-typology/multi-product approach, PwC offers a range of scalable packages and deployment offerings, including on-premise, cloud-based and hybrid models, that cater to organizations of various sizes and complexities. Its efficient deployment process focuses on seamless integration and minimal operational disruption. PwC's commitment to delivering high-quality solutions and providing effective support positions it well in the market. While some clients, particularly in large or highly complex organizations, may require such additional customization as data migration and system integrations, or more time for deployment, PwC's strong implementation support can help to mitigate these challenges.

Market context

The pace of regulatory fines has increased dramatically: the total value of global fines rose by about a third in the first half of 2024, compared to the same period in 2023. The most significant enforcement actions have occurred in the AML sector, where fines have surged by approximately 87% to around \$113 million. Penalties for violations related to transaction monitoring and suspicious activity reports (SARs) have also seen a staggering increase, rising by roughly 400%, from \$6 million to \$30 million, in just six months. Additionally, in a major development leading up to Chartis' report, the US Department of Justice and the Financial Crimes Enforcement Network (FinCEN) imposed a historic fine of more than \$3 billion for serious AML control violations, citing deficiencies in transaction monitoring and SAR filings. This has brought AML and transaction monitoring into sharp focus, underscoring the critical role the financial sector plays in preventing criminal activities.

The global rise in AML-related fines for transaction monitoring and SAR reporting can be attributed to several key factors:

- **Increased regulatory scrutiny.** Global regulators have ramped up their focus on AML and counterterrorist financing (CTF) compliance, conducting more frequent and in-depth investigations. This increased oversight has led to a greater likelihood of identifying and penalizing non-compliant institutions.
- **Larger fines for violations.** Regulatory bodies have been issuing increasingly significant fines for AML infractions, with high-profile cases in 2024 sending a clear message that non-compliance will not be tolerated.
- **Evolving money laundering techniques.** As money launderers continuously adapt their strategies to avoid detection, AML systems and procedures must be updated regularly. Failure to keep pace with these changes can lead to violations and hefty penalties. Research indicates that between 2% and 5% of global GDP is laundered annually, translating to an estimated \$1.75 trillion to \$4.5 trillion in illicit funds flowing through the global financial system.
- **Increased complexity of financial transactions.** The growing complexity of financial transactions, including the rise of digital assets, cryptocurrencies, cross-border payments and near-real-time transactions (e.g., foreign exchange), has made it more challenging for firms to effectively monitor for suspicious activity. This complexity increases the risk of inadvertent violations and associated penalties.

The combination of stricter regulatory oversight, larger fines, evolving money laundering techniques and more complex financial transactions has led to tighter AML compliance requirements. As a result, more firms are adopting AML transaction monitoring solutions than ever before. While the financial services sector has long been a leader in AML compliance, the use of transaction monitoring systems is expanding across a variety of industries, including capital markets, residential real estate, non-profits and gaming. This trend toward broader adoption of transaction monitoring is driven by several factors:

- **Evolving regulatory landscape.** Regulatory bodies have become more demanding in their AML and CTF compliance requirements, pushing organizations to deploy more advanced monitoring tools.
- **Technological advances.** The rise of AI, GenAI, ML, deep learning and Big Data analytics has enabled the development of more powerful and precise transaction monitoring systems.
- **The impact of fraud on AML efforts.** The growing threat of cybercrime and fraud, particularly money mule schemes, has emphasized the need for robust transaction monitoring systems to detect and sever the link between stolen funds and money laundering activities.
- **Cybersecurity and financial crime controls.** Financial crime prevention is increasingly integrated into broader cybersecurity control frameworks. The Financial Action Task Force (FATF) has highlighted the importance of distinguishing between cybersecurity controls and data security measures within the broader context of financial crime prevention.

Methodology

Chartis Research ('Chartis') is a research and advisory firm that provides technology and business advice to the global risk management industry. Chartis assesses risk technology vendors using consistent, objective methodology, regardless of business relationships.

Chartis' RiskTech Quadrant® has been used to explain the structure of the market. It employs a comprehensive methodology of in-depth independent research and a clear scoring system to explain which technology solutions meet an organization's needs. The RiskTech Quadrant® does not simply describe one technology solution as the best; rather, it has a sophisticated ranking methodology to explain which solutions would be most suitable for buyers, depending on their implementation strategies.

Chartis evaluates vendors on both current and future dimensions: completeness of offering and market potential.

- **Completeness of offering** criteria include data and system integrations, focus on modeling and risk typology, focus on speed and volume, platform and case management, workflow automation, and solution packaging and deployment.
- **Market potential** considers business model, market penetration, financials, customer satisfaction and growth strategy.

Chartis uses detailed evaluation forms, customer surveys, expert interviews, vendor briefings and other research sources to assess solutions. This rigorous methodology provides an independent view of solutions and vendors.