



## Accountancy sector customer risk assessments

In Q1 2025, we assessed the extent to which supervised persons had implemented and utilised customer risk assessments (CRAs) when onboarding and completing ongoing customer reviews. The purpose of this feedback is to assist you in evaluating your current approach and support effective, risk-based compliance.



### Good practice we observed

- ▶ Risk appetite was clearly embedded within customer acceptance procedures, supported by well-defined risk criteria and tolerance thresholds outlined in the CRA, supporting a consistent and transparent approach to assessing customer risk.
- ▶ CRA frameworks were subject to regular reviews, both periodic and event-driven, such as following changes in jurisdictional risk ratings. These reviews were often accompanied by documented action plans to enhance the framework's effectiveness and promote a culture of continuous improvement.
- ▶ A broad range of risk factors were considered within CRAs. Businesses demonstrated a clear understanding of how these factors contributed to a holistic view of customer risk, enabling more informed and robust decision-making.



### Areas for improvement we identified

- ▶ Customer screening records were incomplete, with a lack of clear, written rationale for discounting potential matches, including those related to sanctions, politically exposed persons (PEPs), and adverse media.
- ▶ CRA frameworks lacked sufficient explanation of how risk ratings were determined. In particular, the assessment of jurisdictional risk was not well-articulated, leading to potential inconsistencies in how category of risk was factored into the calculation of overall customer risk.
- ▶ Policies and procedures did not provide staff with clear, practical guidance on how to complete CRAs comprehensively, accurately, and consistently, increasing the risk of subjective or inconsistent assessments.



### Key considerations

- ▶ Do you ensure your CRA is applied consistently and comprehensively, regardless of how well you know the customer? Sole practitioners and smaller businesses may have close relationships with their customers, but this must never replace formal due diligence procedures.
- ▶ Do you periodically evaluate the effectiveness of your CRA process to ensure it remains fit for purpose? Regular reviews can help identify weaknesses in your methodology and support necessary adjustments to improve how customer risk is assessed.
- ▶ Does your CRA consider the cumulative risk a customer presents? While individual risk factors might appear minor in isolation, their combined impact can significantly elevate the overall risk profile, potentially placing the customer relationship outside your risk appetite.