

CASE STUDY

Irwin Mitchell

Powering efficient and consistent
data gathering for client due
diligence through automation

Briefing[▲]

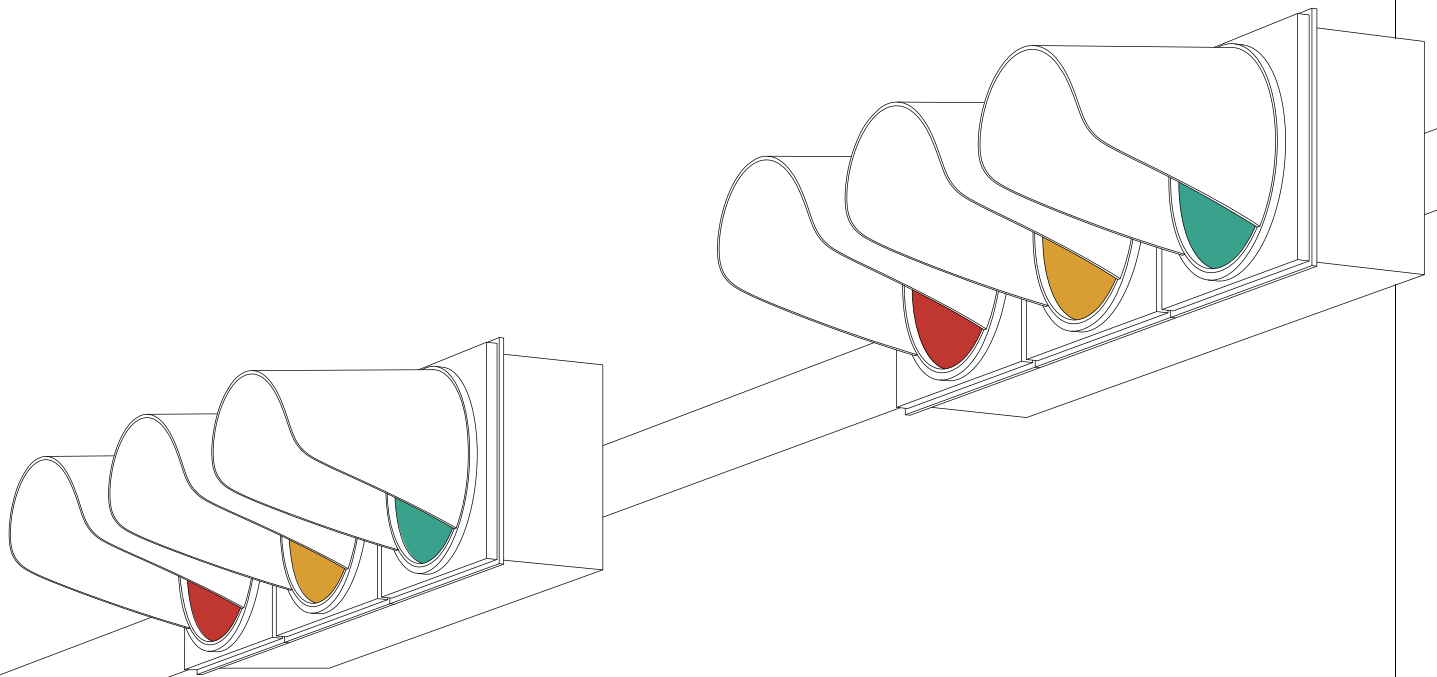
SMARTER LEGAL BUSINESS MANAGEMENT

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INDUSTRY CASE STUDY

Checking the route

The data gathering for client due diligence (CDD) is a significantly more efficient and consistent process when powered by the automation of Encompass, says Parminder Dhothar at Irwin Mitchell

Covid-19 is, of course, likely to have had an impact on how all organisations approach their risk management. Although it was frequently highlighted that there was no playbook for responding to the pandemic, the challenges put the spotlight on business-continuity readiness around the world. Work on process optimisation is ongoing to ensure compliance consistency and appropriate chains of supervision when people are working from so many different locations.

At the same time, fundamental checks such as Know Your Client (KYC) when onboarding new business at a law firm – robustly verifying company information such as ultimate beneficial owners and identifying politically-exposed persons in line with the Anti-Money Laundering regulations – had to continue in these difficult circumstances.

Parminder Dhothar, financial crime prevention manager at UK law firm Irwin Mitchell, says regulators had quickly communicated that criminals were likely to try to take advantage of the disruption caused by Covid-19. “Organised criminals, in particular, will see everyone suddenly working from home, and potentially not using the

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Parminder Dhothar, financial crime prevention manager, Irwin Mitchell

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same processes, as an opportunity to identify and target any weaknesses,” he explains.

On the other hand, he adds, investments in digital working, like the now ubiquitous range of collaboration platforms, have been a benefit for CDD – both having the sight of unfamiliar faces on video calls and the capability to upload information and photos of documentation easily.

Need for consistent speed

Several years earlier, Irwin Mitchell had also invested in the Encompass solution for automating KYC work. “We were in the process of scoping out automation opportunities in general, and one especially manual element was the due diligence that needs to be undertaken on corporate entities,” Dhothar explains.

There were several reasons to try to change this, he says. “Team members spent a lot of time manually accessing the Companies House database to download and review files – and that was valuable time that could be more usefully spent elsewhere. An automated tool will also, of course, follow exactly the same process every time – whereas you can train two individuals to find information very well, and they will still sometimes take a different route to the destination.

“That can introduce risks; some information may be missed, or it can lengthen the process – something that unstructured can lead to several variables in performance.”

With Encompass, Dhothar continues, in essence, a user simply enters a client name, and the system automatically searches across any programmed data points, before either producing any next steps for the decision-maker or the greenlight for work to commence.

“It may highlight some red flags for further investigation or gaps in the information, but more often than not it assembles all the required

information into a pack, which can then be assessed, shared and saved for ongoing review as an auditable file that demonstrates compliance.”

Ultimately, this enables Irwin Mitchell to assess a client’s risk and begin a piece of work for them that much faster.

Irwin Mitchell ran a proof of concept, and the firm hasn’t looked back, with Dhothar emphasising some strengths of the underlying technology. “This isn’t an off-the-shelf product – it has the flexibility to be tailored to information required based on a firm’s profile – and new datasets can be added.” It can be harder to collect some corporate information where a business has an overseas footprint, and so Encompass is engaging with other data providers to broaden the horizons of what can be searched, he explains. “As the system is web-based, there was also very little integration needed with the firm’s IT infrastructure – it has been very easy for colleagues to use while working from home.”

Supporting roles

Dhothar is also particularly impressed with the support Encompass provides as the tailoring of CDD at Irwin Mitchell continues, he says. “The arrival of any new technology involves some learning journey, and the team has helped a lot to ensure we get the best from the product.” One example is knowledge of those additional data sources as they are introduced, but there are also workflow changes to the system itself, based on user feedback as much as the Encompass strategy.

“There are regular catchups and workshops where we can discuss how well things have progressed and exchange updates – our business plans and the development plans for Encompass. Initially, the team was also on hand to handle any queries and, while the system is quite intuitive to use, it’s helpful that you can arrange refresher training sessions when new people join the firm.” Indeed, he says new employees are now more likely to be onboarded with the knowledge they need to get straight on with the business of efficient client onboarding. ▀

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