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Merlynn - TOM Business Case
Revolutionising the sanctions/PEP screening process

The Business problem

An expensive bottle neck
Transaction Monitoring (TM) is costly, slow and prone to error, as it still relies on humans to analyse and clear alerts.

Removing the bottle neck
Merlynn's Tacit Object Modeller (TOM) software can clear thousands of alerts in seconds*, leading to an exponential improvement in efficiency and accuracy.

* A human can clear 50 – 200 per day

How TOM works
By modelling an expert's decision process through an interactive simulation**, TOM learns to consistently anticipate the experts' decision on whether to clear or escalate an alert .

** This differentiates TOM from other AI solutions which generally rely on vast quantities of data to create opaque algorithms.

The use case

A South African Bank launched a new digital product. As part of the regulatory requirements, it needed to complete Sanctions/PEP checks on a client list of 2.2M which generated 600,000 alerts. These needed to be checked & cleared to ensure the Bank was:

• Not doing business with sanctioned individuals/entities which could have both reputational & financial repercussions

• Able to adequately risk rate the customer in accordance with the Risk Based Approach (RBA) principles.

In addition to this a team still needed to complete real-time Sanctions/PEP screenings as part of the banks ongoing due diligence (ODD) requirements.
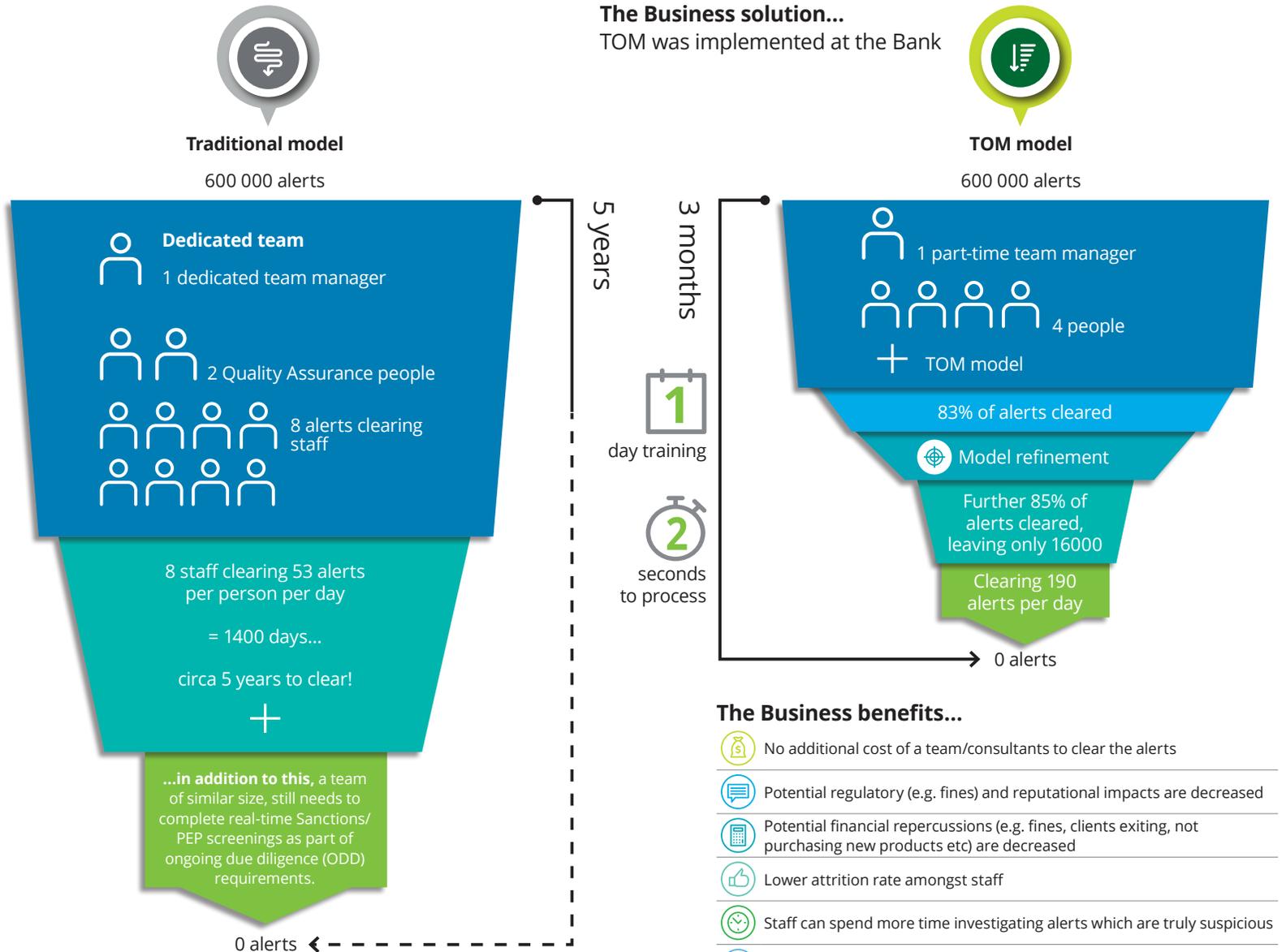
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Traditional model
600 000 alerts

Dedicated team
1 dedicated team manager

2 Quality Assurance people

8 alerts clearing staff

8 staff clearing 53 alerts per person per day

= 1400 days...

circa 5 years to clear!

+

...in addition to this, a team of similar size, still needs to complete real-time Sanctions/PEP screenings as part of ongoing due diligence (ODD) requirements.

0 alerts

5 years

3 months

1 day training

2 seconds to process

The Business solution...
TOM was implemented at the Bank

TOM model
600 000 alerts

1 part-time team manager

4 people

+ TOM model

83% of alerts cleared

Model refinement

Further 85% of alerts cleared, leaving only 16000

Clearing 190 alerts per day

0 alerts

The Business benefits...

- No additional cost of a team/consultants to clear the alerts
- Potential regulatory (e.g. fines) and reputational impacts are decreased
- Potential financial repercussions (e.g. fines, clients exiting, not purchasing new products etc) are decreased
- Lower attrition rate amongst staff
- Staff can spend more time investigating alerts which are truly suspicious
- Additional capacity to focus on upskilling staff
- More time to incorporate learnings into enhanced typologies