LandmarkAgent

Risk Indicator Checklist

Risk Indicators	Overview
Residential property	Money laundering risks exist across all residential property values, driven mainly by the source of funds and whether the buyer's profile aligns with the property being purchased. Lower-value properties can still attract criminal funds, especially when a customer's income does not match the property's value, which indicates higher risk.
Commercial property	Commercial property of any value can be used for money laundering, from high-street shops to large office blocks and hotels, and criminals may use complex ownership structures or bridging finance to disguise illicit funds. Higher-end commercial real estate can offer long-term profits, while lower-value premises are often exploited by organised crime groups for cash-based laundering or further criminal activity.
Super Prime Property	Super-prime properties are attractive to criminal actors as a stable asset to store value - £5m+ in London and South East, £1m+ elsewhere.
Customer's profile and behaviour	A customer whose profile, behaviour, or transaction patterns don't logically match the property or funding involved presents a clear warning sign of potential illicit activity and increased level of risk. Evasive or secretive behaviour should also be treated the same.
Politically exposed persons (PEPs)	PEPs pose high risk because their powerful positions and potential links to corruption make them targets for laundering illicit funds. UK PEPs are treated as lower risk than overseas PEPs.
Multiple property transactions	Rapid or unexplained multiple property transactions; especially involving several intermediaries, lawyers or institutions signal a high risk that the activity is being used to launder illicit funds.
The property price is not reflective of market value	An asking price far above or below a property's true value is a strong warning sign that the transaction may be disguising illicit funds.
The customer is part of a complex or unusual corporate structure	A complex or opaque corporate structure, especially one with layered ownership, multiple controlling parties or overseas shell entities, signals elevated risk because it obscures the true owners and makes illicit funds harder to trace.

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The transaction involves a legal entity that is not transparent	Entities that obscure beneficial ownership, particularly overseas companies, PIVs or SPVs, present high risk because weak transparency requirements make it easier to hide who truly owns the property or the illicit funds behind it.
Customers that have a corporate structure not wholly based within the UK	Customers that have a corporate structure not wholly based within the UK, and with ownership spread across overseas jurisdictions, present higher risk because such arrangements can obscure beneficial ownership and the origin of funds.
The customer is from or linked to an overseas jurisdiction	Links to overseas jurisdictions can pose elevated risk when those countries lack strong anti-money-laundering controls, show high levels of corruption or terrorism, face sanctions, or allow financial secrecy, meaning transactions involving such regions may require enhanced due diligence.
Transactions involving an intermediary	Intermediaries can increase risk when they add anonymity or unnecessary layers to a transaction, especially when they are overseas, promote secrecy, request services that disguise ownership or assets, appear in excessive numbers, or provide no clear reason why the customer is not dealing with the agent directly.
Transactions with no face-to-face interaction	Providing services without ongoing face-to-face contact increases the risk that a customer may use false identities or act on behalf of a criminal group, making robust enhanced checks essential.
Transactions with an individual or organisation which could be a professional enabler	Professional enablers increase risk because some professionals may intentionally or negligently facilitate money laundering by bypassing compliance requirements, behaving dishonestly, or operating without proper AML supervision.
Risks relating to providing multiple services	Purchasing a property that is later unexpectedly let out can indicate increased money-laundering risk if the letting purpose was unclear at the outset.
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A property transaction with no commercial purpose	A property transaction with no clear commercial purpose, such as when a dormant or non-trading business buys or sells property, is a sign of elevated money-laundering risk.
Payment and source of funds risks	A customer showing unusual or changing payment patterns, overseas or secrecy-jurisdiction banking, cash or foreign-currency payments, unexpected refunds, altered transaction speed, new parties appearing late, or funding from unclear or third-party sources presents a significantly heightened risk of money laundering or terrorist financing.
Requests to act for multiple companies which are connected or have common beneficial owners	Requests to facilitate a property transaction across multiple firms with the same beneficial owner can indicate an attempt to hide relationships and obscure illicit activity.
The customer is based in, or operates from, a virtual office	Using a virtual office address, especially one not connected to the customer or beneficial owners, and particularly when based overseas, creates anonymity that can significantly increase the risk of money laundering, terrorist financing, or proliferation financing.
The customer is a trust	The misuse of trusts, especially overseas trusts used within complex layered structures, creates high money-laundering risk because trusts can obscure the true owners of assets and distance illicit funds from their criminal origin.
The customer is a Real Estate Investment Trust (REIT) or Open-Ended Investment Company (OEIC)	Customers that are REITs or OEICs must be treated as high-risk, because these investment vehicles (while regulated) offer less ownership transparency than direct property holding and are often used at the end of complex, multi-jurisdictional laundering chains involving high-end commercial property.
The customer operates a cash-intensive business	A customer who operates a cash-intensive business presents higher risk because large volumes of cash make it easier to introduce illicit funds into property transactions.
Joint Ventures and Reliance Agreements	Working with another EAB in a joint venture or to market the same property introduces added risk, as reliance on their CDD and potential involvement of professional enablers may expose you to weaknesses in their compliance.

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Payments for EAB services	Cash payments pose high risk because they provide anonymity, obscure audit trails, and make it harder to verify whether funds truly originate from the verified customer rather than an unknown third party.
Property auctions	Auctions can be quicker than a standard property transaction, which in conjunction with other risk factors, such as the use of intermediary agents, can be attractive to criminals.
Use of third-party identity providers or compliance companies	Using third-party identity or compliance services introduces additional risk because standards vary widely, and you remain fully responsible for meeting all regulatory obligations, even if the third-party's checks are incomplete or inadequate.
Customer links to proscribed organisations	Proscribed terrorist organisations must not be dealt with, and any links to them should be treated as high-risk, stopped immediately, and reported to the NCA, as doing business with them or failing to report suspicions is a criminal offence.
Customers sanctioned by the UK for terrorist activity	Property transactions linked to sanctioned regimes, entities, or PEPs carry a high risk of terrorist financing, including where clients may unknowingly receive funds from companies paying terrorist groups. Such clients must be carefully risk-assessed, and any related transactions treated as high risk.
Offshore ownership, intermediary jurisdictions and countries with a high geographical risk of terrorism	Clients or businesses linked to high-risk countries, offshore jurisdictions, or areas associated with terrorism should be treated as higher risk due to the potential for secrecy and exploitation in financing terrorism. Any such connections should trigger enhanced risk assessment and high-risk treatment in property transactions.
Customers linked to the governments of proliferation financing sanctioned regimes	Any property transaction involving individuals, entities, governments, or PEPs from regimes sanctioned for proliferation financing should be considered high-risk and handled with enhanced scrutiny.
Property being used to manufacture dual use goods	Commercial property used for manufacturing can pose high proliferation-financing risk where dual-use items are involved, especially if linked to sanctioned regimes. Obscure company structures, trusts, or offshore jurisdictions further increase the risk in these transactions.