

Potential Indicators of Sexual Exploitation

Extract from NCA Amber ALERT of March 2021 (Reference 0634-NECC)

Overview

The purpose of this alert is to provide financial institutions with red-flag indicators that, in combination, may demonstrate a heightened risk of potential sexual exploitation activity to persons over the age of 18. It refers directly to both offender and victim financial behaviours. The presence of a single indicator should not be interpreted as being indicative of sexual exploitation, particularly as singular account activity may also identify an independent sex worker. These indicators are not exhaustive and there may be others which are not highlighted in this document.

Red Flags

Transactional / general indicators:

The regularity, type and timing of transactions can be key to identifying potential victims of sexual exploitation. These indicators can be observed in both personal and business accounts.

- Regular payments to Adult Services Websites (ASWs) or escort agencies that advertise sexual services. The price of 'standard' adverts range widely, from £10 - £90 each, with add-ons available for short-term boosting of advertisements (~£3 per day). Premium advert placings, which last longer in duration and offer added benefits are significantly more expensive and can cost over £200 for a week.
- Multiple payments to ASWs from the same account may indicate that the account holder is in control of a number of potential victims.
- A significant proportion of account activity taking place overnight, particularly between 22:00 – 07:00, including payments to ASWs, cash credits, ATM withdrawals or for travel and accommodation.
- Payments received from numerous third parties for rounded values, particularly those including a payment reference from clients suggesting sexual services have been provided.
- Receipt of multiple credits, both in cash and faster payments, from multiple locations or IP addresses linked to different locations across the UK. This may suggest that the account holder is being moved across the UK to provide sexual services, or that the account holder manages multiple venues associated to potential sexual exploitation.
- Funds transferred to a third party shortly after payments into the account. It may be that the payment references for the credits into the account may provide indication of sexual service provision.
- Multiple credits into the account received from numerous locations across the UK and, once consolidated, transferred in bulk to another third party account, either in the UK or overseas.
- Regular credits into an account, often with payment references including female names not consistent with customer account details, or sexual services.
- A lack of expected account payments, such as salary payments or household spending.

Travel and Accommodation:

Patterns of travel and accommodation bookings can demonstrate the movement of potential victims into and across the UK. They can also highlight more organised and large-scale sexual industry, indicating the presence of an organised crime group.

- Payments to budget airlines to and from locations typically identified as source countries for potential victims of MSHT, particularly where the traveller's name does not match the name of the account holder, or the account holder has made multiple bookings on behalf of other people.
- Frequent payments for UK airport/port car-parking, particularly with no subsequent overseas travel exhibited on the account.

- Regular payments to toll roads and ancillary vehicle travel spending such as petrol costs, payments at service stations etc., both within and outside of the UK.
- High volume and/or frequent transport costs on the same card, particularly where the timings and locations of payments do not correspond with a single person using the card, e.g., transport in London, followed by payment for transport in Birmingham shortly afterwards.
- Concurrent card payments to transport providers, such as TfL, app-based taxi companies and rideshares predominantly occurring between the hours of 22:00 – 07:00.
- Ad-hoc and last-minute payments for accommodation, particularly hotels, B&Bs and short-term property rentals.
- Payments for multiple accommodation providers, including hotels, B&Bs, and short and long-term property rentals.
- Payments for accommodation not following expected patterns, e.g. multiple payments on the same dates for accommodation across the UK, or payments for accommodation within close proximity to the registered address of the account holder.
- Payments to cosmetic and beauty service providers (pharmacies, cosmetic suppliers and tanning salons), bulk purchasing of contraception and erotic clothing providers. There have also been anecdotal reports of bulk purchasing of gym memberships.

Suspicious Activity Reporting [SARs]

If you know or suspect that there has been money laundering or terrorist financing activity (including as a result of information provided to you by the NCA) and your business falls within the regulated sector, then you are reminded of the obligations to make reports to the NCA under Part 7 Proceeds of Crime Act 2002 and the Terrorism Act 2000. If you decide to make a report in this way you should adopt the usual mechanism for doing so, and it will help our analysis if you would include the reference **0634-NECC** within the text. This reference is specific to the Alerts process; where appropriate, we would ask that this is used in addition to the ongoing use of the Glossary of Terms. Guidance on making suspicious activity reports is available at www.nationalcrimeagency.gov.uk.

Data Protection Considerations

Please consider your obligations under the relevant data protection regulations and where necessary remove any related personal data from your systems securely and within a satisfactory timeframe.

Disclaimer

The Accountancy AML Supervisors' Group (AASG) accept no responsibility for any loss, damage or expense arising in connection with the use of information in this alert. Any use will be taken to signify agreement to these conditions.