



# From Friction to Flow: NetRemit Streamlines AML/KYC Checks for Efficient & Secure Customer Onboarding

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A Case Study on Cross-Border Payments  
Compliance



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# INTRODUCTION

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AML and KYC checks are more than just regulatory box tickers; they are what make cross-border transactions reliable, safe, and smooth. Strong compliance guarantees that payments are safe, fraud is kept under control, and consumers may be effortlessly onboarded in a world when money travels across boundaries in seconds.

With the correct systems in place, international transfers speed up and dependability without endangering security. Staying ahead in compliance is not only a need for Money Transfer Operators; it's also the secret to gaining confidence and maintaining global payments flowing naturally.

However, many MTOs struggle to meet this standard. Our client, a well-established UK-based remittance company, experienced numerous issues, failed in seamless and robust customer onboarding. Their current onboarding process was fragmented, with false rejections, delayed processing times, and insufficient security protections. They faced high false positives in watchlist checks, and a lack of real-time monitoring capabilities. The burden of manual reviews impacted heavily on their compliance team, limiting their ability to adjust to changing regulatory requirements.

They turned to Macro Global, seeking a solution that would not only streamline their compliance operations but also improve their customer experience and security posture. Let us explore in this case study how Macro Global assisted the MTO in achieving seamless onboarding and successful AML/KYC checks.



# CLIENT BACKGROUND

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The MTO, well-known in UK, had long been an effective conduit for individuals and businesses sending payments from UK to Pakistan. However, their existing AML/KYC systems were becoming an impediment, limiting their ability in offering a seamless customer onboarding experience. Customers experienced frustrating delays, uncertain verification processes, and technical issues, eroding trust and restricting growth.

Internally, the compliance team was overloaded by manual inspections, false positives, and an ongoing attempt to stay up with changing regulatory requirements. Moreover, the system lacks the flexibility and intelligence to respond to contemporary fraud threats and compliance requirements.

Acknowledging the critical need for a full revamp, the MTO sought an advisor who could help them to overcome these compliance hurdles and set the stringent compliance governance framework yet delivering sophisticated customer onboarding and payment services. They approached Macro Global with the hopes of finding a solution that could simplify customer onboarding, improve security, and ensure solid compliance, allowing them to focus on their main purpose of facilitating worldwide financial relationships.



# CHALLENGES FACED

The money transfer operator encountered major challenges in implementing strong AML/KYC compliance during customer onboarding. These challenges spanned several key areas:

## eKYC/Person Match

### ➤ **Accuracy & Performance:**

The system faced issues with high false positives and negatives, slow processing times, inconsistent results between demo and live platforms, difficulty in identifying and addressing false rejections, limited optimisation of verification parameters, and outdated data, affecting customer satisfaction and efficiency.

### ➤ **Integration & Compatibility:**

The integration of facial recognition and liveness check APIs with their legacy system presented technical challenges, compatibility issues, and significant storage requirements due to the large program files.

### ➤ **Data & Functionality:**

The KYC verification process of MTO faced challenges due to limited data sources, complex score-based results, lack of AI capabilities, and difficulty in adjusting location integration points and rule sets. It also lacked support for specific compliance requirements such as FATF, OFAC product innovation, and reliable system to identify inconsistencies in customer information.





### **Compliance & Security:**

MTO failed to adhere to major security standards and comply with all compliance requirements, as well as in specific jurisdictions.

## **Adverse Media Screening**



### **Data Accuracy & Functionality:**

The system faced issues with high false positive rates & a lack of feedback integration for it, inability to configure data retention periods, imprecise results due to country-specific configuration, insufficient key verification attributes, excessive false positives in watchlist matches particularly for common names, and challenges processing rural addresses.



### **Compliance & Security:**

The issue was primarily due to the MTO's inability to obtain user consent for privacy policies and the absence of ongoing OFAC and negative news screening for existing customers.



### **Integration & Compatibility:**

Limited integration options, with some missing plugins (e.g., Flutter, PHP/Laravel, Xamarin, Apache Cordova).



## Watchlist/AML Verification

### ➤ **Accuracy and Efficiency Issues:**

The system faced issues due to high false positives, insufficient filtering options, slow response times, and complex score-based results, causing wasted time and resources for compliance.

### ➤ **Configuration and Customisation Defects:**

Included a lack of threshold control, the inability to customise data sources, an absence of country-specific controls for adverse media checks, a complex AML verification configuration, and the inability to manage data retention. These flaws prevented users from customising the system to their individual needs and risk specifications, resulting in inefficiencies and an increased compliance cost.

### ➤ **Data Management and Integrity Issues:**

The difficulties comprised inaccuracies in interpreting rural addresses, struggles in managing duplicate screening profiles, a lack of test data for comprehensive testing, and insufficient developer and API documentation, all of which worsened the challenges and hampered testing and integration.

### ➤ **Regulatory and Compliance Gaps:**

Lacked consent management features, standard PEP and sanctions services, SAR filing integration, inadequate reporting capabilities, and unannounced system updates. These gaps increased compliance workload and complicate compliance efforts.



### ➤ **Integration and Support Limitations:**

The MTO system's effectiveness was hindered by limited integration options and poor documentation, resulting in restrictive methods and insufficient developer and API documentation.

## Identity Document Verification

### ➤ **Usability & User Experience:**

The user experience is fragmented due to inconsistencies across platforms and devices, leading to user abandonment. The IDV journey lacks seamlessness, with issues with auto-capture functionality, ineffective OCR, cognitive overload on users due to multiple document uploads on a single screen, inconsistent ID capture, and lack of journey configuration options. The MTO also faces compatibility issues with certain devices (e.g., Android tablets, iPads) and browsers.

### ➤ **Technical & Integration Challenges:**

The issue is primarily due to web SDK unavailability, lack of a cross-platform SDK for mobile application development, large native SDK size that impact app size and performance, complex integration process, delayed response times, recurring issues with ID verification status updates, live platform updates without sufficient notification leading to inconsistencies, limited configuration options for IDV checks, complex integration with existing systems, and lack of technical documentation, requiring frequent support.





### ➤ **Document Verification & Reporting:**

Faced challenges with insufficient document verification & reporting capabilities, low counterfeit detection rate, and unattractive reports, particularly in API format.

### ➤ **Support & Vendor Issues:**

Encountered issues with technical support, vendor inflexibility, and lack of integrations with other services.

### ➤ **Performance & Accuracy:**

Arising differences in results between live and demo environments, performance issues affecting system efficiency, high false positive rate, and inconsistent customer information capture.



# SOLUTIONS IMPLEMENTED

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To address the AML/KYC compliance issues, the MTO aimed to create a strong, secure, and user-friendly system that could effortlessly integrate with existing workflows while meeting severe regulatory criteria. This brought them to Macro Global, where they were introduced to NetRemit – cross border payment suite, that facilitates simplified and robust customer boarding, an innovation intended to address similar issues they were facing.

## Implementation of NetRemit - Cross Border Payment Suite

NetRemit provided a comprehensive reworking of their onboarding process, beginning with a seamless digital experience. The platform offered both web and mobile applications, allowing customers to sign up from anywhere at any time. This customisation was critical, allowing the MTO to personalise the experience to their individual risk tolerance and regulatory needs. Customers, either on the web or on mobile, were guided through a simple, intuitive process, in contrast to the prior system's fragmented and complex nature.

### ➤ **Integration of Selfie Detection:**

The combination of selfie verification and enhanced liveness detection was a vital component of the NetRemit solution. This made a simple selfie into a significant means of identity verification, fraud prevention, and improved customer trust.

### ➤ **The deployment of eKYC:**

it is a paperless verification method that significantly decreased operational friction and improved security, staying essential for the transition. NetRemit leveraged optical character recognition, artificial intelligence, machine learning



and other advanced techniques to automate information extraction and validation from the submitted identity documents. This accelerated the onboarding process and increased accuracy, minimising the possibility of human error. This system enabled customers to carry out the onboarding process from the comfort of their own homes.

### ➤ **Incorporation of AML/KYC TPP service:**

To maintain the integrity of the verification process, NetRemit implemented a set of advanced verification capabilities through its Unified TPP Services for AML/KYC, which served as the engine powering these checks. These included:

- **Document capture and image quality assessment:** To verify the validity and clarity of uploaded documents.
- **Automatic document type identification:** To streamline the verification procedure.
- **Visual zone verification (OCR) and Machine-Readable Zone (MRZ) reading:** To extract and verify data from identity documents.
- **Barcode and NFC-based verification:** Advanced authentication methods to add extra layers of protection.
- **Data validation:** To ensure the accuracy and consistency of extracted data. Includes lexical analysis, date validation, perforated text field checks, cross-validation of extracted data, and data presence checks. Detects deprecated blanks, verifies country codes, processed graphic fields, and performs static text verification.
- **Holograms and portrait comparison:** To detect counterfeit documents and authenticate identities. Includes hologram checks, black and white copy detections, screenshot checks. These checks addressed the MTO's concerns about false orejections, counterfeit documents, and data inconsistencies.



- **Format & pattern checks:** Involves barcode format checks, document pattern checks, document number format checks, personal number checks, IPI presence checks, and LASINK™ photo printing checks.
- **Server-side verification for electronic documents using NFC technology:** To add a degree of protection.
- **Real-time AML compliance checks:** Involves real-time checks with global sanctions lists (OFAC, EU, UN), PEP databases, and adverse media sources, aligning with FATF guidelines. The system performs automated watchlist screening, risk scoring, and cross-referencing against regulatory enforcement databases to detect high-risk entities and flag suspicious transactions.

These checks addressed the MTO's concerns about false rejections, counterfeit documents, and data inconsistencies. Leveraging KYC/CDD, EDD, and SAR reporting, it mitigates money laundering, terrorist financing, and fraud risks, ensuring adherence to global financial crime regulations. The customisable thresholds, which had been absent in their previous system, enabled them to tailor the procedure to their specific requirements. Furthermore, platform support challenges and integration complications were addressed by NetRemit's seamless integration and robust SDKs.



# STEPS IN IMPLEMENTING SEAMLESS CUSTOMER ONBOARDING

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NetRemit replaced the MTO's flawed processes with a multilayered strategy based on selfie liveness detection and eKYC. The method included a sequence of steps:

## **New User Registration:**

The onboarding process begins when a customer registers via the NetRemit mobile application or web browser. NetRemit offers a seamless cross-platform onboarding experience, allowing customers to switch between devices, they can start on the web and continue on mobile, or vice versa, without losing progress. This ensures a frictionless user journey, enhancing convenience and accessibility.

## **Selfie Liveness Detection:**

This is not a casual snapshot; it is an advanced AI-driven smart security measure. NetRemit integrated with liveness recognition confirms that the selfie was authentic and in real time, preventing attempts to use deepfakes, static photographs or manipulated images. Customers are asked to take a live selfie seamlessly without leaving the application, which is then cross-referenced against their government-issued ID. This 2x2 check, which combines facial recognition with liveness analysis, emerges as an effective first line of defence against identity fraud.



### **eKYC Verification:**

The customer's data is then routed through NetRemit's back-office infrastructure to AML/KYC global data service providers integrated with the platform for eKYC verification. This is when the platform's true potential shines through.

The process includes:

#### **Customer Due Diligence:**

Checks the customer's name against sanctions lists, PEP, watchlists such as OFAC, and regional databases, assessing potential threats associated with terrorist financing, theft, and fraud.

#### **Enhanced Due Diligence:**

Customers who are regarded to be at higher risk are subjected to Enhanced Due Diligence, which includes checks against Politically Exposed Persons lists as well as adverse media and negative news screening. The platform's comprehensive adverse media checks, when combined with global watchlists, alleviated the MTO's worries regarding missing verification features and functionalities. The ability to conduct continuous screening and retrieve verification resulted in user-friendly formats such as PDFs resolved reporting and audit issues.

#### **Comprehensive Risk Assessment:**

Customer's AML risk is assessed by applying a risk rating and calculating a risk score. This enabled the MTO to prioritise resources and concentrate on high-risk consumers. This was a considerable advance over the prior approach, which lacked such detailed risk evaluation.





### **KYC Verification Process:**

The primary KYC verification process includes document scoping, data matching and cleansing, and the use of matching mechanisms and exclusion criteria. The prior watchlist system's excessive false positives were reduced using AI-powered filtering and analysis. It is similar to having a digital magnifying glass, detecting faults and irregularities that human eyes would have missed.

### **Customer Segmentation:**

It is carried out, allowing the MTO to tailor banking offerings and categorise customers based on risk profiles and needs.

By automating these processes, NetRemit accelerated the onboarding process, greatly reducing the danger of database hacking and data breaches. The integrated strategy gave the MTO a comprehensive view of the customer's risk profile, allowing it to make educated decisions and assure regulatory compliance. Essentially, it led to an improved customer onboarding process, allowing them to combat financial crime and develop trust with their clients.



# RESULTS OBTAINED

## Enhanced KYC/AML Compliance

- Achieved comprehensive screening against global watchlists, sanctions list, and PEP databases, minimising regulatory risks.
- Strengthened adverse media screening capabilities, including ongoing monitoring and user-friendly reporting.
- Reduced false positives in watchlist matches through AI-powered filtering and analysis.
- Improved compliance with data privacy regulations through integrated consent management mechanisms.
- Established a clear and configurable customer compliance framework, addressing the gaps.

## Improved Operational Efficiency

- Simplified customer onboarding through automated processes, reducing manual intervention.
- Streamlined data validation and verification through extensive incorporation of advanced algorithms and techniques.





- Reduced operational friction and enhanced security through electronic verification.
- Minimised delays and inconsistencies in ID verification status updates.
- Reduced false positives by improving filtering and AI analysis.

### **Enhanced Security and Fraud Prevention**

- Implemented multi-layered security controls, including selfie liveness detection and advanced document verification, to prevent fraud.
- Improved counterfeit document detection through hologram and portrait comparison.
- Strengthened fraud prevention through comprehensive risk assessments and continuous monitoring.

### **Enhanced User Experience**

- Delivered a seamless and intuitive customer onboarding journey through web and mobile applications.
- Enhanced reporting capabilities with user-friendly formats, which was lacking in previous systems.



- Resolved compatibility issues with various devices and browsers.
- Improved the accuracy of customer and beneficiary validation and enhanced speed of payment processing.

### Improved Integration and Support

- Enabled seamless integration with existing systems through robust APIs and SDKs.
- Improved technical documentation and support, minimising reliance on vendor assistance.
- Resolved SDK issues and improved the integration process.

### Cost and Resource Optimisation

- Reduced operational costs associated with manual compliance checks and investigations.
- Minimised wasted resources due to false positives and inefficient processes.
- Automated operations that allowed for a larger volume of transactions to be processed.



# CONCLUSION

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The shift was tremendous. What began as a struggle against a wave of compliance issues, operational inefficiencies, and security flaws ended in a spectacular win. The MTO, once hampered by outdated systems and a fragmented onboarding process, has emerged as an icon of efficiency and security in the competitive remittance industry. NetRemit acted as a strategic partnership that transformed their approach to customer onboarding and AML/KYC compliance.

Consider how relieved compliance teams must be to no longer be drowning in a pool of false positives and manual reviews. Imagine how pleased customers would be after a quick and easy onboarding process that is free of annoying delays and technological issues. Envision the MTO's leadership's assurance that its systems were completely compliant and protected against fraud. This was not a hypothetical scenario; it was the actual result of leveraging NetRemit's revolutionary platform.

The journey was more than just checking boxes; it was about establishing trust. The MTO exhibited its commitment to security and transparency by deploying rigorous selfie liveness detection, automating eKYC processes, and utilising AI-powered risk evaluations. They shifted from reactive compliance to proactive risk management, protecting their business and customers.

NetRemit provides vital support to Money Transfer Operators dealing with the difficulties of modern AML/KYC standards, as well as those encumbered by outdated systems and struggling to balance speed and security. Don't let obsolete processes stifle your progress and expose you to unnecessary risks. Embrace the future of compliant and effective customer onboarding. Embrace the future of compliant and effective customer onboarding. Take action now. Discover how NetRemit can transform your operations and help you develop a secure and thriving remittance business.



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