

Vendor Expos :
Fenergo



Introduction

This report provides an independent evaluation and description of the ranking and award given to Fenergo in Chartis Research's Financial Crime and Compliance50 (FCC50) 2024 ranking and category awards. It contains:

- A vendor and solution profile for Fenergo.
- A summary of the context surrounding the FCC50 ranking, with an outline of the reasoning and concepts underlying Chartis' analysis.

Chartis Research is the leading provider of research and analysis on the global market for risk technology.

In Chartis' FCC50 2024, Fenergo was ranked **10th place** overall.

Fenergo also won the category award for **Know Your Customer (KYC)** solutions.

Market context

The bad news

Financial criminals are becoming more cunning, strategic and relentless, and technology is helping them commit crimes at an alarming speed and scale, by:

- **Automating fraud.** Criminals are using software to exploit weaknesses in identity verification (IDV) and KYC controls, enabling them to build elaborate networks of corporate structures, shell companies or ownership models to facilitate money laundering.
- **AI-powered money laundering.** Criminals are using artificial intelligence (AI) and data analysis to discover new ways to move money and minimize the risk of capture, helping them to 'industrialize' money laundering.
- **Dark web communications.** Criminals are using encrypted networks (often but not exclusively on the dark web) to facilitate seamless and global communication between their organizations.

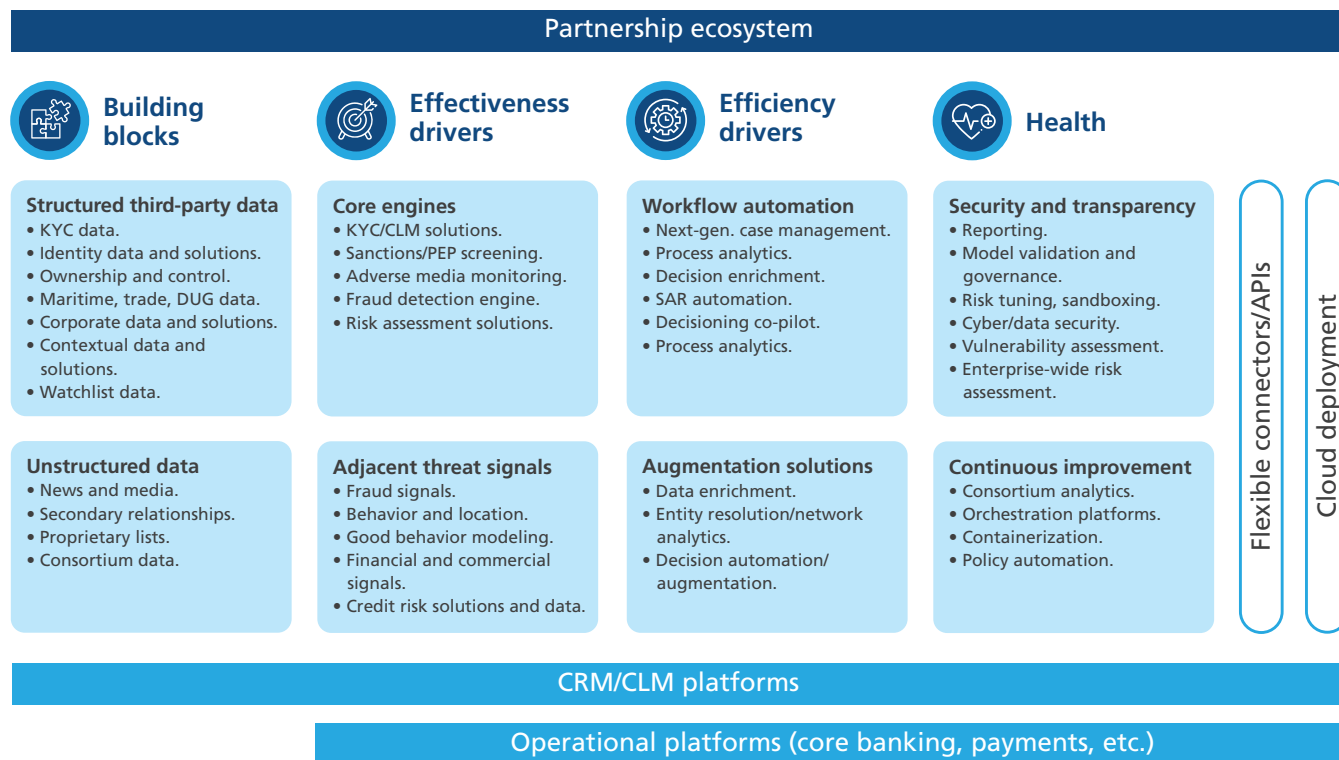
The financial impact on the global economy is staggering. Estimates suggest that **financial crime costs** more than \$1.4 trillion a year, but the ripple effect on individuals, businesses and entire countries is immeasurable.

The good news

Despite the challenges, those fighting financial crime now have many more tools at their disposal to help them identify, prevent and report not only criminal activity but also higher-risk actors and approaches. Industry players are also learning how to collaborate and communicate, a development very much enabled by technology vendors (see Figure 1).

In addition to technology and collaboration, the third major positive shift we have seen in the past few years is the drive toward 'financial inclusion' – the belief that everyone, regardless of location or situation, should be able to obtain high-performance financial crime technology. Firms' growing ability to deliver on this promise could revolutionize the market.

Figure 1: An interconnected ecosystem fueling collaboration



Source: Chartis Research

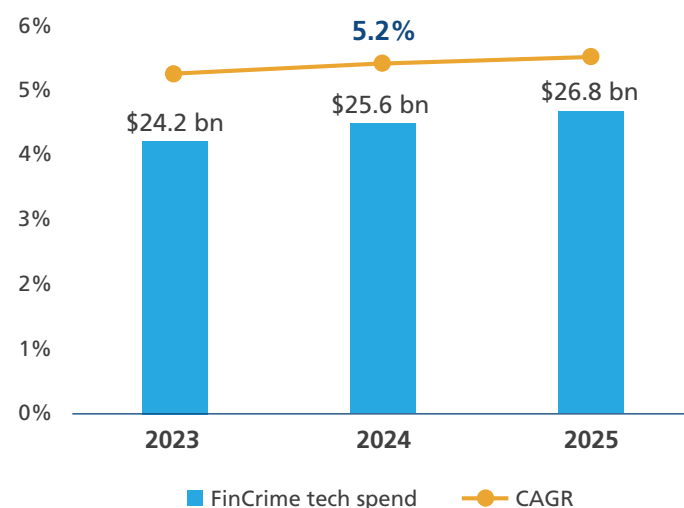
A growing market

As a result of these shifts and dynamics, the world of financial crime is now vast and complex, and the market for fighting it large and diverse. Chartis estimates that the financial crime and compliance solutions market will be worth \$25.6 billion in 2024, growing from \$24.2 billion in 2023. We estimate that by the end of 2025, it will have grown by 5.2% to \$26.8 billion (see Figure 2).

Within this market, we are seeing the following trends:

- Smarter transaction tracking.** Financial institutions, banks, payment service providers (PSPs) and others are contributing to double-digit growth in spending on anti-money laundering (AML) transaction monitoring systems, driven by the adoption of analytics and next-generation user interfaces and case management.
- Data drives decisions.** Financial institutions, banks, PSPs and others are investing more resources into watchlist and KYC data management, driving high single-digit growth across these markets. While growth in spending on core screening engines remains consistent yet modest, we are seeing strong double-digit growth across data enrichment and augmented analytics.
- News you can use.** Keeping track of negative media coverage (such as bad press about a company's clients) is becoming a higher priority for many financial institutions, and we are forecasting a double-digit rise in investment in this area in 2024.

Figure 2: Estimated value of the FCC solution market



Source: Chartis Research

Winner's profile: Fenargo

Rank	Company	Overall score
10	Fenargo	75.4

Category award	2024 winner
Solution	
KYC	Fenargo

Fenargo provides cloud-based software as a service (SaaS) client lifecycle management (CLM) solutions with global market connectivity, offering tools that cover client onboarding and product provisioning, client data management and ongoing KYC. These can be combined with integration enhancements to cover transaction monitoring systems and environmental, social and governance (ESG) compliance.

For its analysis for FCC50 2024, Chartis considered four Fenargo solutions, examined in more detail in the following sections:

- Client and Product Onboarding and Account Opening.
- Client Lifecycle Management (CLM).
- Know Your Customer (KYC).
- Transaction Monitoring.

Client Onboarding and Account Opening

These solutions digitally transform, automate and address financial institutions' onboarding challenges, making the process faster, more efficient and more compliant. Key components include:

- **Digital client and product onboarding.** Fenargo's system automates and streamlines the entire client and product onboarding and provisioning process. This can significantly reduce onboarding time and improve the overall client experience. Fenargo achieves this with features such as:
 - Digital application forms. Application programming interface (API) connectivity supports multichannel onboarding, including a self-service portal and front-office customer relationship management (CRM).
 - Automated document collection and verification.
 - Integration with external data sources for entity data and AML screening.
 - Workflow management tools.
- **Account opening.** The solution focuses on streamlining the account opening process for new clients. Similar to client onboarding, it offers features to:
 - Automate account opening tasks.
 - Ensure compliance with local and AML/KYC global regulations.
 - Improve operational efficiency.

Category award: KYC

Fenargo continues to be a market leader in KYC, with a solution that delivers a highly focused approach, with risk typology, modeling and customization capabilities. A highly adaptable solution that can be tailored to a client's specific needs, it offers the capacity to ingest data from a wide range of sources, along with transparency and the ability to explain its decisions.

Fenargo's wide focus area across its suite of client lifecycle management (CLM) solutions makes the company well positioned to address the complexities of the FCC market today, and means it can continue to adapt to future market changes.

Key benefits provided through Fenargo's client onboarding and account opening solution include:

- **Faster client and product onboarding.** Reduced onboarding times, leading to quicker time to revenue.
- **An enhanced client experience.** A smoother onboarding journey, leading to a more positive experience for new clients.
- **Improved regulatory compliance.** Automated features, ensuring adherence to KYC and AML regulations and eliminating the possibility of human error.
- **Overall efficiency gains.** Streamlined workflows, freeing up staff for other compliance tasks.

Client Lifecycle Management

Fenargo's CLM solution is designed to digitally manage a firm's client interactions throughout the entire relationship, from initial contact to account closure, helping to improve efficiency, compliance and competitiveness. It offers the following benefits:

- **Streamlined journey orchestration.** Fenargo's CLM aims to orchestrate the entire client journey, from initial prospecting and digital account opening and product provisioning through to ongoing due diligence and KYC reviews, making it efficient and transparent for both financial institution and client.
- **Enhanced regulatory compliance.** Financial regulations, such as those for KYC and AML, are constantly evolving. Fenargo's CLM helps firms ensure they comply with these regulations by automating tasks and providing full audit trail capabilities.
- **Improved operational efficiency.** By automating repetitive tasks and centralizing client data, Fenargo's CLM helps financial institutions streamline their operations, free up resources for more strategic activities and eliminate as many potential human errors as possible.

Key capabilities of Fenargo's CLM include:

- **Client and product onboarding, offboarding and KYC/AML.** Tools automate onboarding, document collection and IDV.
- **Ongoing due diligence and KYC monitoring.** Automated ongoing reviews ensure that client information remains up-to-date and emerging risks are exposed as they arise.
- **Client data management.** The platform manages and integrates third-party client and entity data from a variety of sources, providing a holistic view of each client relationship.

Know Your Customer

By leveraging automation, intelligent workflows and continuous monitoring, Fenargo's KYC solution is designed to address the challenges financial institutions face in complying with KYC regulations, helping to reduce costs, improve accuracy and mitigate risk. Key features and functions include:

- **API-first design.** Fenargo's KYC solution is built on an API foundation. This allows for easy integration with existing systems and data sources, helping to streamline the KYC process. The solution can also scale as a firm's business scales.
- **Intelligent policy management.** The solution uses preconfigured rules and workflows to determine the specific KYC requirements for each client, based on factors such as risk profile and jurisdiction. This helps to automate tasks and reduce manual work.

- **Continuous monitoring.** Fenengo's KYC solution goes beyond one-time checks. Using integrated third-party data sources and screening providers, it monitors client information for changes. This helps firms to identify potential risks and ensure ongoing compliance, allowing for proactive mitigation strategies.
- **KYC utility connections.** This allows financial institutions to leverage verified KYC data from other institutions, further reducing redundancy and streamlining the process.
- **Customization and tailoring.** The solution can be tailored to meet the specific needs of different financial institutions. This includes features for managing different client types (such as corporate entities and individual investors) and risk appetites.

Transaction Monitoring

Fenengo's AI-powered Transaction Monitoring solution tackles the challenge of identifying and preventing suspicious financial activity, combining real-time detection, AI-powered analytics and a focus on reducing false positives. Its key features include:

- **Real-time transaction monitoring.** Fenengo's hybrid detection engine is designed to tackle financial crime by processing traffic, identifying suspicious transactions, and blocking them - all in real-time, to reduce false positives and identify true positives that might otherwise be missed. The solution can be embedded directly into transaction flows, delivering scalability and performant response times.
- **Rich data sourcing.** The solution integrates seamlessly into existing technology ecosystems, reducing disparity and data silos between systems. Customer profiles are enriched with data from multiple sources to enable advanced alerts to be generated.
- **Pre-packaged scenario rules and back-testing.** Fenengo Transaction Monitoring uses key data components sourced directly from integrated API feeds to build powerful, performant detection scenarios. Rules can be selected and implemented from a wide library of pre-packaged business rules for common transaction monitoring detection scenarios, and users can configure additional scenarios directly. New rules can be easily submitted for analysis with advanced back-testing capabilities, allowing analytics teams to simulate and predict detection rule performance quickly and easily.
- **Intuitive workflow and case management.** Pre-packaged workflow and case management capabilities guide users through alert handling. An intuitive user interface allows all relevant customer and transaction information to be consolidated in one place, enabling analysts to manage alerts and investigations effectively and efficiently. Business rules can control first and second line of defense escalations, facilitating efficient reporting to financial intelligence units (FIUs) where needed.
- **Rich, transparent entity profiles.** Rich customer profiles (containing case history, status alerts, customer KYC data and transaction history) provide a single source of customer truth accessible on one screen. Customer profiles are continuously updated with data-driven insights from the detection engine, in tandem with internal and external data sources, to support quick, accurate decision-making.
- **Dashboards and reporting.** Management and analytics dashboards provide valuable insights into performance, and can be customized to lines of defense. Complete with export and query tools, the solution facilitates the filing of suspicious activity reports (SARs), the continuous monitoring of performance and the identification of bottlenecks.

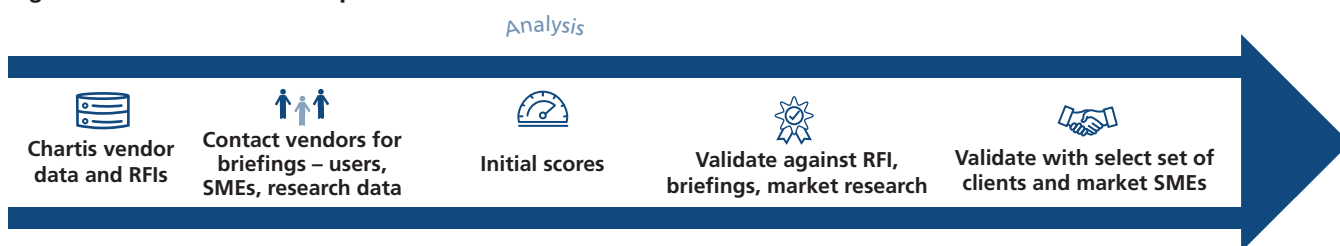
FCC50 overview

The FCC50 rankings examine the landscape for compliance-led financial crime management solutions. These are solutions that enable financial institutions to understand who they are working with, their customers, their counterparties and other factors that could pose a threat to their integrity. The FCC50 aims to highlight the breadth, diversity and innovation in the market, and to spotlight some of the many vendors that excel in this space.

Research and analysis

Chartis employs a multi-step process in its research and analysis for the FCC50 rankings (see Figure 3). As part of this process, we use a rigorous methodology to provide an independent view of solutions and vendors, employing detailed evaluation forms, customer surveys, expert interviews, vendor briefings and other research sources to assess solutions.

Figure 3: The FCC50 research process



Source: Chartis Research

Scoring criteria

Chartis uses six scoring criteria for the FCC50 rankings (see Table 1), which cover service providers that address multiple aspects of the FCC landscape, and those that specialize in specific capabilities.

Table 1: The FCC50 scoring criteria, with definitions

Functionality	The breadth and depth of coverage across the key focus areas of this study, namely sanctions, politically exposed persons (PEPs) and adverse media screening, transaction monitoring, KYC, trade-based AML and FinCrime data processes and management.
Core technology	This considers such factors as platform scalability and flexibility, risk typology customization, model quality and validation, model and methodology transparency and explainability, analytics, data management and methodology (proprietary or partner) and user interface (including no-code tuning).
Strategy	This includes strategic clarity, financial performance, growth and other related issues.
Customer success	This looks at excellence in delivering customer value, gauged via case studies and customer and market feedback, as well as other considerations such as financial inclusion, market knowledge and support.
Market presence	This metric considers market presence across verticals (within financial services and beyond) and regions, with an added consideration of emerging markets.
Innovation	This looks at the rate and nature of innovation by a particular vendor. It includes considerations of product roadmap and uniqueness of innovation (including patents), with a special focus on AI and generative AI (GenAI).

Source: Chartis Research