

Anti-Money Laundering Policy

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Committee Sign-off
RMC

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**Motability
Operations**

1. Introduction

- 1.1 Various statutory instruments including (but not limited to) The Money Laundering, Terrorist Financing and Transfer of Funds (Information on Payer) Regulations 2017, the Proceeds of Crime Act 2002, the Terrorism Act 2006 and the Anti-Money Laundering Act 2018 and the Economic Crime Act 2022 (referred to collectively hereunder as the “**Legislation**”) place obligations on Motability Operations to establish internal procedures to prevent the use of our services for money laundering and detail our reporting obligations.
- 1.2 Motability Operations’ compliance with the Legislation is monitored and supervised by the Financial Conduct Authority (“FCA”). The FCA has the ability to impose fines and prosecute criminal offences for breaches.

2. Scope

- 2.1 This statement applies to all employees, consultants, contractors and agency workers, referred to collectively hereunder as “employees”.
- 2.2 Any employee who breaches this policy may face disciplinary action, which could result in dismissal for gross misconduct. Any non-employee who breaches this policy may have any relevant contract terminated with immediate effect.

3. What is money laundering?

- 3.1 Money laundering is the process by which criminally obtained money or other assets (criminal property) are exchanged for clean money or assets with no obvious link to their criminal origins. It also covers money, however come by, which is used to fund criminal activities and/or terrorism.
- 3.2 Money laundering can take many forms including, but not limited to:
 - 3.2.1 Handling of proceeds of crime
 - 3.2.2 Being directly involved with any criminal or terrorist property
 - 3.2.3 Entering into arrangements to facilitate the laundering of criminal or terrorist property
 - 3.2.4 Investing the proceeds of crime into other financial products or into the acquisition of property or assets.

4. Responsibility for implementing our approach to money laundering and the Nominated Money Laundering Reporting Officer

- 4.1 The Executive Committee has overall responsibility for the effective operation of this policy, but has delegated the day to day responsibility for its operations to Senior Leaders in areas where risk has been identified.
- 4.2 Senior Leaders have a specific responsibility for operating within the boundaries of our approach, ensuring that all Employees understand the standards of behaviour expected of them in relation to anti-money laundering and taking action when behaviour falls below the requirements.
- 4.3 The Legislation requires Motability Operations to appoint a Nominated Officer, also known as the Money Laundering Reporting Officer (“MLRO”). The Executive Committee has appointed the General Counsel as the MLRO.

5. Identifying areas of risk & examples of potentially suspicious transactions

- 5.1 Motability Operations adopts a risk based approach to the implementation of the Legislation, which means we will implement the requirements under the Legislation based upon the level of risk/the likelihood that the specific areas of Motability Operations may be targets to launder money or fund terrorism.
- 5.2 In accordance with the risk based approach, we have identified the following areas within Motability Operations which may pose risk (albeit very slight) of money laundering and terrorist financing:
 - 5.2.1 Customers: when making Advanced Payments for vehicles and subsequently making a request to cancel the agreement, which will trigger a pro rata payment to the customer of the Advance Payment.
 - 5.2.2 Dealerships: Dealers providing false details and not having adequate or any anti-money laundering processes in place
 - 5.2.3 Vehicle remarketing

- (i) Dealers purchasing vehicles and subsequently looking to cancel the transaction under the guise that the vehicle does not meet the mfdirect Standards;
- (ii) Transactions that do not appear to make commercial sense;
- (iii) Occasional transactions as opposed to on-going business relationships.

5.2.4 Suppliers: dealing with individuals or entities who are on:

- (i) The Office of Financial Sanctions Implementation (OFSI) consolidated list of asset freeze targets (<https://www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets>) or the list of persona named in relation to the financial and investment restrictions (<https://www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets/ukraine-list-of-persons-subject-to-restrictive-measures-in-view-of-russias-actions-destabilising-the-situation-in-ukraine>); or
- (ii) The Home Office proscribed (banned) list (<https://www.gov.uk/government/publications/proscribed-terror-groups-or-organisations--2>); or
- (iii) The Foreign, Commonwealth and Development Office (FCDO) UK Sanctions List (<https://www.gov.uk/government/publications/the-uk-sanctions-list>).

5.3 All relevant teams must conduct appropriate due diligence before engaging in any supplier and dealer relationship. This includes: verifying identity and beneficial ownership. and conducting risk-based screening for politically exposed persons and sanctions exposure. The teams should also apply enhanced due diligence for higher-risk scenarios and ongoing monitoring of existing relationships.

6. The role of the Money Laundering Reporting Officer

6.1 The MLRO is responsible for:

- 6.1.1 Receiving internal suspicious transaction reports from within the business;

- 6.1.2 Deciding whether these should be reported to the National Crime Agency (“NCA”); and
- 6.1.3 If appropriate, making such reports to NCA.
- 6.1.4 Maintaining secure records of any reports made and correspondence.

7. Reporting suspicious activity

- 7.1 Any Employee who knows, suspects or has any reasonable grounds for knowing or suspecting that a person is engaged in money laundering or terrorist financing must report such matters to the MLRO as soon as reasonable possible. On receipt of such a report, the MLRO will assess the activity and determine whether or not a suspicious activity report needs to be made to the NCA.
- 7.2 Until the MLRO advises the Employee that has made the internal report that no report is to be made to NCA, further transactions or activity by the party, whether the same or different in nature, should be reported to the MLRO.

8. The offence of tipping off

- 8.1 It is a criminal offence for anyone following an internal report to the MLRO to say or do anything that might “tip off” the third party that the report has been made or prejudice the investigation.
- 8.2 As a result, if you make a report to the MLRO you must **not** tell the third party involved that:
 - 8.2.1 The transaction(s)/business is being, or was, delayed because a report has been made to the MLRO
 - 8.2.2 The detail of the transaction(s)/business has, or will be, reported to NCA.
 - 8.2.3 The third party is being investigated by any regulatory or law enforcement agency.

9. Penalties for failure to comply with the Legislation

- 9.1 Failing to comply with the Legislation could lead to criminal prosecution which could result in unlimited fines and/or a prison term of up to two years
- 9.2 Failing to comply with the Legislation could also result in civil financial penalties.

10. References

10.1 The following statutory and regulatory documents are relevant to this statement:

- The Proceeds of Crime Act 2002
- Terrorism Act 2006
- Anti-Terrorism, Crime and Security Act 2001
- Money Laundering Terrorist Financing and Transfer of Funds (information on the Payer) Regulation 2017
- The Sanctions and Anti-Money Laundering Act 2018
- The Economic Crime Act 2022 Senior Management Arrangements, Systems & Controls Sourcebook
 - SYSC 3.2.6 – systems and controls in relation to compliance, financial crime and money laundering
 - SYSC 6.1.1 – systems and controls in relation to countering the risk of financial crime.

11. Revision history

Number	Author	Description
12.0	Legal	October 2025
11.0	Legal Services	October 2024
10.0	Legal Services	October 2023
9.0	Legal Services	Edit to MLRO role – Feb 2023
8.0	Legal Services	November 2022
7.0	Legal Services	November 2021
6.0	Legal Services	November 2020
5.0	Legal Services	November 2019
4.0	Legal Services	November 2018
3.0	Legal Services	August 2017
2.0	Legal Services	18 January 2016
1.0	Legal Services	1 October 2015



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