Charlton Grace Estate Agents – Lettings

Anti-Money Laundering (AML) Policy

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1. Purpose of This Policy

The purpose of this policy is to establish the framework by which **Charlton Grace Estate Agents – Lettings** ("the Company") prevents and detects money laundering and terrorist financing in accordance with:

- The **Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017** (as amended in 2019 and 2022);
- The **Proceeds of Crime Act 2002** (POCA); and
- The **Terrorism Act 2000**.

Although the Company primarily handles **lettings**, it recognises that money laundering and terrorist financing risks can arise in all property transactions, including high-value rentals and client money handling.

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2. Policy Statement

Charlton Grace Estate Agents Lettings is committed to:

- Preventing the use of its services for money laundering or terrorist financing;
- Ensuring full compliance with all AML laws and HMRC guidance for estate agents;
- Applying a **risk-based approach** to customer due diligence (CDD); and
- Ensuring that any **outsourced third-party checks** meet or exceed regulatory standards.

Failure to comply with AML requirements may result in severe civil, criminal, and reputational consequences.

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3. Scope

This policy applies to:

- All **employees**, **directors**, **consultants**, and **contractors** of the Company;
- All **clients**, including **landlords, tenants, guarantors, and agents** acting on behalf of others;
- All **tenancy agreements and associated financial transactions**, particularly those with rent of **€10,000 per month or more** (which fall under the UK AML regulations).

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4. Appointed Money Laundering Reporting Officer (MLRO)

The Company has appointed a **Money Laundering Reporting Officer (MLRO)** responsible for overseeing AML compliance.

MLRO: Lee Grace
Position: Owner
Email: lee@charltongrace.co.uk
Telephone: 01252 844744

The MLRO's duties include:

- Receiving and investigating internal Suspicious Activity Reports (SARs);
- Submitting reports to the **National Crime Agency (NCA)** where appropriate;
- Maintaining AML records;
- Overseeing staff training and compliance; and
- Ensuring outsourced providers follow AML standards.

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5. Outsourcing for Referencing and Sanction Checks

Charlton Grace Estate Agents – Lettings uses **external providers** to conduct **tenant referencing, identification, and sanctions checks** as part of its CDD process.

- The outsourcing arrangement does **not remove the Company's legal responsibility** for AML compliance.
- The MLRO ensures that the third-party provider:
    - Uses reliable and independent data sources for ID verification and sanctions screening;
    - Meets the standards set out in UK AML regulations; and
    - Provides documentation and verification reports for audit and record keeping.
- The Company retains overall accountability and ensures all information obtained from the provider is **reviewed, validated, and securely stored**.

Outsourced provider(s):

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6. Risk-Based Approach

The Company applies a **risk-based approach (RBA)** to AML compliance. Each client and transaction is assessed for its risk of money laundering or terrorist financing based on:

- **Customer risk** – e.g. non-UK residents, politically exposed persons (PEPs);
- **Transaction risk** – e.g. unusually high rental payments, payments via third parties, or large deposits;

- **Geographic risk –** e.g. clients from high-risk countries or jurisdictions;
- **Delivery channel risk –** e.g. non-face-to-face transactions.

Enhanced measures are applied to higher-risk clients or transactions.

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7. Customer Due Diligence (CDD)

Charlton Grace must perform CDD before establishing a business relationship or carrying out a transaction.

CDD includes:

- Verifying the identity of all landlords and tenants (including beneficial owners of companies or trusts);
- Understanding the nature of the business relationship;
- Assessing and recording the **source of funds** and **source of wealth** (especially for high-value rentals); and
- Retaining all supporting documents.

Outsourced CDD:
Third-party providers carry out ID verification and sanctions screening; however, **Charlton Grace** reviews and approves all checks before proceeding with a transaction.

Enhanced Due Diligence (EDD)

EDD is required where:

- The client or transaction presents a higher risk;
- The customer is a **Politically Exposed Person (PEP)** or a family/close associate;
- The funds originate from outside the UK or from high-risk jurisdictions; or
- There is any inconsistency in identification or financial information.

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8. Ongoing Monitoring

The Company will:

- Monitor client relationships and rental transactions for unusual or inconsistent patterns;
- Keep client information up to date; and
- Conduct periodic reviews to ensure that risk assessments remain valid.

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9. Record Keeping

All AML-related documents must be kept for **five years** from the end of the business relationship or transaction.
Records include:

- ID verification reports from outsourced providers;
- Copies of tenancy agreements and payment records;
- Risk assessments and notes of any enhanced due diligence; and
- Internal and external Suspicious Activity Reports.

All records will be **stored securely** and accessible only to authorised personnel and the MLRO.

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10. Reporting Suspicious Activity

Any staff member who **knows or suspects** money laundering or terrorist financing must:

1. **Report immediately to the MLRO** using an Internal Suspicious Activity Report (SAR) form.
2. **Not alert the customer** (“tipping off”) or discuss the suspicion with anyone outside the AML process.

The MLRO will determine whether a report should be submitted to the **NCA**.
All SARs and related records will be retained securely and confidentially.

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11. Staff Training

All relevant staff will receive AML training at induction and regular refresher sessions thereafter.
Training will cover:

- How to recognise suspicious activity;
- Customer due diligence and record keeping;
- Reporting obligations and procedures; and
- Use of outsourced verification systems.

Training records will be kept by the MLRO.

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12. Internal Controls and Review

The Company maintains:

- Written AML procedures and checklists;
- Oversight of all outsourcing arrangements;
- Regular internal reviews of AML compliance; and

- Periodic policy updates in line with legal changes.

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13. Disciplinary Action

Failure by any staff member to comply with this policy or AML obligations may result in:

- Disciplinary action up to and including dismissal;
- Reporting to HMRC or law enforcement; and/or
- Personal criminal liability.

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14. Policy Review

This policy will be reviewed **annually**, or sooner if there are:

- Changes in legislation;
- Regulatory guidance updates; or
- Significant business changes (e.g., new outsourcing arrangements).

Last Reviewed: 01 October 2025
Next Review Due: 01 October 2026

Approved by:

Name: ______________________________

Position: Business Owner

Date: 01/10/2025