

**veremark.**

# **Background Checks for FinTech**

---

Everything you need to know  
2020/2021

This guide aims to provide you with a simplified approach to background screening in the Financial Technology sector, and includes the need-to-know details of all the checks which are specific to FinTech.

This guide contains:

- **Part One:** An overview of challenges faced in background checking for the FinTech sector
- **Part Two:** An overview of commonly requested checks in FinTech roles, and why they are important
- **Part Three:** The four major background check packages relevant to screening for FinTech

By following our guide, background screening is simple and straightforward, while providing security and compliance where it matters most.

**Don't have time to read through this document? No problem. You can reach out to our team for personalised advice [here](#).**

## Why Is Background Checking so important?

Money laundering alone currently represents between **2** and **5%** of global gross domestic product.

The FinTech sector is predicted to grow at a rate of **25%** until 2022, with **50%** of all banking customers using technology provided by the FinTech companies.

A secure future for the FinTech sector demands trust and integrity in all areas, and it all begins with safe recruiting.

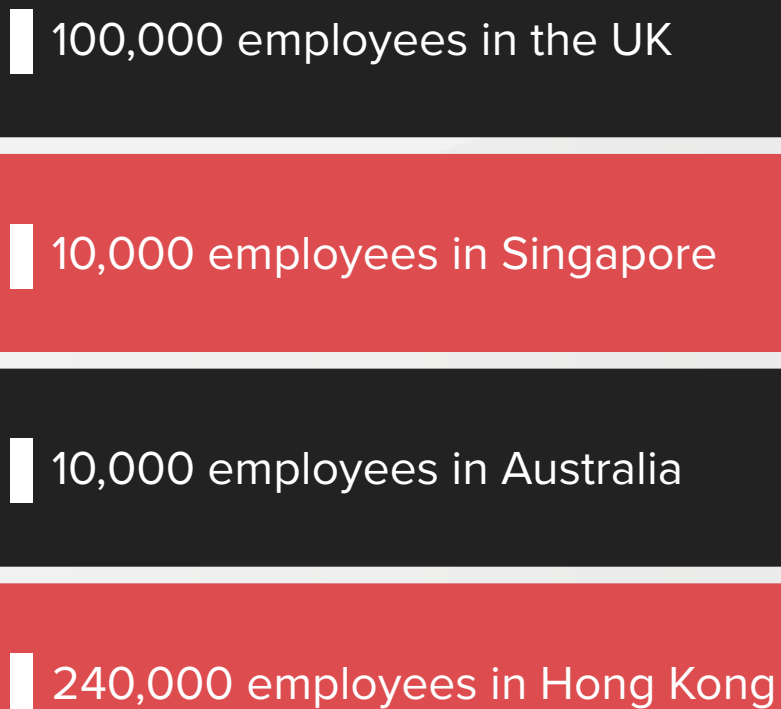
# Part One: The FinTech Environment

With Fintech leading the way as one of the most disruptive sectors in the business world, employers are having to move quickly to keep up with regulatory and industry changes while still exploiting opportunities when recruiting the top talent.

## What Makes Hiring for FinTech Different?

All good employers know that background screening helps protect their company from bad hires, but companies operating in the financial industry have huge responsibility to ensure comprehensive background screening to meet compliance laws and protect the interests of their customers.

The FinTech employment landscape is vast. The sector has an estimated:



This proves that the environment is constantly growing in line with societal expectations for fast and convenient financial solutions. But competition for the top talent is fierce. A poor candidate experience can quickly lose even the top companies a great hire. Ensure candidates remain engaged throughout the process, by providing a straightforward and accessible platform for uploading necessary documents and verifying experience, references, and qualifications

FinTech staff will likely have access to cash, assets or data that must be protected. Carrying out extensive background screening mitigates human risk whether by genuine error or deceit.

The growth of the FinTech space has increased challenges previously faced in safely delivering traditional financial services, as a slew of new regulations have been introduced to create a secure digital environment.

This makes keeping up with compliance difficult, especially in an industry where success is dependent on speed and accuracy.

In addition, as a fairly young sector, FinTech companies are under even closer scrutiny, with strict consequences for non-compliance.

## Part Two: An Overview of Commonly Requested Checks for FinTech Roles

### 1

Commonly requested check no.1

#### ID CHECK

**Also known as:** Identity Check, Identity Verification Check, Identity Document Verification

#### What is an ID Check?

ID Checks confirm the identity of candidates and ensures that they have the legal right to work in their country of employment. ID checks are a legal requirement for compliance in all roles and sectors.

Background checking gives employers confidence that potential candidates are who they say they are, and protects against fraud or foul play which might threaten business. A trustworthy workforce is dependent on transparency.

#### What Information Do ID Checks Reveal?

Pre-employment Identity Checks consist of checking two elements, attributed identity and biographical identity.

- **Attributed Identity**

The components of attributed identity are the ones that are given at birth, for example someone's name, age and place of birth.

- **Biographical Identity**

Biographical identity confirms information that relates to an individual's lived history, such as their address history and country of residence.

Identity Checks make use of a variety of factors to ensure that the check results are accurate. Verification of official identity documents such as passports or driving licenses is common practice. And address verification through checking utility bills, electoral roll and/or credit database provides an extra layer of clarity.

### **Why are ID Checks Important?**

ID checks are a legal requirement in the UK, the USA and in most territories around the world. Employers who fail to carry out Identity Checks on all new staff members could face civil or even criminal action being brought against them, resulting in fines, disruption and additional legal consequences.

The CPNI (Centre for the Protection of National Infrastructure) warn that prospective employees may lie about their identity for financial gain or to avoid detection, but also to obtain genuine documents (such as payslips) legally. Therefore, it is crucial that the identity of all new employees is confirmed to protect your business, other staff and your customers against imposters, as well as carry out your due diligence as an employer.

Identity checking is even more crucial in financially responsible roles, in order to satisfy AML standards and ensure that candidates are trustworthy. Identity Checks are also useful to corroborate the identity information obtained from or used by other checks, such as DBS, providing an extra level of protection that is virtually impossible to deceive.

### **When Should You Carry Out ID Checks?**

When onboarding any new candidate, in every role, industry and sector.

### **How Long Do ID Checks Take?**

As little as 2 days from the day of the check request.

## 2

Commonly requested check no.2

## **CIVIL LITIGATION CHECKS**

**Also known as:** Civil Litigation History, Civil Litigation Search, Civil Check, Civil Record Search

### **What Is A Civil Litigation Check?**

The Civil Litigation Check is one of the two types of background checks which relate to a candidate's legal history.

- **Criminal background screening** provides information about a candidate's criminal history.
- **Civil litigation screening** provides information about any civil action brought against or by the candidate themselves.

Civil proceedings differ from criminal proceedings in that they attempt to right a wrong, settle a dispute or ensure that obligations from an agreement have been carried out.

The Civil Check involves searches of several UK and global databases (dependent on the location, needs and role of candidate and employer).

## **What Information Do Civil Checks Reveal?**

Civil Litigation Checks uncover disputes between private individuals or companies. Civil proceedings seek to resolve situations often through financial compensation, resulting in a person being found liable or not liable, and might include matters such as:

- Contract and business conflicts
- Landlord/tenant issues
- Employment disputes

Civil Checks also reveal past debt conditions including:

- Debt Relief Orders (DROs and DRRUs)
- Individual Voluntary Arrangements (IVAs)
- Fast Track Voluntary Arrangements (FTAs)
- Bankruptcy Restriction Orders/Undertakings (BROs/BRUs)
- Interim Bankruptcy Restriction Orders (iBROs)
- Interim Debt Relief Restrictions Orders (iDRROs)

## **Why are Civil Checks Important?**

A Civil Check might reveal previous civil litigation including domestic, personal injury or negligence claims against an individual or company, as well as exposing information about a person's financial history.

Civil Litigation Checks provide valuable insights into a candidate's character, for example whether they have made multiple claims against previous employers or have made numerous personal injury claims.

The results of a Civil Check helps you decide whether or not a person is suitable for a role as well as revealing a candidate's motivation for applying for a certain position, industry or company.

A Civil Litigation Check will help you understand the history and character of a candidate to assist in making a more informed decision about the hire.

## **When Should You Carry Out Civil Litigation Checks?**

Carrying out Civil Litigation Checks as part of a comprehensive suite of screening for all financially responsible roles helps protect your company's reputation while ensuring that you make the right hiring decision.

Civil Litigation checks are particularly important in financial or legal roles.

## **How Long Do Civil Checks Take?**

Civil Litigation Checks are typically completed within 7 days.

# 3

Commonly requested check no.3

## ACADEMIC ACHIEVEMENT CHECKS

**Also known as:** Education Verification, Academic Check, Education History, Academic History Verification, Qualification Check

### What Is An Academic Achievement Check?

The Academic Achievement Check or qualification check, verifies any education or academic study, as well as professional membership, that a candidate claims to have completed during the application or interview process. The check can be carried out on all levels of study from high school through to postgraduate or professional qualifications

### What Information Do Academic Achievement Checks Reveal?

An Academic Achievement Check will validate a candidate's major area of study, as well as the degree or award type. Falsified dates are quite common on CVs and applications, but the Academic Achievement Check will confirm the dates of attendance at any institution. This check is carried out directly with the institution in question to ensure total accuracy and will also verify any claimed professional membership.

### Why Is the Academic Achievement Check Important?

Whether it's a university degree, a GCSE or a technical qualification, a certain standard of educational achievement is often a requirement for certain roles. In addition, ensuring that any claims that have been made as part of the application process are genuine can help provide peace of mind that a candidate is trustworthy.

In a competitive job market where candidates want to appear the best person for the job, and especially in FinTech where roles are often dependent on technical knowledge, it is not uncommon for exam grades or achievements to be embellished. This of course can have disastrous consequences for employers, their reputation and their business. Therefore confirming the validity of academic documents and qualifications is crucial. Recent developments in technology provide expert screening companies with additional measures to confirm that documents or certificates are genuine, for example by registering data on blockchain to ensure authenticity.

### When Should You Carry Out Academic Achievement Checks?

Academic Achievement Checking is a crucial part of basic background screening and should be carried out for candidates in all roles, within all industries and sectors, to ensure that the right hiring decisions are made.

### How Long Do Academic Achievement Checks Take?

Academic Achievement Checks through Veremark take as little as 7 days from search request.



Commonly requested check no.4

## CREDIT CHECKS

**Also known as:** Adverse Financial, Financial Probity, Consumer Search, Consumer Check

### What Is A Credit Check?

The Credit Check investigates a candidate's credit history to gain insights into their approach to, and management of, consumer debt.

### What Information Do Credit Checks Reveal?

Carrying out different kinds of checks as part of thorough employment screening helps confirm information found on other checks to ensure complete accuracy. Credit checks validates details such as:

- Name
- Date of birth
- Address history

But credit checks also reveal:

- Electoral roll status
- CCJs or IVAs
- Missed payments
- Bankruptcy
- House repossessions

Employment credit checks are carried out through the same reporting companies (Equifax, Experion etc) as consumer credit searches. However, the type of searches used in pre-employment checks are called Soft Searches, as they don't leave a mark on the candidates credit file.

A comprehensive Credit Check will include checks against all linked addresses, all previous names and aliases, and all addresses linked to aliases, to ensure that candidates are unable to conceal details of bad credit by omitting previous address details.

### Why Is A Credit Check Important?

Credit Checks are a useful tool in mitigating the risk of fraud, by uncovering bad financial situations. And although a positive Credit Check doesn't guarantee that a candidate is trustworthy, it might expose red flags which affect a candidate's suitability for a role which requires access to data, money, company accounts or assets.

In addition, a bad financial situation might impact a candidate's behaviour, through poor concentration or productivity.

A solid credit report might indicate that a candidate would make a responsible staff member.

### When Should You Carry Out A Credit Check?

Credit Checks are required for compliance in most financial and legal roles in the UK, USA and in many other territories.

Now commonplace in many companies, various employers report that they now routinely carry out Credit Checks as part of a comprehensive background screening process when recruiting for all positions, in order to mitigate the risk of employee fraud and help ensure a successful hire.

### How Long Do Credit Checks Take?

Veremark completes Credit Checks in as little as five days.



# 5

## Commonly requested check no.5

### REFERENCE CHECKS

**Also known as:** Reference Verification, Employee References, Past Employer References

#### What Is A Reference Check?

Reference Checking involves verifying key employment or educational information by contacting past employers and schools directly and asking them key questions about candidates in-role performance and/or achievements.

Digital reference checks use a structured format which creates consistent reference for easier comparison between candidates and can be tailored to each individual role or repeated across the board.

#### What Information Do Reference Checks Reveal?

Past managers or academic links can provide valuable insights into how candidates have performed at work or school. Reference Checks can also be used to confirm additional skills or professional achievements.

The use of digital references allows prospective employers to delve much deeper into a candidate's skills, by asking previous employers about key factors such as communication levels, teamwork, and problem-solving abilities. Digital references are also faster and more convenient for the referee, contributing to a quicker turnaround time and improved response rate.

Checking the references from a variety of employment or educational sources will help verify and uncover the candidates full work or school background, to ensure a more rounded opinion of the candidate.

You might uncover the following from reference checking:

- Responsibilities and duties
- Hours
- Experience
- Attitude to work/work ethic
- Ability to work as part of a team or take initiative

#### Why Are Reference Checks Important?

Up to 20% of employers admit that they don't always check references, and particularly in recruiting financial roles which are heavily regulated, this is a dangerous tactic. A recent report found that 30% of people have lied on their resume, and the most common lie relates to work experience.

Gathering unbiased information about a candidate's work history is a valuable way of corroborating any claims they have made in their application or interview, helping to ensure a safe, successful and effective hire.

In addition, any information can also be used to tailor onboarding and training for new staff to provide a better initial candidate experience and promote employee engagement.

#### When Should You Carry Out A Reference Check?

Reference Checks should be carried out on all candidates and in all industries and sectors.

#### How Long Do Reference Checks Take?

Reference Checks have an average turnaround time of 48 hours.



Commonly requested check no.6

## GLOBAL SANCTIONS CHECKS

**Also known as:** Sanctions Screening, Global Sanctions Monitoring, Sanctions Checking, Sanctions List Screening, Watchlist Checks

### What Is Global Sanctions Checking?

Global Sanctions Checks are searches of international government databases and are designed to identify people who are prohibited from working in certain roles or sectors to prevent money laundering, terrorist financing or other risks.

There are currently over 1800 international enforcement databases and global watchlists in over 190 countries which are updated every 24 hours, and this number is constantly evolving and changing.

### What Information Do Global Sanctions Checks Reveal?

Global Sanctions Checks will determine whether candidates are/have been involved in, or are suspected of, illegal activity which might prevent them from working in certain roles or industries.

Sanctions checks might reveal restrictions such as:

- Activity bans
- Suspensions or revoked licenses
- Travel bans
- Financial sanctions

Global Sanctions Checks also identify PEPs (Politically Exposed Person) or direct family members or associates of PEPs who might be susceptible to bribery or corruption due to their position.

Additionally, the Global Sanctions Check provides further verification of UK and global address and contact data, which offers another layer of defence against fraudulent candidates, and helps employers meet their due diligence requirements.

### Why Are Global Sanctions Checks Important?

With all industries and sectors at risk of being exploited for money laundering or terrorist financing, Global Sanctions Checks are crucial to comply with:

- AML regulations
- Office of Foreign Assets Control (OFAC)
- Patriot Act
- Plus many other international legislations in the UK, Europe, US and worldwide.

Carrying out Global Sanctions Checks on all staff members also helps to grow an up to date and compliant staff database, and, because all Veremark checks are digital, insights can be used for analytics, marketing and logistic purposes to help drive future recruitment and operational decisions.

### When Should You Carry Out A Global Sanctions Check?

Global Sanctions Checks are often required for compliance in financial or legal roles, but also provide an extra level of protection and reassurance in all roles, to defend your business from untrustworthy staff.

### How Long Do Global Sanctions Checks Take?

Global Sanctions Checks are usually processed within 7 days.



Commonly requested check no.7

## CRIMINAL BACKGROUND CHECKS

**Also known as:** Criminal History, Criminal Records Check, Criminality Screening, DBS checks (UK), Criminal Background Screening

### What Are Criminal Background Checks?

Criminal Background Screening is one of the two types of background checks which relate to a candidate's legal history.

- **Criminal background screening** provides information about a candidate's criminal history.
- Civil **litigation screening** provides information about any civil action brought against or by the candidate themselves.

Criminal law relates to offences that negatively affect society as a whole, rather than civil law that relates to offences towards a single person or entity.

Criminal law relates to offences such as:

- Criminal Damage
- Fraud
- Money Laundering
- Assault
- Murder
- Drug dealing

Criminal law seeks to punish for an offence. If found guilty of a criminal offence, people receive sentences such as fines or prison time.

Criminal background checking is crucial in the FinTech sector in order to comply with FCA regulations.

### What Information Do Criminal Background Checks Reveal?

Criminal background checks in the UK\* are called DBS checks because they are carried out by the Disclosure and Barring Service in England, and by Disclosure Scotland.

There are three levels of check:

- **Basic** – shows unspent convictions and conditional cautions.
- **Standard** – shows spent and unspent convictions, cautions, reprimands and final warnings.
- **Enhanced** – shows spent and unspent convictions, cautions, reprimands and final warnings plus any information held by local police that is relevant to the role.
- **Enhanced check with Barred Lists** - shows spent and unspent convictions, cautions, reprimands and final warnings, any information held by local police that is relevant to the role plus whether the applicant is on the list of people barred from doing the role.

\*International criminal background checking should also be carried out for candidates who have spent time outside the UK, or for roles in different countries. Veremark can carry out international criminal background screening, just ask.

## **| Why Is Criminal Background Screening Important?**

There are two main reasons to carry out criminal background screening:

- To satisfy compliance
- To protect company assets, staff and customers

All candidates who are employed within an FCA regulated company must be subject to criminal background screening. Employers should also assess whether a role is considered to be a “controlled function” which is subject to enhanced checks.

The reputational damage caused by a scandal which could have been prevented through adequate criminal background screening should not be dismissed as small change either. Failing to carry out necessary criminal background screening on all candidates can have catastrophic effects on your customers and ultimately destroy your business.

## **| When Should You Carry Out Criminal Background Checks?**

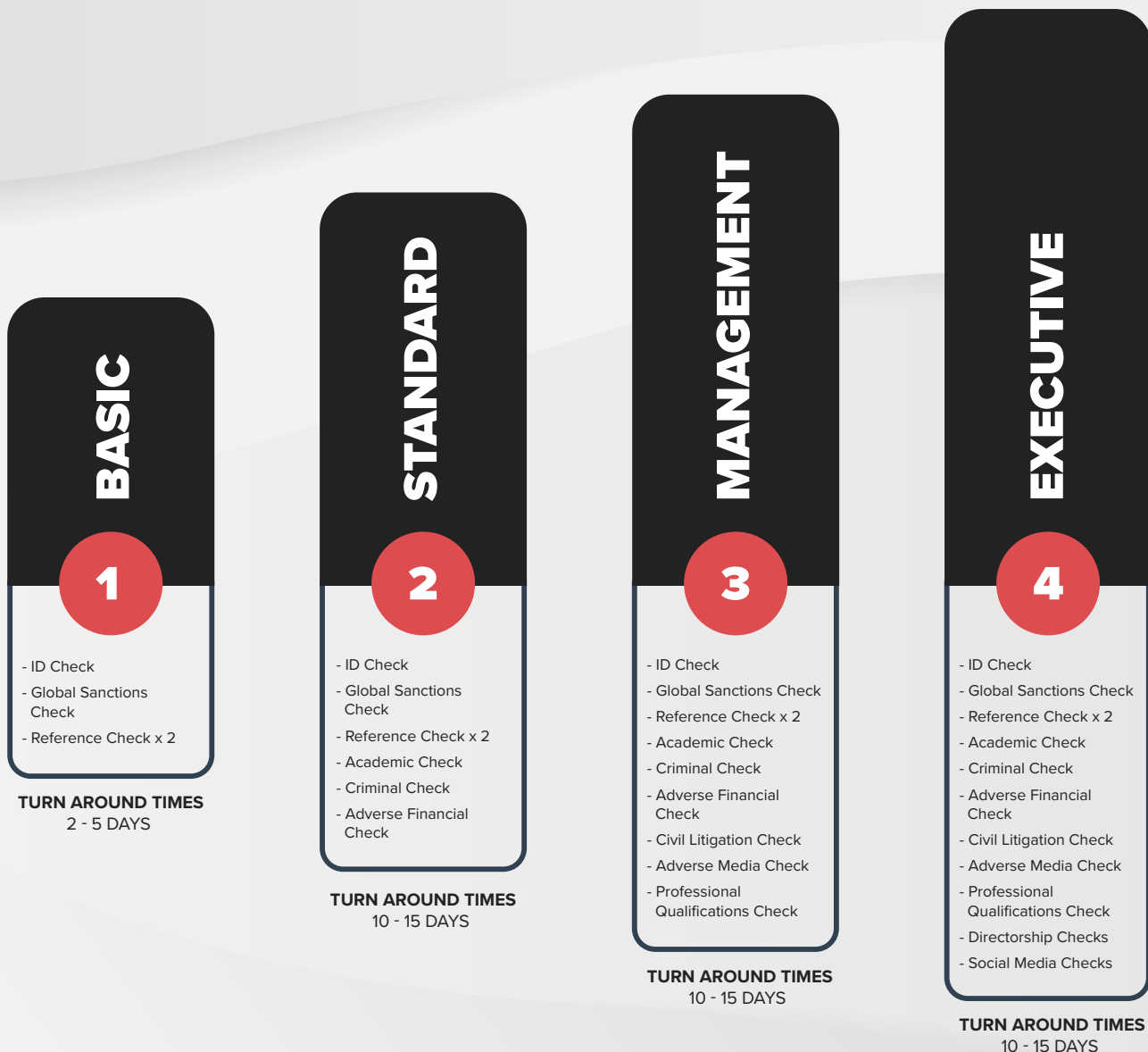
Criminal Background Checks should form part of a comprehensive suite of screening for all roles which are regulated by the FCA. Adequate screening helps protect your company’s reputation while ensuring that you make the right hiring decision.

## **| How Long Does Criminal Background Screening Take?**

Criminal background checks are typically completed within 7 days, but can take up to 21 days for enhanced screening.

# Part Three: Which Check Package Is Right For Me?

The following background check packages are most relevant to FinTech recruitment:



# FinTech and Automation: the perfect match

The FinTech sector has led the way in applying automation to the global demand of finding secure and accurate solutions to financial management.

Society now recognises that automation provides accuracy, security and speed where it is most crucial, and the background screening industry is beginning to respond by applying the latest technology in providing rigorous and systematic screening for all sectors.

## Why Veremark?

Veremark are on a mission to transform the background screening and reference checking market - adding speed, automation, security and scalability to the way you conduct your employment checks.

Our online background check software automates your entire background screening process. The result is fast (sometimes even instant) check turnaround times, standardised and auditable processes and an improved overall experience for you, your candidates and their referees.

We help employers define, understand and manage hiring risks, adding simplicity and confidence to your hiring process.

Our platform empowers you to request global background checks, including complete employment history checks, criminal record checks, civil checks, credit checks, global sanctions checks and reference checks.

Your candidates' data is safe with us... We provide enterprise-level IT security and data protection to adhere to even the strictest regulations.

Our platform facilitates fully automated background checks for businesses of all sizes - anywhere in the world. We estimate an ROI of 45x on the 'cost of service' of gathering references just by automating the reference checking process for employers.

The uncertainty caused by coronavirus will likely last for many years, but using specialist and experienced service providers can offer the peace of mind of reliable and accurate results that don't impact your time to hire during this difficult time.

Successful and safe remote recruitment is dependent on carrying out the right checks. Whether or not staff are permanent, remote, contract, part-time or full-time, workers have access to company property and data, as well as other staff or customers, putting business security and wellbeing at risk, and failing to carry out the right checks can invalidate some insurance policies.

Don't gamble with the safety of your business at a time when even the highest performing companies are on shaky ground. Veremark is a leading provider of local and global background checks, offering convenient 100% digital, 100% accurate checks for new and existing staff members in all industries and sectors.

Whether you require a single check or check bundle, our checks can be requested within seconds on our app, and our easy to use software will keep you informed of where you are in the checking process, with many results being returned in as little as 2 hours.

Talk to us today about the benefits of carrying out your vital pre-employment checks using Veremark's innovative and straightforward platform.

**Want to know more?**

Reach out to our team for personalised advice [here](#).

Or visit [www.veremark.com](http://www.veremark.com)

# veremark.

Add simplicity and confidence to your hiring process with Veremark.

Want to know more?

**Reach out to our team for personalised advise here.**

Or visit

**[www.veremark.com](http://www.veremark.com)**