

## Background

This policy sets out Nationwide's approach to training and educating employees in relation to the risks and obligations associated with money laundering and terrorist financing. It sets out the standards expected for creating a Group-wide training and awareness culture which protects our members, the business and the markets in which we operate. The policy outlines the Anti-Money Laundering and Combating Terrorist Financing (AML & CTF) training arrangements across the Group including who is subject to these requirements and who is responsible for maintaining these arrangements. This guide

## Policy requirements

One of the most important controls over the prevention and detection of money laundering is to have employees who are alert to the risks of money laundering/terrorist financing and are well trained in the identification and internal reporting of unusual activities or transactions which may prove to be suspicious. The effectiveness of training is critical to the success of the overall AML/CTF strategy as employee competence and alertness underpins the design and application of all effective systems and controls.

The policy is documented to meet the core obligations associated with the money laundering / terrorist financing training and awareness which are set out in JMLSG Guidance Part 1, Chapter 7, Money Laundering Regulations 2007 (Regulation 21) and SYSC 6.3.7 (1) G.

Third parties who manage account opening and administration must:

- a) Ensure relevant employees are aware of the risks of money laundering and terrorist financing
- b) Ensure relevant employees are aware of the relevant legislation and regulations, and their obligations under that legislation and the consequences of non-compliance
- c) Ensure relevant employees are aware of the identity and responsibilities of the firm's Nominated Officer and MLRO, where applicable
- d) Ensure relevant employees are trained in the firm's procedures and in how to recognise and deal with potential money laundering or terrorist financing transactions or activity
- e) Provide employee training at regular intervals, test knowledge, and maintain appropriate records of the activities undertaken
- f) Give overall responsibility for the establishment and maintenance of effective training arrangements to a relevant Director or Senior Manager

## How third parties can comply with the policy

- a) Develop, implement and maintain effective documented AML & CTF Training and Awareness arrangements to ensure compliance with the requirements of this policy.
- b) Ensure all employees who handle customers' financial transactions, look at customer information or customer account records, or are managerially responsible for such employees are appropriately trained in line with Nationwide's AML & CTF Training and Awareness policy. This may include specialist training or external qualifications for key roles.
- c) Ensure Directors and Senior Management are aware of their AML & CTF obligations, developing an effective compliance culture that promotes and encourages money laundering prevention.
- d) Implement a change control mechanism to ensure that future process changes take into account the requirements of this policy.
- e) Implement appropriate oversight to ensure that:
  - i. AML & CTF Training and Awareness arrangements are followed in line with the requirements of this policy; and
  - ii. Appropriate records are maintained to evidence the provision and completion of AML & CTF related training and assessments; and
  - iii. Any control or process failures resulting in a regulatory or policy breach are promptly reported to Nationwide.

## Responsibilities of Senior Relationship Owners

- a) Familiarise themselves with the full Nationwide AML & CTF Training and Awareness policy which can be obtained by emailing ML Policy and Risk Management.
- b) Obtain written commitment that each third party managing account opening and administration will adhere to the policy requirements.
- c) Ensure that the third party's AML & CTF Training and Awareness material and procedures are reviewed by ML Policy and Risk Management on an annual basis.
- d) Implement appropriate oversight and supervision to satisfy themselves that:
  - i. Relevant processes are carried out in line with the requirements of this policy;
  - ii. The third party's controls are adequate to manage the risk created by their handling of account opening and administration. As a minimum this should include an annual site visit and/or review of training records against the Policy requirements; and
  - iii. All Compliance & Conduct risks associated with the outsourced or procured activities are identified, recorded, mitigated and/or accepted by the Accountable Executive.
- e) Provide regular management information, including the outputs of testing, to the Policy Owner evidencing how the third party has complied with the policy – at least on an annual basis.
- f) Report any breaches or issues reported by the third party to ML Policy and Risk Management as soon as reasonably possible.