

2022-02-22

DECISION

Trustly Group AB
Rådmansgatan 40
113 57 Stockholm

FI dnr 20-20967

Summary

Trustly Group AB (Trustly or the company) is a payment institution that has authorisation to provide payment services pursuant to the Payment Services Act (2010:751). The company provides in part a pay-in service. This service has been described as a combination of a payment initiation service and a money remittance, where the payment initiation is the first step in the money remittance. The company also has a pay-out service, which has been described as a money remittance. Trustly calls the actual persons using the pay-in and pay-out services end users.

Finansinspektionen has investigated Trustly's compliance with the Money Laundering and Terrorist Financing Prevention Act (2017:630) and Finansinspektionen's regulations (FFFS 2017:11) regarding measures against money laundering and terrorist financing with regard to the rules on risk assessment, risk assessment of customers, procedures and guidelines, customer due diligence measures and monitoring and reporting. The investigation has primarily been limited to the company's operations related to the gambling industry.

The gambling industry is the company's largest business area. In terms of transaction volume, transactions to and from the gambling industry during the period under investigation constituted more than half of the company's total transaction volume. In other words, the authority has noted that the company has a large exposure to a single industry that is associated with a high risk of money laundering and terrorist financing.

Finansinspektionen's investigation identifies a number of deficiencies within central parts of the anti-money laundering regulations related to the company not treating its end users as customers in accordance with the Anti-Money Laundering Act. The authority has found that Trustly thereby failed to include a large portion of the company's customers in its measures to prevent money laundering and terrorist financing. In violation of the Anti-Money Laundering Act, Trustly has not included these customers in its risk assessment or its procedures and guidelines. The company has also not conducted a risk assessment of these customers, taken customer due diligence measures or monitored them as customers.

In addition to the deficiencies attributed to the company not correctly defining the customers of the company in accordance with the Anti-Money Laundering Act, the investigation shows that the company also in general has not complied with several central rules in the anti-money laundering regulations related to the risk assessment, the risk assessment of customers, procedures and guidelines for customer due diligence, customer due diligence measures, and monitoring of transactions.

The deficiencies have primarily applied to an industry that is associated with a high risk of money laundering and terrorist financing, and through Trustly's role in the payment chain, the company has taken a position that can almost be described as a hub between the banks and the gambling companies. Therefore, there has been a considerable risk that it has been possible to use Trustly and the financial system for money laundering and terrorist financing. Finansinspektionen makes the

overall assessment that the deficiencies have been of such a nature that there are grounds on which to intervene against Trustly.

The violations that are based on Trustly not treating its end users as customers in accordance with the Anti-Money Laundering Act need to be handled separately from the other violations. Even though there are several circumstances indicating that these violations should be viewed as severe, the circumstances for this part are such that the company, through reference to a previously closed investigation by Finansinspektionen, has a lower degree of responsibility than what would otherwise have been the case. Therefore, Trustly is ordered to take measures to address the deficiencies in this part.

Independent of the deficiencies based on Trustly not treating its end users as customers in accordance with the Anti-Money Laundering Act, Finansinspektionen considers the other deficiencies described in the decision to be severe and, therefore, there are grounds on which to consider withdrawing Trustly's authorisation. With reference to the measures the company has stated it has taken and plans to take, Finansinspektionen makes the assessment that the expectation Trustly will address the deficiencies and in the future comply with the regulation is strong enough to be sufficient to issue Trustly a warning in this part. The warning is accompanied by an administrative fine of SEK 130 000 000.