



## **FSA fines Willis Limited £6.895 million for anti-bribery and corruption systems and controls failings**

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The Financial Services Authority (FSA) has today fined Willis Limited £6.895 million for failings in its anti-bribery and corruption systems and controls. These failings created an unacceptable risk that payments made by Willis Limited to overseas third parties could be used for corrupt purposes. This is the biggest fine imposed by the FSA in relation to financial crime systems and controls to date.

Between January 2005 and December 2009, Willis Limited made payments to overseas third parties who assisted it in winning and retaining business from overseas clients, particularly in high risk jurisdictions. These payments totalled £27 million. The FSA investigation found that, up until August 2008, Willis Limited failed to:

- ensure that it established and recorded an adequate commercial rationale to support its payments to overseas third parties;
- ensure that adequate due diligence was carried out on overseas third parties to evaluate the risk involved in doing business with them; and
- adequately review its relationships on a regular basis to confirm whether it was still necessary and appropriate for Willis Limited to continue with the relationship.

These failures contributed to a weak control environment surrounding payments to overseas third parties and gave rise to an unacceptable risk that these payments could be used for corrupt purposes, including paying bribes.

In addition, between January 2005 and May 2009, Willis Limited failed to adequately monitor its staff to ensure that each time it engaged an overseas third party, an adequate commercial rationale had been recorded and that sufficient due diligence had been carried out. Although Willis Limited improved its policies in August 2008, it failed to ensure that its staff were adequately implementing them.

Lastly, throughout the period, Willis Limited's senior management did not receive sufficient information about the performance of Willis Limited's relevant policies to allow them to assess whether bribery and corruption risks were being mitigated effectively.

During the FSA investigation, Willis Limited identified as suspicious a number of payments totalling \$227,000 which it made to two overseas third parties in respect of business carried out in Egypt and Russia. These were subsequently reported to the Serious Organised Crime Agency.

Tracey McDermott, acting director of enforcement and financial crime, said:

"Willis Limited failed to take the appropriate steps to ensure that payments it was making to overseas third parties were not being used for corrupt purposes. This is particularly disappointing as we have repeatedly communicated with the industry on this issue and have previously taken enforcement action for failings in this area.

"The involvement of UK financial institutions in corrupt or potentially corrupt practices overseas undermines the integrity of the UK financial services sector. The action we have taken against Willis Limited shows that we believe that it is vital for firms not only to put in place appropriate anti-bribery and corruption systems and controls, but also to ensure that those systems and controls are adequately implemented and monitored."

Willis Limited has taken significant steps to address the failings identified by the FSA and has committed to carrying out a review of past payments made to overseas third parties to identify any inappropriate payments.

Willis Limited cooperated with the FSA and agreed to settle at an early stage of the FSA's investigation. The firm qualified for a 30% discount under the FSA's settlement discount scheme. Without the discount the fine would have been £9.85 million.

## Notes to editors

- The Final Notice for [Willis Limited](#) can be found on the FSA website.
- The FSA sent out an [industry wide letter](#) to commercial insurance intermediaries in November 2007 reminding them of their regulatory obligations in relation to bribery and corruption risks.
- In January 2009, the FSA fined [Aon Limited](#) £5.25 million for failing to take reasonable care to establish and maintain effective systems and controls to counter the risks of bribery and corruption associated with making payments to overseas firms and individuals.
- In May 2010, the FSA published the results of its [thematic review](#) into the adequacy of the systems and controls in place at a number of commercial insurance intermediary firms for preventing illicit payments and inducements particularly through the use of overseas third parties.
- In June 2011, the FSA launched a [consultation on its financial crime guide](#), which contains good and poor practice for firms on anti-bribery and corruption systems and controls. The consultation closes on 21 September 2011.
- The FSA regulates the financial services industry and has four objectives under the Financial Services and Markets Act 2000: maintaining market confidence; securing the appropriate degree of protection for consumers; fighting financial crime; and contributing to the protection and enhancement of the stability of the UK financial system.

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