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Advancing Risk Monitoring with Perpetual KYC (pKYC)

SEPTEMBER 10, 2025

Event Overview

The traditional model of periodic KYC reviews (i.e. refreshing customer files every one, three, or five years) was built for a slower, more predictable world. Today, globalized threats, instantaneous payments, and shifting regulations demand a new approach. Financial crime doesn't wait for a refresh cycle, and neither can compliance.

On September 10, 2025, **Quantifind** and **Protiviti** convened dozens of senior compliance leaders from across banking, payments, insurance, consulting, and technology at **The Shard in London** for the **pKYC Convergence** event.

Through a lively panel discussion and collaborative workshops, participants explored the promise and pitfalls of pKYC. The conversation spanned technology and data, regulatory expectations, organizational politics, and the practical steps needed to move from vision to execution.

This report captures the highlights and shared insights from the day.

PANEL SUMMARY

Breaking Free from the Refresh Cycle

Panelists from **Worldpay, S&P, Experian, Protiviti,** and **Quantifind** explored what it will take to move beyond periodic reviews and toward true perpetual monitoring.

Key Themes and Insights

Why pKYC, Why Now

- The “luxury of time” has disappeared: what once took weeks to detect now demands immediate recognition and action.
- Regulators increasingly question the adequacy of static refreshes.
- One panelist noted, *“The speed of change means institutions can no longer afford to wait years to understand if a customer’s risk has shifted.”*

Defining Materiality

- Not every change merits a full review; the challenge is distinguishing between noise (a new address) and material risk (a new UBO with high-risk ties).
- Institutions must calibrate triggers carefully to avoid creating more work than they eliminate.
- The goal is a **risk-centric view**, not a file-centric one.

Blind Spots of Periodic Reviews

- Periodic reviews miss sudden ownership changes, geopolitical shocks, or reputational events that emerge between cycles.
- Network analysis pilots revealed hidden ties to sanctioned entities, but also underscored the burden of addressing findings once surfaced.
- Panelists cautioned that ignoring these blind spots is no longer tenable in today’s environment.

The Role of AI and Entity Resolution

- Analysts cannot be expected to track 60–70+ categories of risk across millions of customers.
- AI, entity resolution, and adverse media analysis are essential to filter, contextualize, and prioritize.
- Pilots show AI-driven enrichment can uncover hidden relationships, reduce false positives, and accelerate investigations.

PANEL SUMMARY: KEY THEMES AND INSIGHTS (CONTINUED)

Operational and Cost Challenges

- Legacy systems and fragmented data remain major blockers.
- Vendor commercial models (e.g., per-API call fees) create unsustainable costs at pKYC scale.
- The real cost driver is people: thousands of analysts across global banks represent an unsustainable expense unless automation is embraced.

Regulatory Readiness

- Regulators expect proactive monitoring but remain cautious about AI. Staffing levels are still a de facto measure of adequacy in many jurisdictions.
- Participants agreed that **explainability, auditability, and human-in-the-loop controls** will be critical to regulatory acceptance.

Culture and Governance

- pKYC touches every function: compliance, IT, legal, operations, and business lines.
- Without C-suite prioritization and cross-functional cooperation, efforts stall amid competing priorities.
- One panelist stressed, *"Tone from the top is critical, but the real friction is team in the middle — first and second line must work together, not against each other."*

Advice for Institutions Starting the Journey

Start small: pick a segment or risk area as a proving ground.

Check your data first: fragmented, poor-quality data will derail pKYC.

Test vendors: insist on pilots with your data before believing lofty claims.

Treat pKYC as a strategic asset: beyond compliance, it can reduce churn, improve customer experience, and strengthen trust.

ROUNDTABLE SUMMARY

Perpetual KYC Challenges and AI Opportunities

In facilitated workshops, participants shared candid experiences of what is working, where they are stuck, and how AI could accelerate progress.

Emerging Themes

Data Fragmentation and Jurisdictional Gaps

- Acquisitions and legacy systems leave many institutions with multiple views of the same customer and inconsistent attributes.
- Jurisdictional differences (e.g., UK vs. Switzerland vs. Italy) drive divergent standards and limit harmonization.
- No single vendor can cover all needs; participants emphasized using multiple data providers for coverage and validation.

Customer Journeys and Event-Driven Reviews

Participants noted that customers are far more willing to respond to event-driven reviews triggered by activity changes than to routine periodic reviews, creating opportunities to improve both compliance outcomes and customer experience.

Data Quality and Digital Engagement Gaps

Poor digital engagement and outdated customer details remain major hurdles. One firm cited only ~60% app adoption and records with 20-year-old occupation data, underscoring the need for stronger channels to capture updates.

Organizational Workflow and Tooling Transitions

Several banks are investing in workflow platforms to enable a single customer view, replacing fragmented in-house systems. Others highlighted challenges aligning first- and second-line responsibilities across jurisdictions.

Jurisdictional Complexity in Risk Rating

Risk assessments vary significantly by jurisdiction. For example, a UK domestic PEP may be treated as low risk, but the same customer booked elsewhere could drive a high-risk classification, complicating automation and governance.

Balancing Detection and Cost

- Detection rates are improving, but at the expense of higher alert volumes and more SARs.
- Participants noted that "better detection without cost control is not progress."
- The challenge is achieving more coverage with fewer people.

AI and Automation as Force Multipliers

- AI is already present in RegTech tools, but often unnoticed.
- Near-term applications include:
  - Document processing and auto-population of client KYC packs.
  - Alert triage and false-positive suppression.
  - Dynamic risk scoring and segmentation.
- Participants stressed that **explainability, reversibility, and auditability** are non-negotiables for regulators.

ROUNDTABLE SUMMARY (CONTINUED)

Customer Journeys and Event-Driven Reviews

While AI supports risk scoring and monitoring, participants warned of "catastrophising," where models generate excessive red flags. Ensuring auditability, explainability, and effective safeguards was seen as essential to maintain regulator trust.

Network Analysis: A Double-Edged Sword

- Mapping connections can surface critical hidden risks. One pilot revealed, thousands of ties to sanctioned entities.
- But exposing more risk also creates a remediation burden.
- Institutions must calibrate scope and invest in workflows to act on findings.

Culture, Politics, and Change Management

- Compliance, IT, and legal often work in silos with misaligned priorities.
- Several participants cited "policy debt"– outdated requirements that block adoption of digital solutions even when technology exists.
- Strong governance and prioritization from senior leadership are essential to overcome inertia.

AI Governance and Regulator Engagement

- Regulators vary widely in readiness: some encourage innovation, others remain conservative and headcount-focused.
- Firms agreed on the need to **educate themselves, regulators, and boards** on how AI is already embedded in their processes, and how it can support them in the future.
- *"We're already using AI in screening, in monitoring, in workflows. The question is whether regulators recognize it, not whether it exists."*

CONCLUSION

Final Thoughts and Next Steps

The **pKYC Convergence** event revealed both optimism and realism: perpetual KYC is inevitable, but the journey will be phased, pragmatic, and collaborative.

Top 5 Takeaways from Attendees

1 **The Refresh Cycle is broken**
Static periodic reviews leave blind spots. Real-time monitoring is the only way to keep pace with fast-moving risks and regulatory expectations.

2 **Materiality is key**
Not every data change is equal. Success depends on distinguishing between noise and risk events that fundamentally alter a customer's profile.

3 **AI is no longer optional**
From entity resolution to alert triage, AI is the only way to scale. Human-in-the-loop oversight and explainability remain critical to regulator acceptance.

4 **Culture and governance matter as much as technology**
pKYC touches compliance, IT, legal, and business lines. Without C-suite prioritization and cross-functional cooperation, programs stall.

5 **pKYC is a strategic asset, not just a compliance cost**
When done well, it improves customer experience, reduces remediation expenses, and builds trust, turning compliance into competitive advantage.

The good news is that institutions are already taking steps:

- Modernizing KYC standards to enable automation.
- Investing in entity resolution and reliable data pipelines.
- Piloting AI for alert triage, summarization, and risk scoring.
- Linking pKYC to customer experience and strategic growth, not just compliance costs.

We extend our thanks to all participants and to our partners at Protiviti for their insights, candor, and collaboration. Your contributions will shape Quantifind's innovation, partnerships, and future convenings.

Together, we can redefine what it means to truly "know your customer."

"pKYC isn't just about finding risk faster. It's about re-engineering compliance for a world that never stops moving—where continuous intelligence is the only way to protect institutions, customers, and society."

pKYC Convergence Participant