



High Tide of Transformation – Financial Crime and Compliance (FCC) State of the Market 2024

June 2024: Complimentary Abstract / Table of Contents

State of the Market Report
Financial Crime and Compliance Operations



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Background of the research

Financial Crime and Compliance (FCC) operations have been growing at a fast pace, as most Financial Institutions (FIs) are struggling to meet cost restrictions while trying to address regulatory challenges and the threat of financial crime associated with heavy penalties and a loss of reputation. The evolving regulations in the financial sector call for a dynamic regulatory compliance check, which is difficult for these institutions to manage globally. Enterprises are looking for support to meet the regulatory challenges as well as fight financial crime while managing costs. With the pandemic hitting the industry hard and with the looming threat of recession, agent availability has been severely impacted creating a golden window of opportunity for financial crime perpetrators. This further increased the demand for services and technology in FCC.

The growing requirement for FCC support and digital channels has opened opportunities for service providers to further augment their capabilities and add offerings for advisory, platform-led services, and advanced digital solutions. The demand to increase efficiency and productivity by reducing false positives and manual intervention remain of prime importance to buyers.

In this research, we present a view on the state of the market on FCC operations and service providers and highlight the providers featured on the [Financial Crime and Compliance \(FCC\) Operations Services PEAK Matrix® Assessment 2024](#). The state of the market report is based on data collected by Everest Group's annual RFI process for the calendar year 2023, interactions with leading FCC operations services providers, client reference checks, and secondary ongoing analysis of the FCC operations market.

In this study, we investigate the state of the FCC market. We focus on:

- Emerging drivers and challenges faced by enterprises in FCC outsourcing
- Evolving need and evolution of FCC solutions
- FCC BPS market overview
- FCC buyer trends and relationships
- Service provider landscape for the FCC market
- Market outlook

Scope of this report

Geography: Global

Industry: Banking and financial services

Services: Financial crime and compliance

Overview and abbreviated summary of key messages

The report contains an assessment of the emerging trends, macro factors, technology adoption and enterprise needs for financial crime and compliance market. The report also contains a snapshot of the FCC BPS players, shoring mix, pricing model adoption and outlook

Some of the findings in this report, among others, are:

Drivers of the changing FCC landscape

- Macro trends and changes in the FCC spectrum and reasons behind the rise in fraud and financial crime management services
- This section also delves in “Top enterprise challenges in 2023 and demand dynamics from newer client types

Key emerging trends among FCC BPS providers

- Re-emphasis on the pillars of modernization, advisory, technology and operations. Emerging newer themes across these pillars, end-to-end services, BPaaS adoption, regulatory landscape, talent development, expansion in R&C etc.
- This section also gives insight on shift of delivery mix across different LoBs of FCC

Market adoption trends

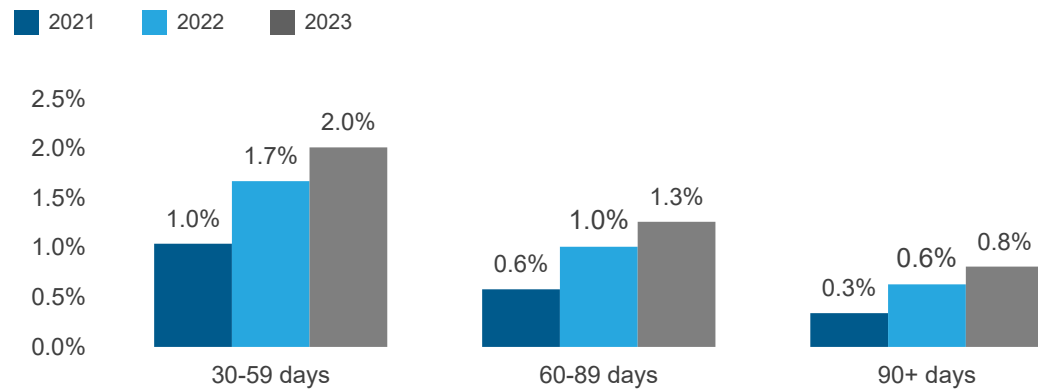
- Currently, the size of the global FCC BPS industry ranges between US\$3.6-4.0 billion, growing at a rate of ~15-17%; post-pandemic volumes have started subsiding; however, the overall volumes remain high
- Focus on growing LoBs in FCC
- Dive on growing geographies and buyer type

Evolution of provider relationship

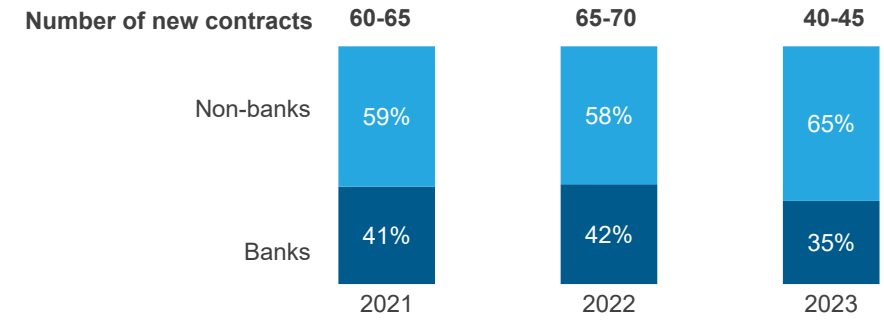
- This section focuses on buyer-seller dynamics and touches on change in average contract duration and value, adoption of different pricing models
- This section also contains different adoption drivers and client satisfaction insights

This study offers six distinct chapters providing a deep dive into key aspects of FCC BPS market; below are four charts to illustrate the depth of the report

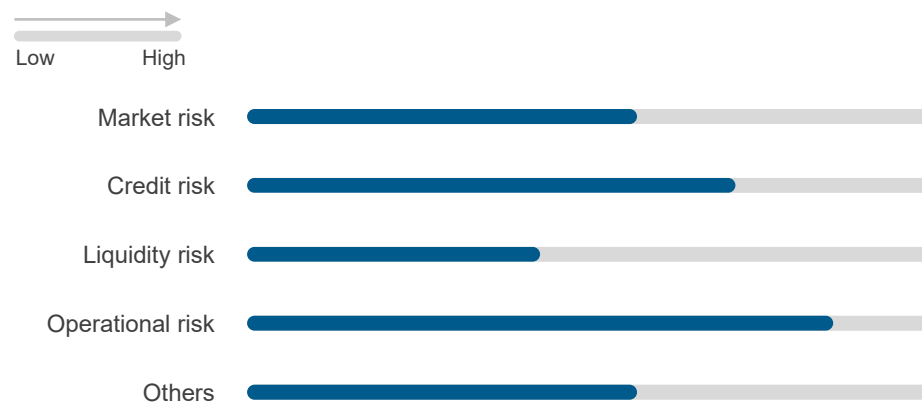
Payment delinquencies (%)



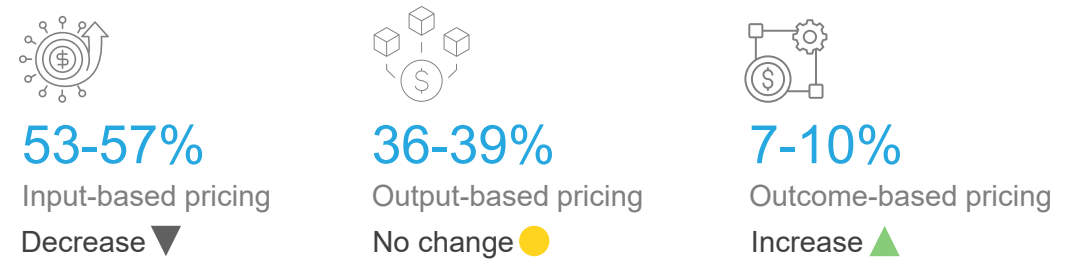
Buyer trend for FCC: Percentage of new contracts signed



Percentage contract mix of different operations in the R&C function main report



Pricing model trends 2023



Research calendar

Banking and Financial Services Business Process

	Published	Current release	Planned
Reports title	Release date		
Steering Through Uncertainty: The Impact of Recent Bank Failures on Banking Enterprises and Business Process Services (BPS) Providers			July 2022
Banking Operations – Services PEAK Matrix® Assessment 2023			August 2022
Banking Operations State of the Market 2023			September 2022
Modernizing Core Operational Processes – Capital Markets State of the Market 2023			October 2022
Banking Operations Services – Provider Compendium 2023			December 2022
Financial Crime and Compliance (FCC) Operations Services – Provider Compendium 2024			April 2024
High Tide of Transformation – Financial Crime and Compliance (FCC) State of the Market 2024			June 2024
Paying Forward: Innovations Shaping Cards and Payments Operations			Q2 2024
BPS Top 50-2024			Q2 2024
Gen AI Advances: Modernization, Resilient Operations, and Value Enhancement			Q2 2024
Lending Services Operations PEAK Matrix® Assessment 2024			Q2 2024
After the Mortgage Downturn – Lending Services State of the Market 2024			Q2 2024
Digital Integrated BFS Operations PEAK Matrix® Assessment 2024			Q3 2024
Lending Services Operations – Service Provider Compendium 2024			Q3 2024
The Future of AWM – A Compelling Use of Innovation in a Converging Digital and Physical World			Q3 2024
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Reports title	Release date		
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Financial Crime and Compliance (FCC) Operations – Service Provider Compendium 2023			October 2022
Navigating the Regulatory Tightrope via End-to-End Solutions – Financial Crime and Compliance (FCC) State of the Market 2022			January 2023
Safeguarding Assets: Building Trust and Combating Fraud			July 2023
Financial Crime and Compliance (FCC) Operations Services PEAK Matrix® Assessment 2024			February 2024
Inside the Regulator’s Mindset: Reshaping Compliance in Banking Operations			March 2024
Financial Crime and Compliance (FCC) Operations Services – Provider Compendium 2024			April 2024
High Tide of Transformation – Financial Crime and Compliance (FCC) State of the Market 2024			June 2024
Digital Identity Trailblazers: Providers of eKYC			Q3 2024
Tech-Driven Co-innovation: Boon or Bane			Q3 2024
FCC – Top 50 platform/product players 2024			Q4 2024
Green Crime – Examining the Intersection of Financial Crime and the Surge in Environmental Crime			Q4 2024
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