

The logo for KYC360, featuring the text "KYC360" in a white sans-serif font. The "0" is a solid orange circle. The background is a dark, moody photograph of a waterfall in a forest.

KYC360

The Future of KYC Remediation

Top Priorities and Challenges
in 2025

A person wearing a yellow helmet and an orange life vest is rappelling down a large waterfall. The water is cascading over dark rocks, and the surrounding area is lush with green foliage.

Comply and Outperform with KYC360

Contents

- / 3 Executive Summary
- / 4 Introduction
- / 5 About the Respondents
- / 6 Key AML/CFT Challenges
- / 8 Why are Remediation Projects Complex?
- / 9 Key Findings
- / 13 The Role of Technology in Transforming KYC Remediation
- / 14 Case Study
- / 15 Checklist for Successful Remediation in 2025
- / 17 Conclusion

Executive Summary



Firstly, a big thank you to the 116 compliance professionals who provided invaluable insights that made this report possible. We launched this survey with the goal of understanding the current challenges, priorities and processes surrounding KYC remediation.

The responses confirm that KYC remediation remains a complex, resource-intensive process, driven by factors such as manual processes, data quality issues and the need to keep pace with regulatory changes. It was no surprise to see the lack of automation for KYC refreshes identified as a key driver for remediation, reflecting the operational burden placed on compliance teams when processes are still primarily manual.

Interestingly, despite 38 respondents indicating no immediate remediation projects, the vast majority continued engaging with the survey, highlighting a widespread recognition of longer-term remediation needs. Additionally, only 21 respondents expect remediation costs to remain stable or decrease, signalling growing budget pressures as compliance demands continue to rise.

This report examines these findings, exploring how organisations can streamline remediation efforts, overcome internal barriers and leverage automation to reduce costs and improve outcomes. Whether you foresee KYC remediation projects in the near future or are preparing for potential regulatory shifts, we hope this report provides valuable, actionable insights.



A handwritten signature in black ink that reads "Stephen P." in a cursive, stylized font.

Stephen Platt
Founder & CEO, KYC360
Email marketing@KYC360.com

Introduction



KYC data remediation is the process of reviewing, updating and validating customer data to ensure compliance with evolving regulatory requirements. Organisations may be compelled to initiate remediation projects for several reasons:

/ Mandated by regulators

Regulatory audits, inspections, or enforcement actions often trigger remediation requirements. Non-compliance can result in significant fines, reputational damage and even operational restrictions on growth.

/ Corporate restructuring

Mergers, acquisitions or internal restructures may require the harmonisation of customer data across multiple systems to get it up to the required standards.

/ Poor data quality

Outdated and inaccurate or incomplete data can occur due to fragmented systems and manual errors. Poor data quality increases the risk of financial crime, regulatory breaches and reputational damage.

Failure to maintain accurate, up-to-date customer records exposes firms to significant enforcement actions, limits growth opportunities and weakens risk management frameworks. Robust remediation practices can improve customer insights, enhance operational efficiency and strengthen compliance resilience.

Objectives of Survey

The purpose of this survey report is to:

- / Identify the key challenges and priorities in KYC remediation for 2025.**
- / Analyse why remediation projects are often complex, resource-intensive and prone to delays.**
- / Explore the role of automation technology in streamlining remediation processes.**
- / Provide actionable recommendations and best practices for compliance professionals navigating these challenges.**

About the Respondents

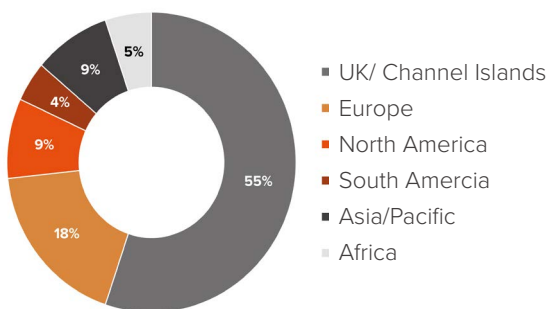


Our survey gathered insights from 116 professionals, providing a comprehensive view of current KYC remediation practices. Key demographics include:

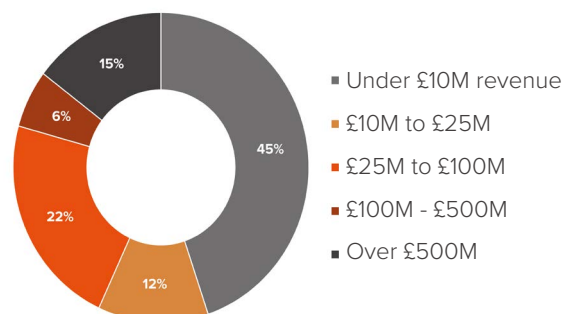
- / 85 respondents based in the UK and Europe
- / 79 respondents working in financial services
- / 71 respondents in compliance or risk management roles
- / 21 respondents in MLRO/AML-specific roles
- / 4 respondents holding CEO or Founder positions

Respondents represented a diverse range of company sizes, from small firms with lean compliance teams to large multinational organisations managing complex, high-volume remediation projects. This diversity ensures a well-rounded understanding of KYC remediation, capturing insights from both strategic and operational perspectives. The survey was open for 4 weeks in Q4 2024 and distributed through email and LinkedIn.

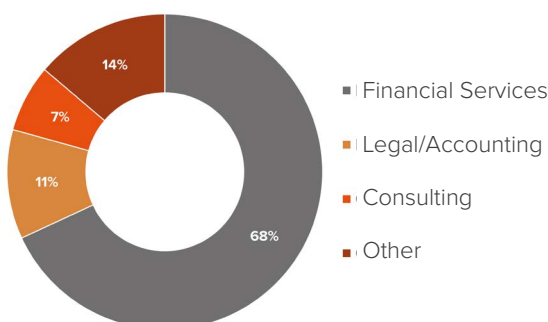
By Region



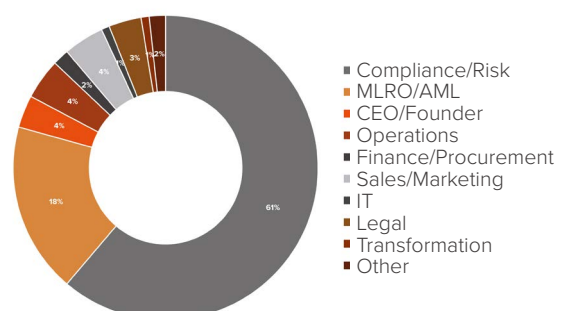
By Company Size



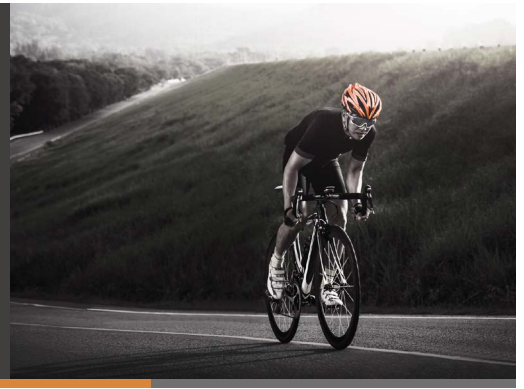
By Industry



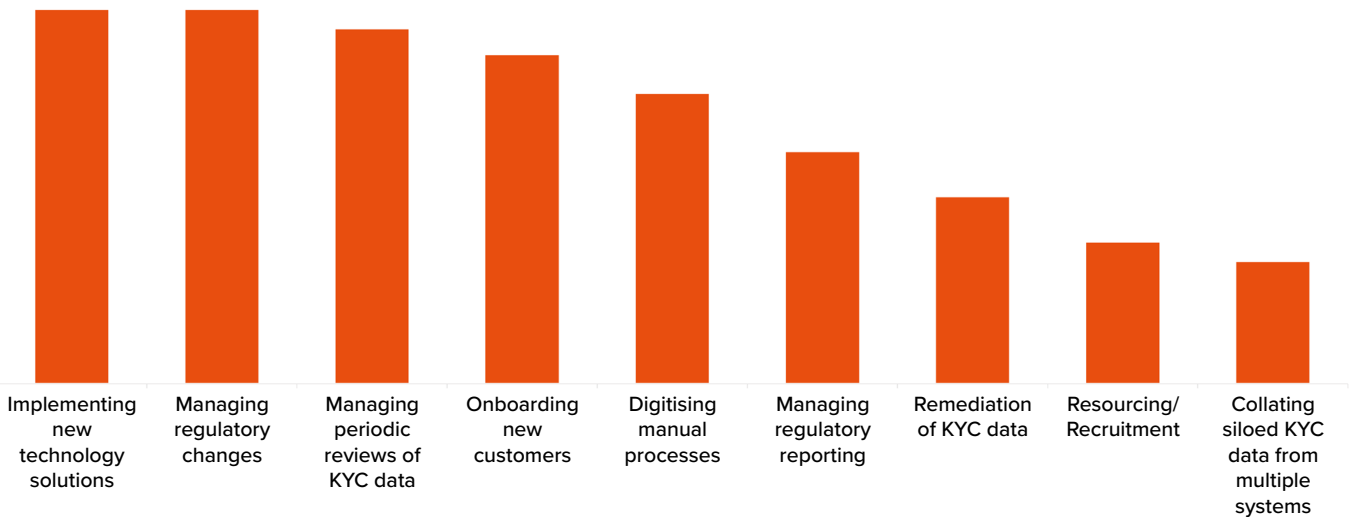
By Job Role



Key AML/CFT Challenges

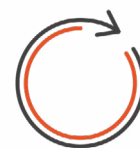


Our survey explored the general challenges that compliance and risk professionals face across their day-to-day responsibilities. Their responses revealed a broad range of issues, with no single dominant challenge. This reflects the complex and varied nature of this role, where priorities often shift based on regulatory demands, organisational structure and operational pressures. The five challenges listed below were identified as the most significant by respondents.



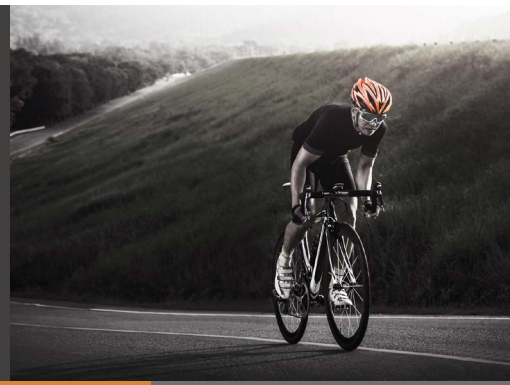
Onboarding New Customers

Onboarding new customers is resource-intensive, particularly for complex entities like trusts, partnerships and multinational corporations. Challenges include manual risk assessments, difficulties in identifying ultimate beneficial owners (UBOs) and fragmented processes across multiple systems. Despite advancements in digital onboarding tools, many organisations still rely heavily on manual processes and rekeying of data. These processes greatly increase the risk of errors and delays.



Managing Periodic Reviews of KYC Data

Periodic reviews are designed to ensure that customer data remains accurate. However, the process is often labour-intensive, involving manual data collection, verification and customer outreach. Traditional periodic reviews can miss key risk changes that occur between review cycles and this has prompted a shift towards perpetual KYC (pKYC) models, which offer real-time monitoring but can require significant process and technology overhauls.



Implementing New Technology Solutions

Integrating new technology into existing systems is challenging due to competing stakeholder priorities, risk aversion and budget constraints. Organisations often face “decision paralysis”, where projects stall because the perceived risks of change outweigh the anticipated benefits.



Digitising Manual Processes

Despite the clear benefits of automation, many organisations continue to rely on manual processes for KYC remediation. Manual data entry and rekeying are inefficient and prone to errors, further increasing the risk of compliance breaches. Organisations are often reluctant to digitise due to concerns about data security, compliance risks and the costs associated with transitioning from legacy systems.



Managing Regulatory Change

The regulatory landscape is constantly evolving, driven by changes in global AML/CFT standards, geopolitical developments and emerging financial crime threats. Managing regulatory change requires organisations to be agile and proactive, which is challenging given the divergent approaches to regulation globally.

Why are Remediation Projects Complex?



Remediation projects are inherently complex due to a combination of internal and external factors.

/ **Competing Priorities**

Compliance functions often operate within organisations where risk and regulatory priorities compete with broader commercial objectives. This dynamic creates tension, as compliance initiatives may be seen as barriers to agility or profitability. These competing priorities can lead to resource constraints, delayed projects and challenges in securing the necessary support to effectively manage regulatory obligations.

/ **Resource Constraints**

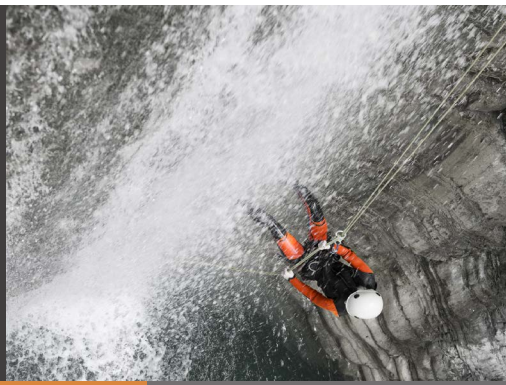
Remediation projects are often viewed as non-strategic, resulting in limited budgets and insufficient staffing. This can lead to burnout among compliance teams and a lack of focus on other critical risk areas.

/ **Siloed Operations**

Poor cross-functional collaboration between different business units can create bottlenecks and communication breakdowns. Remediation projects require a coordinated approach across diverse teams, which is difficult to achieve in siloed organisational structures.



Key Findings

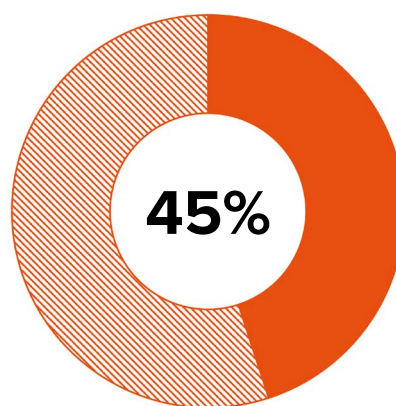


/ Primary Driver of Remediation

Survey respondents identified two primary drivers behind KYC remediation projects, which are internal data records and being mandated by a regulator/auditor.

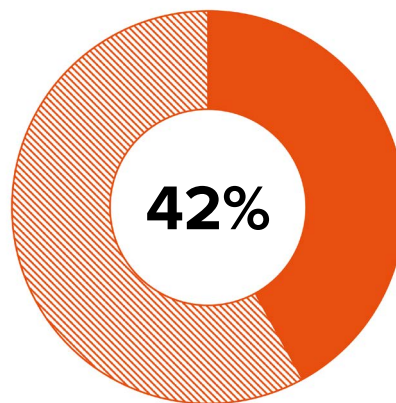
Internal Data Record Issues

The most frequently cited reason for remediation is the need to update outdated, incomplete, or inaccurate customer records. Many firms struggle with fragmented systems and manual data entry, making it difficult to maintain a single, accurate view of each customer. Without automated KYC refreshes, organisations are forced into large-scale, resource-intensive remediation projects to correct inconsistencies.



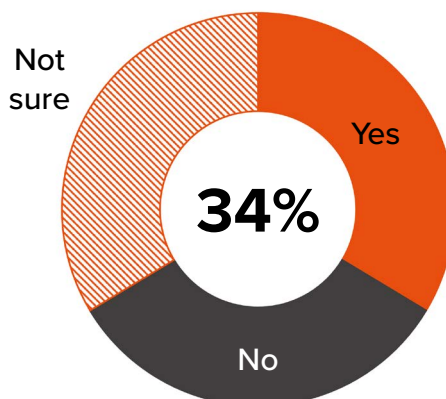
Regulatory Obligations & Audits

A significant portion of remediation projects are initiated in response to regulatory requirements, inspections or enforcement actions. When firms undergo audits or regulatory reviews, deficiencies in customer records can lead to remediation mandates. Changes in AML/KYC regulations, such as new risk assessment frameworks or enhanced due diligence expectations, can also require firms to update existing records to maintain compliance.

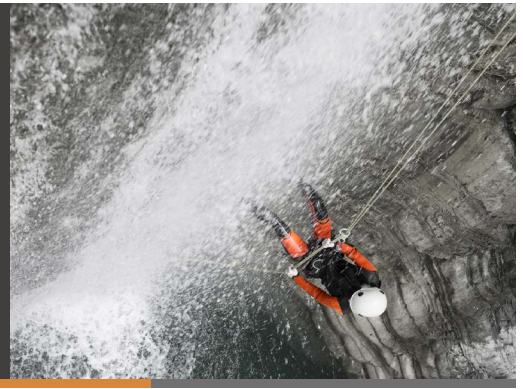


/ Long-Term Remediation Needs

Around one-third of respondents are actively planning remediation projects in the next 12 months, with another third unsure. Despite 38 respondents indicating no immediate remediation projects, most continued engaging with the survey. This suggests latent concerns about future compliance risks.



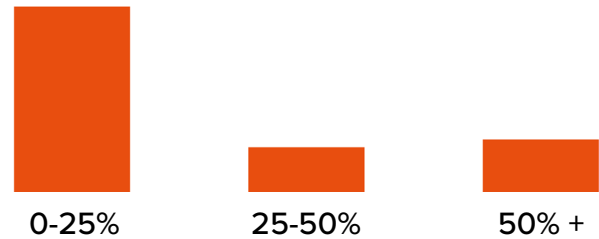
Key Findings



/ Remediation Backlogs

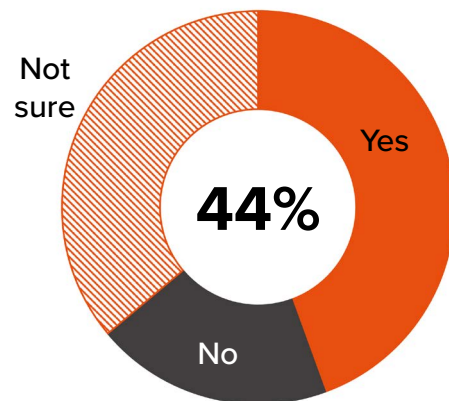
Most respondents stated that up to 25% of their customers would require remediation, with a minority of 21 respondents stating that over 50% of their book of customers requires remediation. While the majority of respondents have a small percentage of customers requiring updates, others face substantial backlogs due to historical data management challenges or regulatory-driven remediation cycles.

What Percentage of Your Book of Customers Requires KYC Remediation?



/ The Cost of Remediation

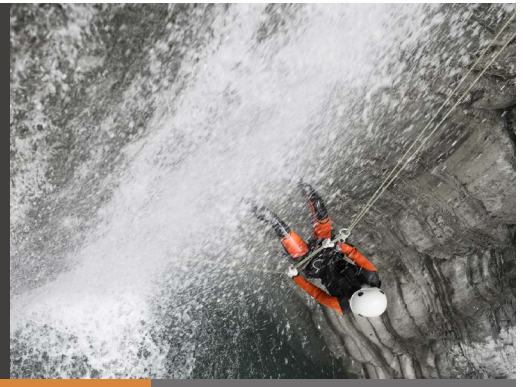
Only 21 respondents expect remediation costs to remain stable or decrease, while the majority anticipate rising costs or are unsure. This upward trend is largely driven by inefficient manual processes that are resource-intensive, prone to errors and difficult to scale. These rising costs are further exacerbated by budget pressures, as remediation projects are often not viewed as a strategic priority within organisations.



Moreover, high-profile enforcement actions, some resulting in multi-million-dollar fines, have highlighted the severe financial and reputational risks associated with underinvesting in compliance. Firms that prioritise rapid growth without proportionately increasing investment in compliance headcount and technology have faced significant regulatory penalties. These cases serve as a clear reminder that neglecting compliance infrastructure can lead to costs far exceeding the initial savings from underinvestment.



Key Findings



/ Key Priorities for 2025

The survey revealed no single dominant priority for firms to improve their remediation processes. Respondents identified multiple key areas that require attention.

- Automation tools were the most cited improvement area, reflecting the need to reduce manual processes.
- Organisational alignment and training were also prioritised, as many firms struggle with highly siloed operations that create significant inefficiencies in remediation workflows.
- Reducing manual rekeying emerged as another critical focus, as reliance on manual data entry slows down remediation and increases the risk of errors.
- Customer outreach was recognised as a significant challenge, with respondents highlighting customer resistance to repeated data requests as a persistent issue.

Investment in automated tools



Organisational alignment and training



Reducing manual rekeying



Customer outreach



/ The Main Reasons for Remediation: The Automation Gap

The lack of automation for KYC refreshes was identified by the majority of respondents as the main reason for KYC records needing to be remediated, with no automated customer outreach coming in second. Manual processes dominate, with organisations struggling to integrate automation due to:

- Legacy system limitations that are incompatible with modern technologies.
- Integration complexity, particularly when dealing with fragmented data environments.
- Cost barriers associated with outsourcing remediation to external vendors, such as law firms.

No automation of KYC refresh



No automated customer outreach



No automated risk profiling



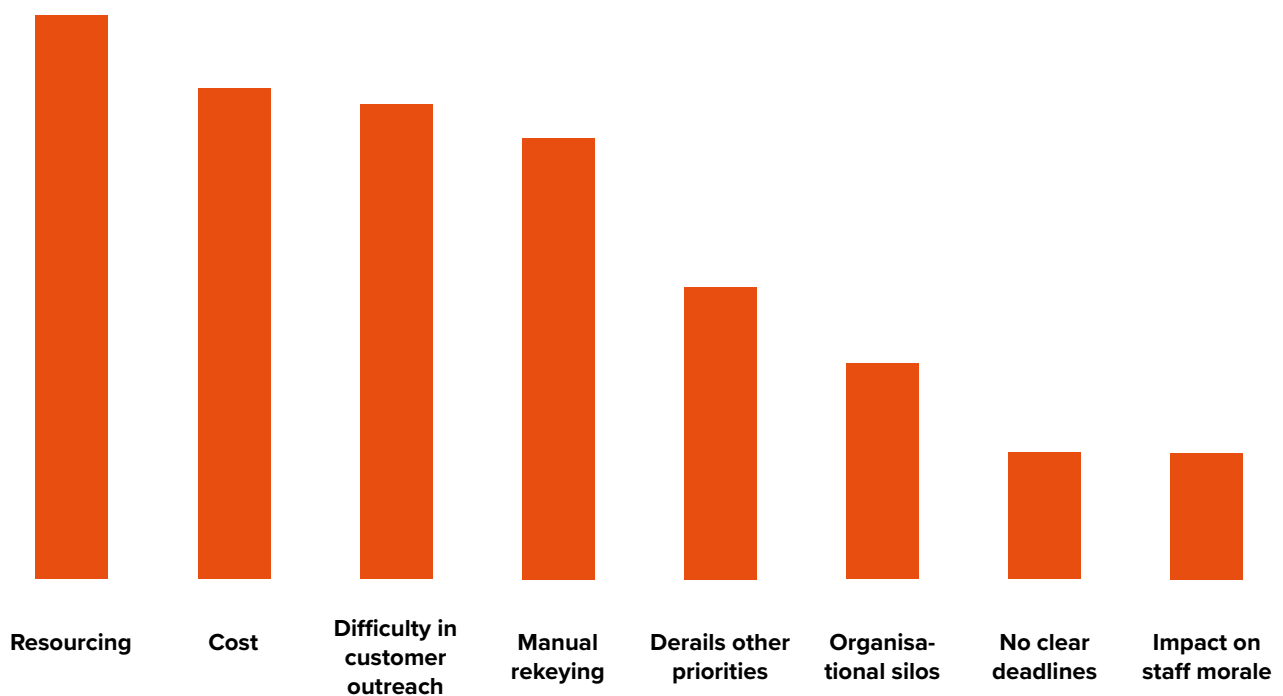
No event-based risk reviews





/ Key Challenges in KYC Remediation T

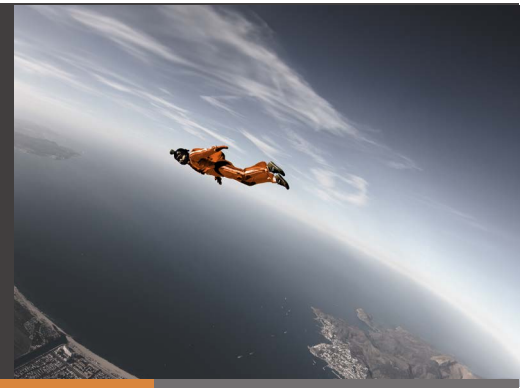
Respondents identified several key challenges in KYC Remediation projects, with resourcing, cost, manual rekeying and customer outreach difficulties being the most significant.



- Inadequate resources and budget
- Limited budgets and insufficient staffing can slow the progress of projects.
- Difficulties in customer outreach
- Customer outreach can be difficult as customers can be reluctant to provide additional information, especially if they perceive the requests as repetitive or intrusive.
- Manual rekeying
- Remediation projects often involve manual rekeying of data and this can be resource-intensive activity that is a drag on staff morale.
- Remediation projects often fail to meet expectations due to conflicting priorities, lack of executive sponsorship and a failure to clearly scope the requirements.

KYC360

The Role of Technology in Transforming KYC Remediation



Technology plays a key role in streamlining KYC remediation, especially when projects involve a high volume of data.

/ Reduces Rekeying of Data

Automation minimises the need for repetitive tasks like data entry, increasing operational efficiency.

/ Enhances Customer Outreach

Automated workflows improve communication with customers, making the process more efficient and enhancing customer experience.

/ Improves Cost Efficiency

By streamlining processes, automation reduces operational costs and allows compliance teams to focus on higher-value activities.

/ Supports Scalability

Automated systems can handle large volumes of data, enabling organisations to remediate large customer volumes.

Transitioning from Manual to Automated Processes

The survey highlighted that many organisations rely on manual or partially manual processes to remediate customer data and the vast majority manage this process in-house.

This is unsurprising as it can be difficult to incorporate automated processes into existing workflows, however following the steps below can make this process smoother.

/ Securing Stakeholder Buy-In

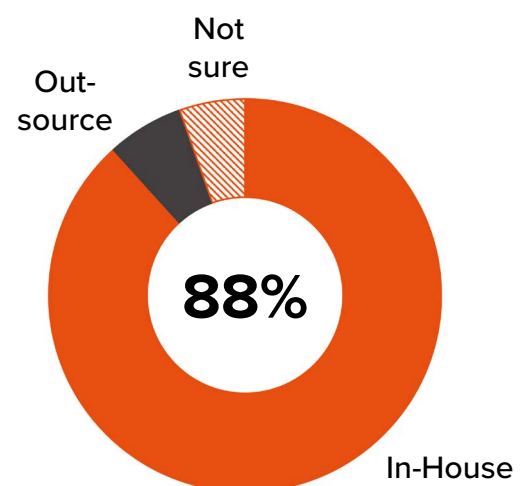
Demonstrating the value of automation through pilot projects and ROI analyses helps overcome resistance from senior stakeholders.

/ Leveraging No-Code Solutions

These tools simplify integration with existing systems, reducing the time and complexity to implement automation technology.

/ Overcoming Resistance

Change management strategies, including staff training and clear cross-functional communication are essential for successful implementation of new technologies.





KYC360

Case Study

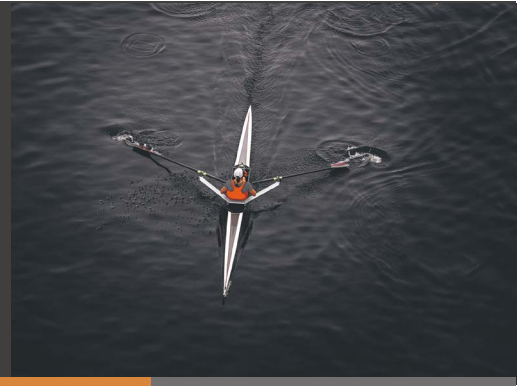
How KYC360
Helped a Global
Bank Remediate
148,000
Customers in
Three Months

Following the acquisition of a specialist fund administrator, a major global bank identified that the existing KYC information for over 150,000 investors did not meet its global standards. Facing increased regulatory expectations and a six-month compliance deadline, the bank sought an automated solution to efficiently remediate this extensive client base.

KYC360 implemented a tailored approach, including non-documentary validation processes through its partnership with LSEG Risk Intelligence and automated data workflows. A proof of concept was established within one month, and within three weeks, 148,000 investors were processed through automated checks. A self-service portal was also developed for ongoing KYC checks. This comprehensive solution enabled the bank to achieve regulatory compliance within the required timeframe.

[Read the full story here.](#)

Checklist for Successful Remediation in 2025



With increasing budgetary and regulatory pressures, remediation projects are set to become even more complex in 2025. Organisations should consider the following strategies to navigate these challenges and efficiently remediate customer data.



Leverage Automation Technology

Organisations should prioritise the adoption of [automated solutions](#) to reduce manual workloads, such as the rekeying of data, which is both time-consuming and prone to errors. Automation streamlines key processes like data collection, validation and reporting, ensuring greater accuracy and efficiency.

Additionally, [API-driven solutions](#) offer the flexibility to integrate seamlessly with existing systems and can be configured to align with an organisation's unique risk appetite, making them adaptable to diverse compliance environments.



Understand Project Requirements Clearly

A clear understanding of the project's scope and requirements is critical to the success of any remediation effort. Before launching a remediation project, organisations should assess the number of customer records that need updating, the complexity of those records and the types of documentation required to meet regulatory expectations.

Many firms underestimate the scale of the work involved, leading to delays and resource shortfalls. Setting clear goals, defining performance metrics and establishing documentation standards are essential to accurately forecast the time, resources and budget required. This clarity helps avoid unexpected challenges and ensures that projects remain on track.

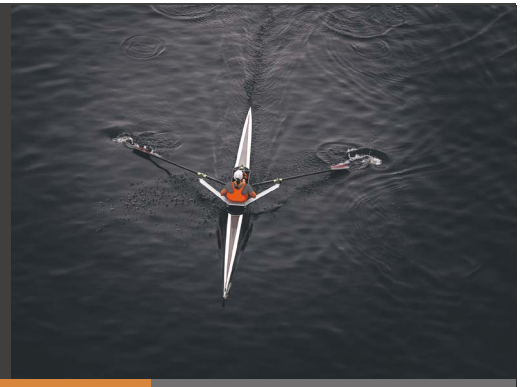


Foster Organisational Coordination

Effective remediation requires strong coordination between different teams across an organisation. Siloed operations can create bottlenecks and misalignments that hinder progress. To address this, organisations should establish clear communication channels and define roles and responsibilities across all relevant departments.

Regular updates and consistent messaging help ensure that everyone is aligned on remediation goals and understands the project's importance. Furthermore, providing targeted training ensures that staff members have the necessary skills to execute remediation tasks effectively. Securing senior leadership support is also crucial, as it helps prioritise remediation within the organisation and ensures that adequate resources are allocated.

Checklist for Successful Remediation in 2025



Focus on Timely and Accurate Reporting

Timely and accurate reporting is essential for tracking the progress of remediation projects and maintaining regulatory compliance. Poor data visibility can lead to delays and compliance gaps, so it's important to implement tools that allow for real-time monitoring. Dashboards can provide quick, accessible insights into project status, enabling teams to identify and address issues as they arise.

Clearly defined key performance indicators (KPIs) and service level agreements (SLAs) help maintain accountability, ensuring that each team member understands their specific responsibilities and performance expectations. This structured approach improves project oversight and supports continuous improvement.



Make Remediation a Strategic Priority

Organisations should view remediation not just as a regulatory obligation but as a strategic priority that can deliver long-term value. Firms should recognise that effective KYC remediation can enhance customer trust, improve operational efficiency and reduce the risk of enforcement actions such as fines. Investments in automation technology and staff training should be seen as drivers of sustainable growth rather than cost centres.



Engage with Customers Effectively

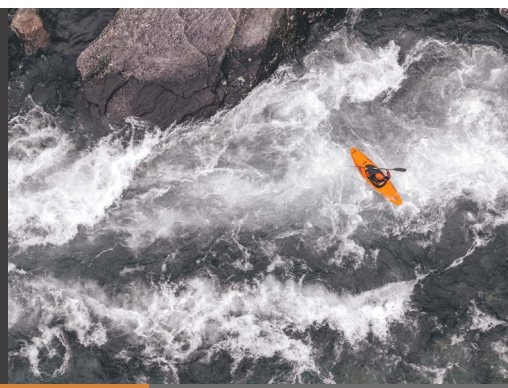
Customer engagement is a critical component of successful remediation. Poor communication can lead to delays as customers may be reluctant to respond to data requests. Organisations should maintain clear, transparent communication with customers throughout the remediation process, explaining why the information is needed and how it will be used.

Leveraging digital tools, such as [electronic identity verification \(eIDV\) solutions](#), can help streamline customer outreach while maintaining compliance standards. A customer-centric approach improves response rates and enhances the overall customer experience.



Future-Proof Remediation Efforts

Remediation should not be treated as a one-off project but as part of a continuous compliance strategy. To future-proof remediation efforts, organisations should invest in flexible, scalable technology that can adapt to evolving regulatory requirements. This includes implementing automation solutions that are easily configurable to meet changing business needs and an evolving regulatory environment.



Remediating KYC data is more than just a compliance obligation. It's a strategic function that can support sustainable business growth. As the regulatory landscape evolves, organisations that embrace automation, foster cross-functional collaboration, and invest in future-proof compliance frameworks will be best positioned to navigate the challenges ahead.

By learning from the experiences shared in this report, compliance professionals can drive meaningful improvements in their remediation processes, ensuring both regulatory compliance and operational excellence.

How KYC360 Supports Remediation

At KYC360, we help organisations simplify complex remediation projects through advanced technology solutions and a world-class partner ecosystem. Our no-code platform is designed to streamline remediation efforts, reduce manual workloads and enhance data accuracy.

A key use case of our [Onboarding solution](#) is enabling businesses to efficiently identify and remediate outdated KYC records, significantly reducing manual effort while improving data quality. When combined with our [Customer Lifecycle Management \(CLM\) solution](#), remediation becomes a seamless part of ongoing risk management, ensuring that even the most complex customer relationships remain up to date while enhancing the overall customer experience.

Additionally, our AI-powered [Intelligent Document Processing \(IDP\) tool](#) automates the extraction and validation of customer data, streamlining remediation workflows and reducing the operational burden on compliance teams.

To support seamless data integration, the KYC360 [DataBridge tool](#) simplifies the transfer of information between KYC360 and existing customer systems, eliminating the need for manual rekeying and ensuring data consistency across platforms.

Access a World-Class Partner Ecosystem

We recognise that complex remediation projects often require more than just technology. They demand the right blend of expertise and operational support. That's why we work with trusted Consultants and System Integration Partners who bring deep industry knowledge and resources to support remediation efforts. Whether you need support with people, processes or technology, our partner ecosystem is here to help.

Streamline Compliance, Elevate Customer Experience

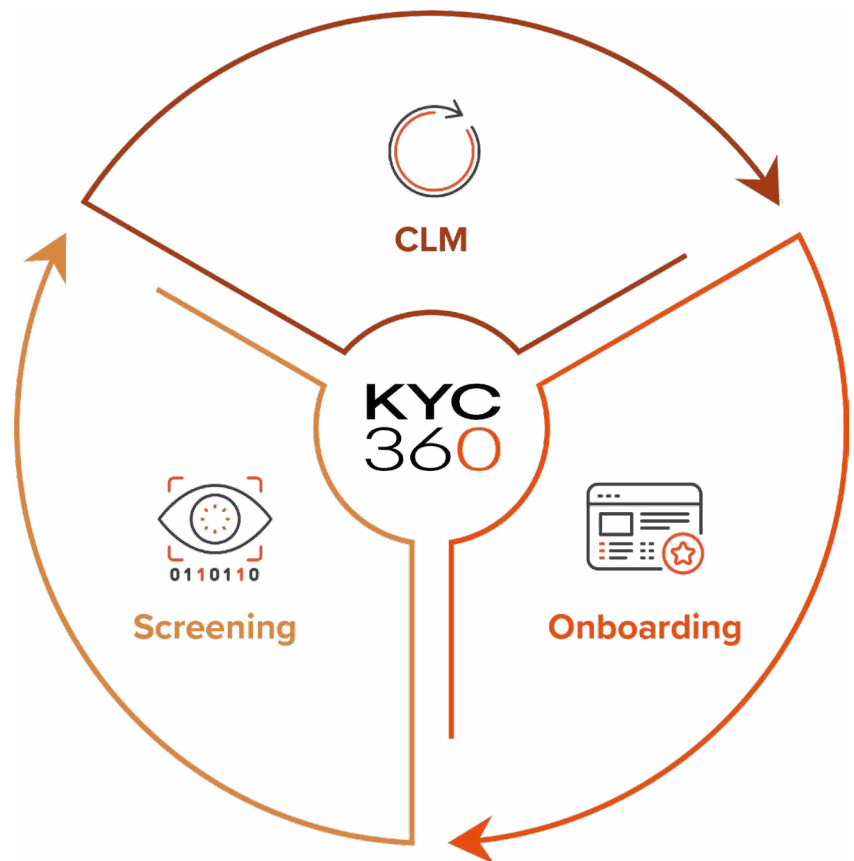
The KYC360 platform is an end-to-end solution offering slicker business processes with a streamlined, automated approach to Know Your Customer (KYC) compliance. This enables our customers to outperform commercially through operational efficiency gains whilst delivering improved customer experience and KYC data quality.

Consolidate your system stack and data vendor relationships with one platform to cover all Onboarding, Screening, Perpetual KYC (pKYC) and CLM tasks, with market-leading data sources pre-integrated under a single license agreement. Live risk scoring and automated data collection enables a shift from periodic to event-driven review, while providing a single actionable picture of real-time risk with all documents and data in one place.

Architected for rapid deployment and ROI, the KYC360 no-code SaaS platform is flexible, fully configurable and modular so that you option and pay only for the functionality you need. Whether automating identity verification and background checks or monitoring risk in real-time, KYC360 adapts to your compliance needs, scaling as your business grows.

/ Key benefits:

- Flexible
- Configurable
- No-code
- Integrated with the world's leading data suppliers allowing you to choose those that are right for your business
- Comprehensive API enabling fully headless integration of all platform features where required
- Pre-built integrations with core business systems
- Full EU data residency
- Azure and AWS hosting



Contact

[/ sales@kyc360.com](mailto:sales@kyc360.com)

[/ www.kyc360.com](http://www.kyc360.com)

