

Anti Money Laundering Policy

Leapfrog Lettings Money Laundering Policy Statement

Money Laundering Reporting Officer; Sarah Hartley
Leapfrog Lettings and Sales refers to the following company:-
Leapfrog Lettings Limited, Company Number 08454446

Definition of Money Laundering

Money laundering is how criminals change money and other assets into clean money or assets that have no obvious link to their criminal origins. Money laundering can take many forms, but in the property sector it can involve:

- buying a property asset using the proceeds of crime, letting it or selling it on, giving the criminal an apparently legitimate source of funds.
- criminals hiding behind complex company structures involving multiple countries and multiple bank accounts to disguise the real purpose of a transaction and hide its beneficial ownership.
- a more direct method of paying an estate agency business or lettings agent a large amount and reclaiming it later.
- the money for a purchase resulting from a mortgage fraud operation.

Related Legislation

The primary UK legislation covering anti money laundering and counter-financing of terrorism is:

- Proceeds of Crime Act 2002
- Terrorism Act 2000
- Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 & Money Laundering & Terrorist Financing Amendments 2019
- Criminal Finances Act 2017
- Economic Crime (Transparency & Enforcement) Act 2022
- Terrorist Asset-Freezing Act 2010
- Anti-terrorism, Crime and Security Act 2001
- Counter terrorism Act 2008, Schedule 7
- Bribery Act 2010

Leapfrog Lettings and Sales is committed to ensuring that it has adequate controls to counter money laundering activities and terrorist financing activities, in line with The Money Laundering, Terrorist Financing & Transfer of Funds (Information on the Payer) Regulations 2017 & Money Laundering & Terrorist Financing Amendments 2019. Rampton Baseley is registered with HMRC for anti-money laundering supervision under the Money Laundering Regulations.

Risk sensitive policies and procedures have however been established in order to anticipate and prevent money laundering and terrorist financing.

A risk sensitive or risk-based approach is where businesses assess the risk of customers laundering money through their business. Whilst Leapfrog Lettings and Sales takes the starting point that most clients and customers will not launder money, it does identify criteria that may indicate a higher risk of money laundering eg. where there is no face-to-face meeting to establish identity.

Leapfrog Lettings and Sales has undertaken a Risk Assessment of their business activities to ensure that Money Laundering compliance is commensurate with the risks identified.

The Leapfrog Lettings and Sales risk assessment outlines the types of transactions that the business is involved in and details the procedural requirements for each situation based on the level of risk. This company risk assessment is kept under regular review and updated as and when required.

Leapfrog Lettings and Sales is committed to staff training in anti-money laundering legislation and this is also covered as a part of the induction of any new staff.

The Leapfrog Lettings and Sales MLRO is Sarah Hartley based at 119 High Street, Skelton, Cleveland. TS12 2DY and who will forward reports to NCA as necessary.

Adherence to the “Customer or Enhanced Due Diligence” (CDD or EDD) identification procedures on every occasion will mitigate the risks of the business being used to launder money or fund terrorism.

All clients will be identified before Leapfrog Lettings and Sales enters into a business relationship and all customers will be identified at the time a transaction is agreed, subject to contract (informal offer), before a sealed bid or a tenancy is entered into.

Should a face to face meeting not take place then enhanced due diligence procedures will be adopted by asking for additional information or evidence to establish the customer’s identity, and ensuring that any documents supplied are certified by a professional such as a lawyer, accountant, surveyor etc. and that the validity of that professional has been ascertained and recorded in our risk assessment of that customer and transaction.

As part of our customer due diligence, an approved online money laundering ID check will be made with an approved supplier. This includes PEPS and sanctions checks.

Probate

Identify the Executor(s) and undertake our company due diligence on them. We obtain either (a) An original or certified copy of the will naming the Executor(s) or (b) An original or certified copy of the grant of probate naming the Executors or, in the case of no will, an original or certified copy of the grant of administration/letters of administration which will appoint an Executor.

Trusts

We ensure an original or certified copy of the Trust Deed is on file, naming the Settlor, The Trustees and Beneficiaries. We then carry out our due diligence on whoever is controlling the Trust (usually the Trustees but could be the Settlor or the Beneficiaries).

Lasting Power of Attorney

We obtain an original or certified copy of the Lasting Power of Attorney (for wealth) on file. This will name the person or persons who have power of attorney and we carry out our due diligence on them.

Limited Company / LLP / RLE

For customers who are not private individuals, such as corporate customers and private companies, Leapfrog Lettings and Sales will obtain information that is relevant e.g. company registration number, registered address and evidence that the individuals have the authority to act for the company – for UK registered companies, a search at Companies House will reveal details of directors and company secretary (PSC register).

The above requirements for documentation will be applied to all shareholders or those holding voting rights at 25% or more of a business.

Risk assessments

A documented risk assessment and due diligence will be completed in every case and therefore will eliminate the risk of the business being used to launder money or fund terrorism.

All sales transactions are reviewed at the outset for Money Laundering Compliance and a risk assessment carried out. This risk assessment is reviewed and signed off mid transaction and at conclusion. If there are any change of circumstances – for example – new parties to the transaction, alternate sources of funding, a change of legal representatives etc. then a revised risk assessment is undertaken based on the new circumstances.

In lettings, a risk assessment is undertaken on the relevant parties and if there are any changes in circumstances during the tenancy – for example – new parties to the transaction, alternate sources of funding, a change of bank information etc. then a revised risk assessment is undertaken based on the new circumstances. If a tenancy comes to an end the entire Money Laundering compliance perspective is reviewed and, where deemed necessary, undertaken again.

As part of our verification of ID and risk assessment, a check will be made of the PEP and Sanctions register (including FATF list) and any concerns investigated further including reporting to the MLRO.

How we manage the risk

Leapfrog Lettings and Sales is committed to staff training in anti money laundering legislation and this is updated and reviewed regularly through training.

At Leapfrog Lettings and Sales, we have a Money Laundering Reporting Officer whose responsibility is to receive internal reports and who will forward reports to the National Crime Agency as necessary.

Acceptable documents

Leapfrog will adhere to the 'Due Diligence' identification procedures on every occasion.

All clients whether you are a vendor, purchaser, landlord, tenant or guarantor, must be identified using TWO forms of ID, one being photographic and one as evidence of residency.

If a face to face meeting cannot take place, then enhanced due diligence procedures will need to be utilised, by asking for additional evidence and identification to establish a client's identity and ensuring the documents are certified.

Additionally, we are also required to establish whether there are any beneficial owners on whose behalf the transaction or activity is taking place, hence, we would request you to identify anyone who you would consider to be a beneficial owner. Where appropriate, the source or destination of funds may also be requested. Without this information we will be unable to proceed with any work on your behalf.

We require sight of all original or certified documents (no photocopies or downloaded bills) and have the right to make copies for our file, which will be held on our file for a minimum of 5 years. These documents need to be government verified documents with the customer's full name and photo, with either the customer's date of birth or residential address. Subject to your individual circumstances, we may liaise with you for further/other documentation.

The purpose for keeping these records is to demonstrate the business's compliance with the regulations and to aid any resulting investigations.

Below is a list of acceptable identity documents:-.

We will require one document from list A and one recent document from list B dated within the last three months:-

List A - Identity documents

- Valid signed passport
- Valid UK photocard driving licence
- National identity card

- Firearms certificate
- EEA member state identity card

List B - Proof of residency

- Utility bill
- Most recent mortgage statement
- Bank / building society statement from a recognised lender
- Valid UK driving licence with current address stated (if not used for list A as ID)
- State pension benefits book
- Home or motor insurance certificate
- Current local authority tax bill
- Current tenancy agreement if renting
- Solicitor's letter confirming house purchased/land registration
- NHS medical card

Politically Exposed Persons (PEPS) Definition

Politically exposed persons are persons that are entrusted with prominent public functions, held in the UK or abroad. The definition does not include:

- middle ranking or more junior officials (However, our risk assessment does consider whether they may be representing someone who is a politically exposed person)
- persons who were not a politically exposed person under the 2007 regulations where they ceased in office prior to 26 June 2017, such as former MPs or UK Ambassadors

In the UK, public servants below Permanent or Deputy Permanent Secretary will not normally be treated as having a prominent public function.

Politically Exposed Persons include:

- heads of estate, heads of government, ministers and deputy or assistant ministers.
- members of parliament or similar legislative bodies:
 - includes regional governments in federalised systems and devolved administrations, including the Scottish Executive and Welsh Assembly, where such bodies have some form of executive decision-making powers.
 - does not include local government in the UK but it may, where higher risks are assessed, be appropriate to do so in other countries.
- members of the governing bodies of political parties.
 - member of a governing body will generally only apply to the national governing bodies where a member has significant executive power (for example, over the selection of candidates or distribution of significant party funds).
 - political parties who have some representation in a national or supranational Parliament or similar legislative body.
- members of supreme courts, of constitutional courts or of any judicial body the decisions of which are not subject to further appeal except in exceptional circumstances, in the UK:
 - this includes judges of the Supreme Court.
 - does not include any other member of the judiciary.
- members of courts of auditors or boards of central banks.
- ambassadors, and high-ranking officers in the armed forces where persons holding these offices on behalf of the UK government are:
 - at Permanent Secretary or Deputy Permanent Secretary level.
 - or hold the equivalent military rank, for example Vice Admiral, Lieutenant General.
 - or Air Marshal.
- members of the administrative, management or supervisory bodies of state-owned enterprises.

This only applies to for profit enterprises where the state has ownership of greater than 50% or where information reasonably available points to the state having control over the activities of such enterprises.

- directors, deputy directors and members of the board, or equivalent of an international organisation:
 - includes international public organisations such as the UN and NATO.
 - does not include international sporting federations.

The definition includes family members such as spouse, partners, children (and their spouse or partner) brother, sisters and parents and known close associates, also known as politically exposed person by association.

Close associates are persons who have:

- joint legal ownership, with a politically exposed person, of a legal entity or arrangement
- any other close business relationship with a politically exposed person
- sole beneficial ownership of a legal entity or arrangement set up for the benefit of a politically exposed person

When a PEP is identified we apply enhanced due diligence in line with our company risk assessment to take account of the greater potential for money laundering in higher risk cases, including in respect of politically exposed persons a requirement on the source of wealth/funds.

Sanctions

As part of our CDD, a check will be made of the Sanctions register (including FATF list).

We would not enter into a business transaction with anyone on the Sanctions register and would raise a Suspicious Activity Report (SAR) as soon as practicable if we know or have reasonable cause to suspect that a designated person has committed an offence. We would report any transactions carried out for persons subject to sanctions or if they try to use our services.

All clients will be identified before Leapfrog lettings Limited enters into a business relationship and all customers will be identified at the time a transaction is agreed, subject to contract (informal offer) or before a sealed bid or a tenancy is entered into.

It would also be prudent to ensure that any first payments are made to a bank account in the client or customer's name and bank account details are checked both manually by speaking with the client or customer and also verified using the Leapfrog Lettings and Sales bank verification system.

Where the customer's identity is checked by documents this will be based on:

A government issued document with the customer's full name and photo with either the customer's date of birth or residential address such as:

1. Valid passport
2. Valid photo-card driving licence
3. National identity card
4. Firearms certificate

A government issued document (without a photo) which includes the customer's full name and supported by secondary evidence:

1. Old style driving licence
2. Recent evidence of entitlement to state or local authority-funded benefit such as housing benefit, council tax benefit, pension, tax credits

Supported by secondary evidence such as:

1. A Land Registry title search
2. A recent utility bill
3. Bank or building society statement
4. Most recent mortgage statement from a recognised lender

Suspicious Activity Reporting

A report should be made if a member of staff/the nominated officer thinks that there is a possibility, which is more than fanciful, that a person is or has been engaged in money laundering or terrorist financing.

The report should be made to Mrs Sarah Hartley, the Leapfrog Lettings and Sales Money Laundering Officer at 119 High Street, Skelton, Cleveland. TS12 2DY as soon as is practicable.

Once the MLRO has considered the matter, a suspicious activity report may be raised with the National Crime Agency (NCA).

What is Suspicious Activity?

This list is by no means exhaustive but includes:

New Customers:

- Reluctance to provide details of their identity
- Customer is trying to use intermediaries to hide their identity or involvement
- There appears to be no genuine reason for the customer using the business's services
- Lack of evidence (or an avoidance in disclosure) of the source of funds

Regular/Existing Customers:

- Money is paid by a third party who does not appear to be connected with the customer
- The customer requests payment to a third party who has no apparent connection with the customer
- A cash transaction is unusually large and the customer will not disclose the source of funds.
- A transaction is carried out for less than market value with an unconnected person
- Should a report be made then it is important that this fact, and any information about the transaction in question, is kept confidential

Record Keeping

The following records will be kept for 5 years:

- Copies of, or references to, the evidence obtained of a customer's identity for five years after the end of the customer relationship, or five years from the date when the transaction was completed.
- Supporting records relating to a customer relationship or occasional transaction for five years from the date when the transaction was completed.
- The purpose for keeping these records is to demonstrate the business's compliance with the regulations and to aid any resulting investigations.
- An audit of compliance with Money Laundering Regulations will be undertaken annually (or more regularly if deemed appropriate). This audit will be documented and used to ensure continuing compliance and as part of staff training and development.

Review

This policy will be reviewed annually as part of the audit process or in line with any changes in future legislation. This policy was last reviewed 14th May 2025.

Questions

Should a member of staff or customer or client of Leapfrog Lettings and Sales have any questions regarding Money Laundering Regulations and the Leapfrog Lettings and Sales procedures, these should be addressed to Mrs Sarah Hartley, Leapfrog Lettings and Sales, 119 High Street, Skelton, Cleveland. TS12 2WR.

The purpose for keeping these records is to demonstrate the business's compliance with the regulations and to aid any resulting investigations.

Some of this information has been taken from and condensed from the OFT Money Laundering Regulations 2007 Core guidance issued under Crown Copyright 2007