Everest Group PEAK Matrix® for Financial Crime and Compliance (FCC) Provider 2022

Focus on TCS
September 2022

Introduction

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 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 an assessment of 27 FCC operations service providers featured on the [Financial Crime and Compliance (FCC) Operations – Services PEAK Matrix® Assessment 2022](#).
The assessment is based on Everest Group's annual RFI process for the calendar year 2021, interactions with leading FCC operations services providers, client reference checks, and an ongoing analysis of the FCC operations market.

The full report includes the profiles of the following 27 leading FCC operations service providers featured on the FCC operations – services PEAK Matrix:

- **Leaders:** Accenture, Genpact, Infosys, PwC, TCS, and Wipro
- **Major Contenders:** Atos Syntel, Cognizant, Deloitte, Exela Technologies, Exiger, EXL, EY, Guidehouse, HCL Technologies, IBM-Promontory, KPMG, Mphasis, NTT DATA, Sutherland Global Services, TaskUs, Teleperformance, and WNS
- **Aspirants:** Capgemini, DXC Technology, Tech Mahindra, and TMF Group

Scope of this report

Geography
Global

Providers
27

Services
Financial Crime & Compliance (FCC)

FCC Operations – Services PEAK Matrix® characteristics

Everest Group classified 27 FCC operations service providers on the Everest Group PEAK Matrix® into the three categories of Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework to assess the absolute market success and overall capability of service providers.

Leaders:

There are six service providers in the Leaders category – Accenture, Genpact, Infosys, PwC, TCS, and Wipro.

Major Contenders:

The Major Contenders category has 17 service providers – Atos Syntel, Cognizant, Deloitte, Exela Technologies, Exiger, EXL, EY, Guidehouse, HCL Technologies, IBM-Promontory, KPMG, Mphasis, NTT DATA, Sutherland Global Services, TaskUs, Teleperformance, and WNS.
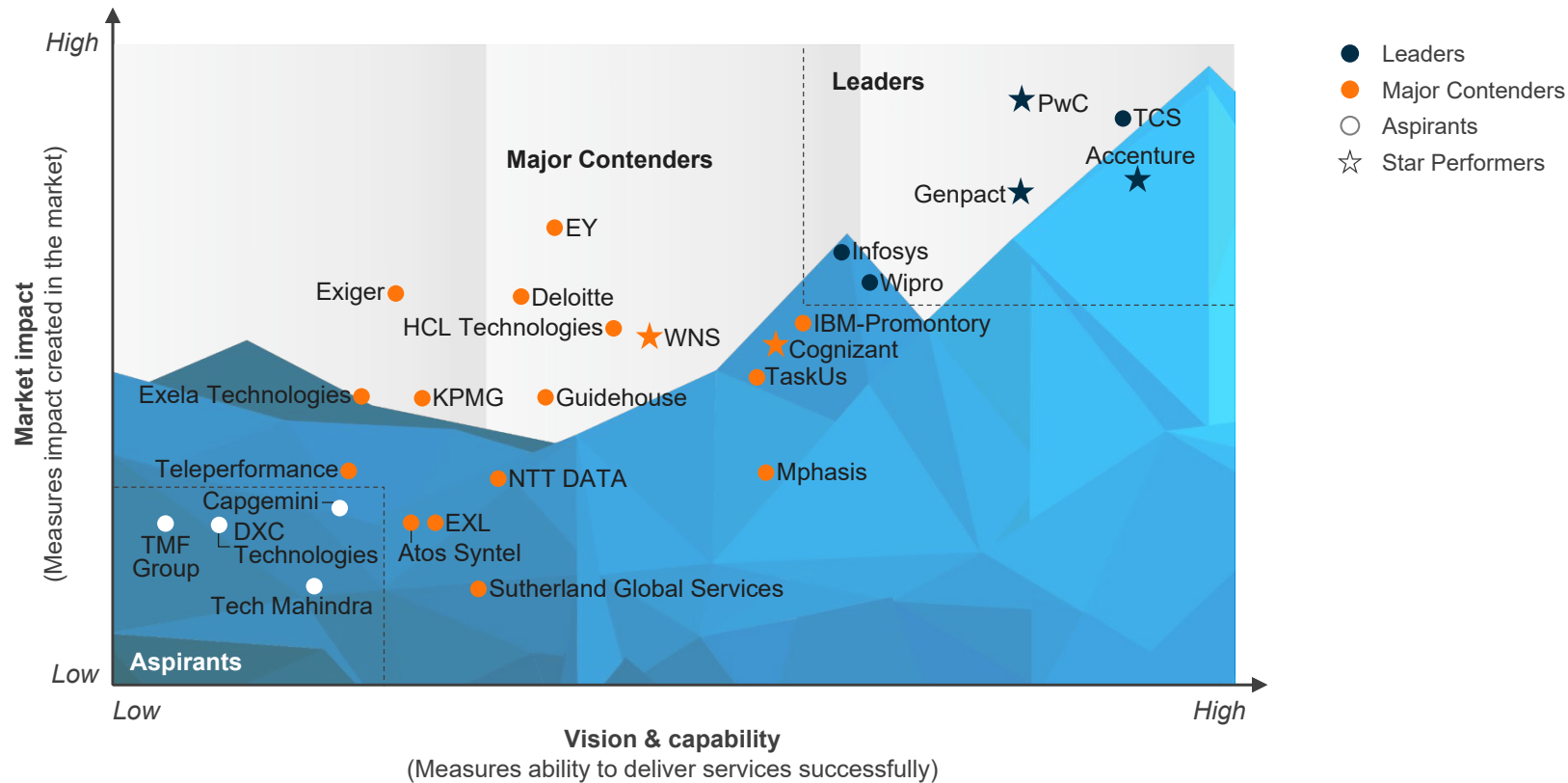
Aspirants:

Capgemini, DXC Technology, Tech Mahindra, and TMF Group are the four Aspirants on the PEAK Matrix® for FCC operations.

Everest Group PEAK Matrix®
Financial Crime and Compliance (FCC) Operations – Services PEAK Matrix® Assessment 2022 | TCS positioned as Leader

Everest Group Financial Crime and Compliance (FCC) Operations – Services PEAK Matrix® Assessment 2022[1]

Legend:
- Leaders
- Major Contenders
- Aspirants
- Star Performers

Axes:
- Market impact (Measures impact created in the market)
- Vision & capability (Measures ability to deliver services successfully)

Quadrant labels: Leaders, Major Contenders, Aspirants

Providers plotted: PwC, TCS, Accenture, Genpact, Infosys, Wipro, IBM-Promontory, Cognizant, TaskUs, EY, Deloitte, HCL Technologies, WNS, Exiger, Exela Technologies, KPMG, Guidehouse, Mphasis, Teleperformance, NTT DATA, Capgemini, DXC Technologies, EXL, Atos Syntel, Sutherland Global Services, TMF Group, Tech Mahindra

1 Assessment for Atos Syntel, Capgemini, Deloitte, DXC Technology, EXL, Guidehouse, KPMG, NTT DATA, Sutherland Global Services, Teleperformance, and TMF Group excludes inputs on this particular study and is based on Everest Group's estimates that leverage Everest Group's proprietary Transaction Intelligence (TI) database, ongoing coverage of these service providers, their public disclosures, and interaction with buyers. For these companies, Everest Group's data for assessment may be less complete

Source: Everest Group (2022)

TCS | FCC operations profile (page 1 of 5)
Overview

Company overview

TCS is an ITES firm providing technology solutions, products, platform solutions, advisory and consulting, and cognitive business operations services. The company manages end-to-end FCC services and solutions, such as customer onboarding, Know Your Customer (KYC), risk assessments including ESG areas, comprehensive and enhanced due diligence across industries beyond BFSI, customer screening, sanctions screening, AML transactions monitoring, fraud management, chargeback, analytics, know your business (KYB) covering third-party supplier risks, change management, and consulting. As horizontal support, it offers cognitive-based automation point solutions and process accelerators across banking, insurance, and other financial services segments.

Headquarters: Mumbai, India   **Website:** www.tcs.com

Key leaders

- **Yusuf Tayob**,
- **K Krithivasan**, President and Global Head, BFSI
- **Mohan R Veeturi**, Vice President and Global Head, BFSI CBO
- **Srividya Konduparthi**, Global Head, Financial Crime Compliance Practice, BFSI CBO
- **Sujata Dasgupta**, Global Head, Financial Crime Advisory
- **Patrizia Wood**, Global Lead, GRC

Suite of services

- KYC
- EDD/CDD
- Trade surveillance
- Screening
- KYB –third party risk management

- Fraud management
- Disputes and chargeback
- AML – monitoring and reporting
- Anti-bribery & corruption
- KYC for non-banking financial services

FCC Operations	2019[1]	2020[1]	2021[1]
Revenue (US$ million)	Not disclosed		
Number of FTEs	5,000-5,500	8,500-9,100	13,200-13,400
Number of clients	20-22	35-40	65-75

Recent acquisitions and partnerships

- **2021:** It partnered with platform providers such as Pega, Appian, and Mendix to build a comprehensive tool for handling e-2-e credit bureau disputes
- **2021:** It partnered with Featurespace to add a fraud monitoring platform to its offerings
- **2021:** It formed alliances with firms such as Nice Actimize, SmartKYC, ID Mission, Jumio, IBM Trusteer Pinpoint, Moody's, and Netguardians to complement TCS services in the FCC domain
- **2021:** It collaborated with language translation service providers in offering FCC services in other languages such as Dutch and French

Recent developments

- **2021:** It set up an FCC-focused innovation garage to build cutting-edge accelerators for the FCC industry, the first product is the Smart Onboarding System that comes with AI/ML components to ensure increased STP rates
- **2021:** It launched a one-stop shop created for credit dispute investigations for data furnishers and third-party service providers using machine learning and artificial intelligence
- **2021:** It established onsite CoEs in the US, the UK, EU, and Australia along with the first CoE that was based in India
- **2021:** It expanded its delivery presence in regions including Ireland, Poland, and Columbia
- **2021:** It invested in digital levers in the form of solutions such as AI-enabled financial crime investigation, FinTech-based FCC solutions for NBFIs, credit bureau disputes solution, and media analytics

1   12 months ending December 31 of any particular year, i.e., from January 1, YYYY to December 31, YYYY

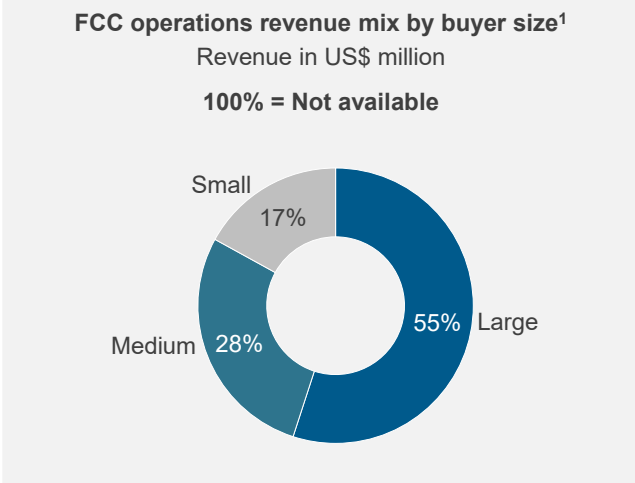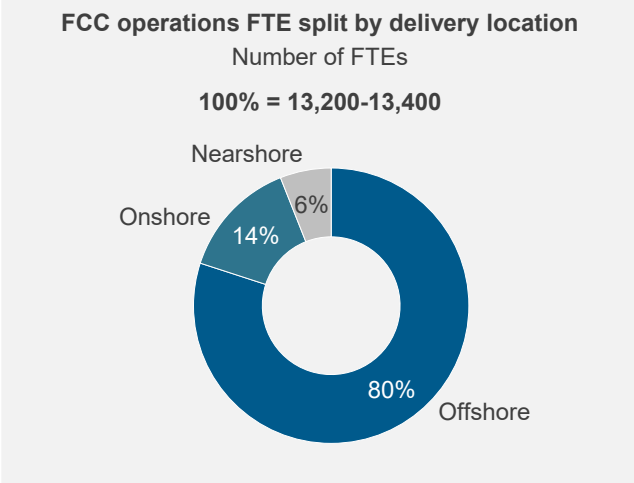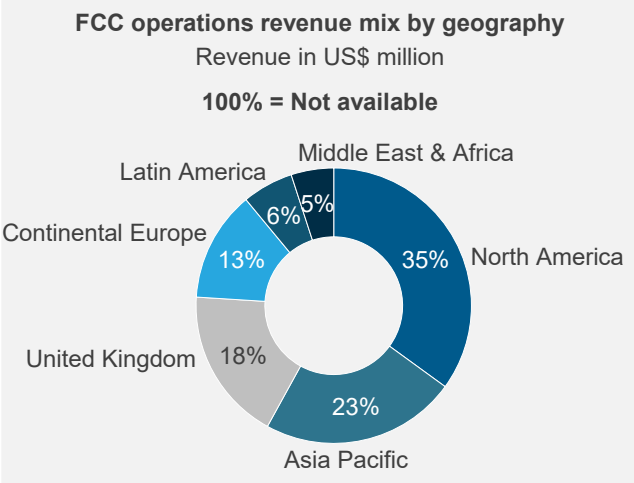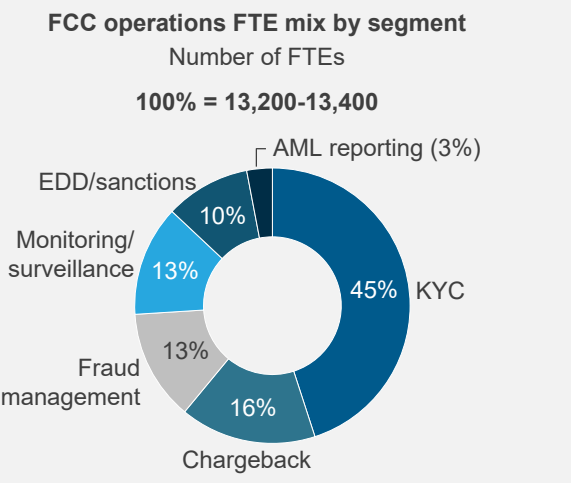# TCS | FCC operations profile (page 2 of 5)
Key delivery locations

- Pittsburgh
- Cedar Rapids
- San Francisco
- Alpharetta
- Cincinnati
- Phoenix
- Oslo
- New York
- San Antonio
- New Jersey
- Washington DC

Toronto
Guadalajara
Bogota
Quito
Santiago
Londrina

Leeds
Copenhagen
Letterkenny
London
Warsaw
Frankfurt
Amsterdam
Budapest
Zurich

Riyadh
Manama
Dubai

Shanghai
Manila
Sydney

- Chennai
- Kolkata
- Delhi
- Indore
- Kochi
- Mumbai
- Gurgaon

- Nasik
- Gandhi Nagar
- Ahmedabas
- Pune
- Banglore
- Hyderabad
- Varanasi

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TCS | FCC operations profile (page 3 of 5)
Capabilities and key clients

Key FCC operations engagements			
Client name	**LoB** (KYC, EDD/sanctions, monitoring/surveillance, AML reporting, fraud management, chargeback, or others)	**Region**	**Client since**
An APAC-based global bank	KYC, EDD/sanctions, AML transactions monitoring, and fraud	Global	2019
A Fortune 500 financial services and annuity provider	KYC, AML transactions monitoring, fraud management, and chargeback	Global	2015
A UK-based global bank	KYC, AML transactions monitoring, and EDD/sanctions	Global	2015
A leading global payments aggregator	KYC, fraud management, and chargeback	Global	2013
A large leading global bank	KYC, AML transactions monitoring, EDD/sanctions, fraud, and chargeback	Global	2004

FCC operations FTE mix by segment
Number of FTEs
100% = 13,200-13,400

- AML reporting (3%)
- EDD/sanctions 10%
- Monitoring/surveillance 13%
- Fraud management 13%
- Chargeback 16%
- KYC 45%

FCC operations revenue mix by geography
Revenue in US$ million
100% = Not available

- Middle East & Africa 5%
- Latin America 6%
- Continental Europe 13%
- United Kingdom 18%
- Asia Pacific 23%
- North America 35%

FCC operations FTE split by delivery location
Number of FTEs
100% = 13,200-13,400

- Nearshore 6%
- Onshore 14%
- Offshore 80%

FCC operations revenue mix by buyer size[1]
Revenue in US$ million
100% = Not available

- Small 17%
- Medium 28%
- Large 55%

1   Buyer size is defined as large (>US$10 billion in revenue), medium (US$5-10 billion in revenue), and small (<US$5 billion in revenue)

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TCS | FCC operations profile (page 4 of 5)
Technology solutions/tools

Application	LoB	Year launched	Description	No. of clients
Fraud analytics – optimization of queues	Fraud management	Ongoing	It is a solution for queuing of fraud cases based on classification of fraud types ATO, IDT, and FPF to improve operational efficiency.	N/A
Fraud analytics – check deposit verification	Fraud management	Ongoing	It involves model development using analytics to identify check deposit transactions with high propensity to be fraudulent.	N/A
Customer self-service-based fraud alert auto resolution	Fraud management	Ongoing	It is a mobile messaging-based customer response to fraud alerts; response directly consumed to close false alert and escalate true alert.	N/A
Master card 3DS transaction fraud detection	Fraud management	Ongoing	It is a predictive real-time-implementable solution to detect fraudulent and suspicious transactions.	N/A
Fraud strategy development	Fraud management	Ongoing	It involves credit card and debit card transaction strategy development and maintenance.	N/A
Point Of Compromise (POC) identification solution	Fraud management	Ongoing	It is a credit card point-of-compromise identification solution setup and automation.	N/A
Test point identification solution	Fraud management	Ongoing	It provides prediction and strategies for debit card test-point merchant identification solution and automation.	N/A
Media analytics solution for financial crime	KYC, EDD/sanctions, monitoring/surveillance, and fraud management	2021	It is a media analytics solution for fraud, AML investigation, and onboarding screening.	N/A
Cognitive controls solution for control assurance	KYC, EDD/sanctions, monitoring/surveillance, and fraud management	2021	It is a cognitive controls solution for automating fraud, AML, and other FCC control assurances.	N/A
AI-enabled fincrime alerts and case investigation	monitoring/surveillance	2021	It is used for visualization of alerts, entities, related insights, and data enrichment for quicker alert decisioning by analysts.	N/A
Third party / vendor due diligence	EDD/sanctions and fraud management	2021	It is a configurable due-diligence engine to undertake onboarding, maintenance, and screening of third parties.	N/A
Trade finance financial crime threat mitigation	EDD/sanctions, monitoring/surveillance, and fraud management	2021	It is used to assess trade counterparties to assess financial crime threat based on financial performance, screening against negative databases, and assess transactions to identify any linkages between counterparties that would expose the financial institution to fraud risk and money laundering risks.	N/A

TCS | FCC operations profile (page 5 of 5)
Everest Group assessment – Leader

Measure of capability: ◔ Low ● High

Market impact				Vision & capability				
Market adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Scope of services offered	Innovation and investments	Delivery footprint	Overall
◔	●	●	●	●	●	◔	◔	◔

Strengths

- TCS has developed capabilities across all value chains in FCC operations, which is also reflected in its revenue growth. It has further continued with initiatives such as the establishment of onsite Centers of Excellence (CoEs) to enhance domain expertise

- It has continued making investments in digital levers such as AI, ML, and analytics with the adoption of hyper-automation in its cognitive business operations

- TCS is gradually switching its delivery model from offshore to hybrid, with geographical and operational expansion in various nearshore and onshore sites in Europe and North America. It has further invested in language translation capabilities to streamline processes for clients dealing with offshore centers

- TCS has demonstrated trust in its brand through a well-balanced geography mix, maintaining a strong foothold in the North American as well as APAC markets

- It is also moving away from having a KYC- and chargeback-heavy service portfolio to exploring AML, surveillance, and fraud management, thus covering all LoBs

Limitations

- Despite having superior technology offerings embedded with digital elements, the leverage of digital levers by TCS in FCC deals remains low. This is also reflected in the FTE-heavy model that TCS follows and the feedback from its clients

- TCS maintains multiple touch points with its clients through point solutions across FCC operations, though its capability to cater through end-end platform is yet to be observed

- Although TCS has begun exploring engagements with buy-side clientele, its presence on the capital markets front remains limited

- TCS delivery capabilities are heavily dependent on its offshore capabilities which would result in getting low traction from clients looking for more near or onshore centers

- Considering majority of the contracts belong to LoD1 operations, TCS is yet to demonstrate its expertise and strengths in LoD2 and LoD3 processes

Appendix

Everest Group PEAK Matrix® is a proprietary framework for assessment of market impact and vision & capability

Everest Group PEAK Matrix
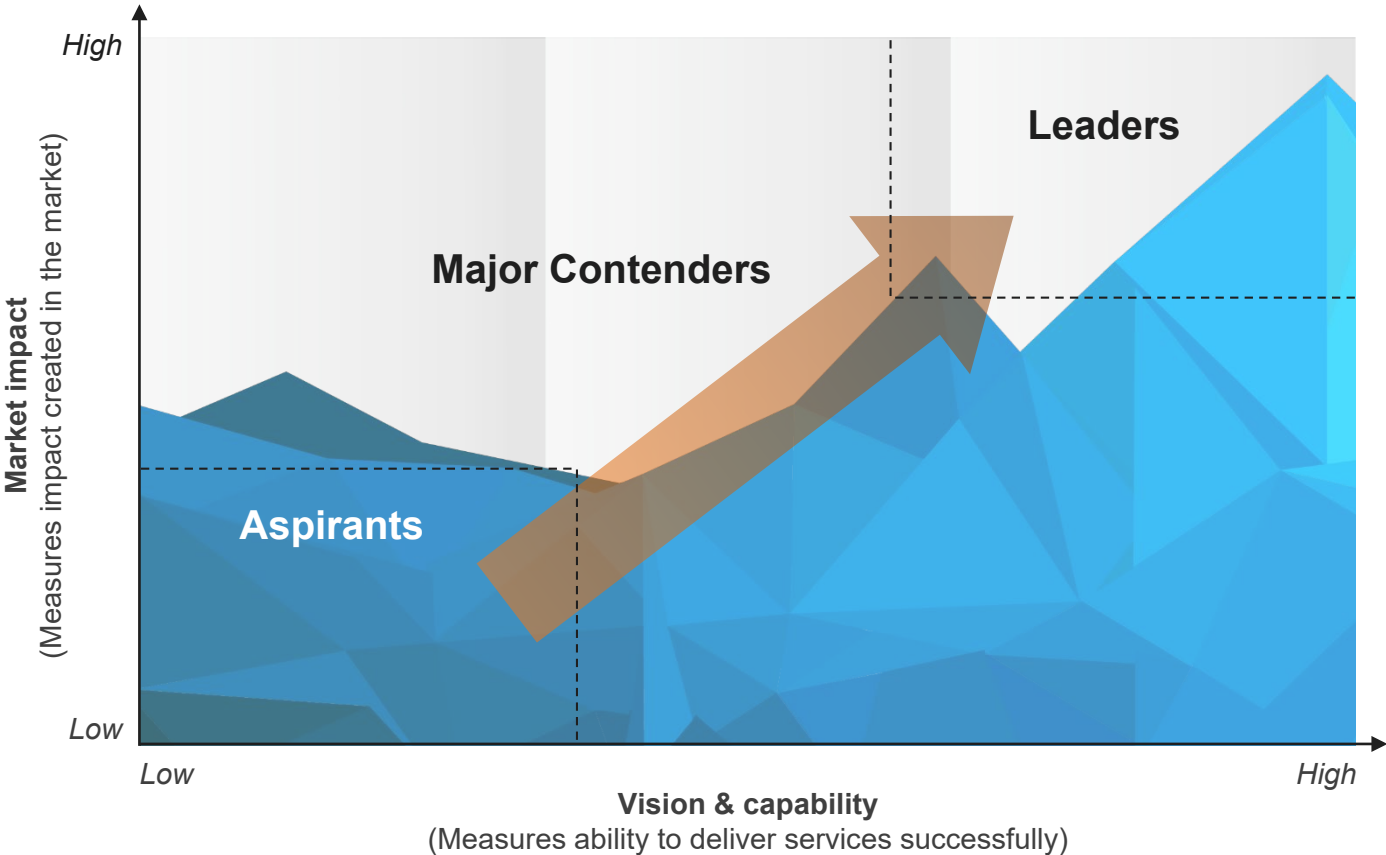
Services PEAK Matrix® evaluation dimensions

Measures impact created in the market – captured through three subdimensions
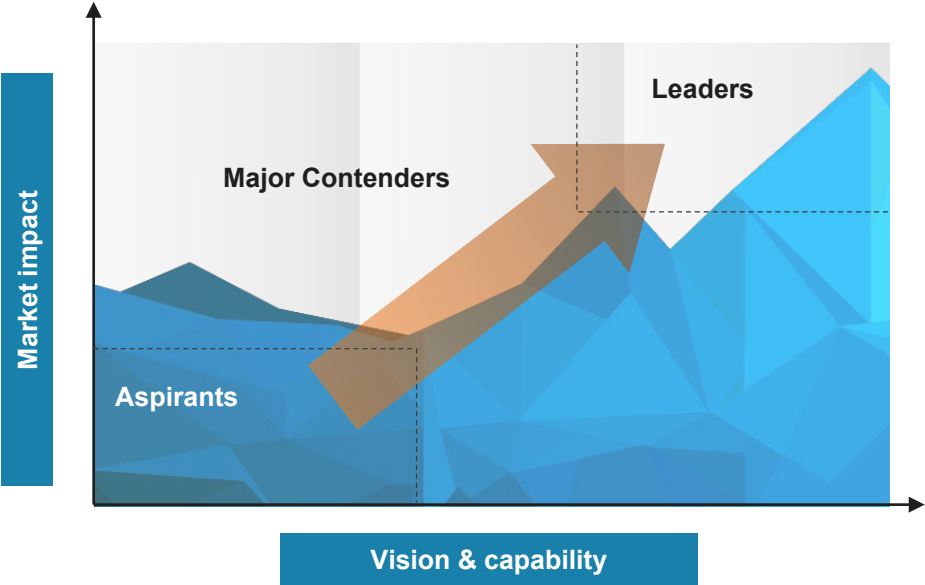
Market adoption
Number of clients, revenue base, YoY growth, and deal value/volume

Portfolio mix
Diversity of client/revenue base across geographies and type of engagements

Value delivered
Value delivered to the client based on customer feedback and transformational impact

Market impact

Leaders

Major Contenders

Aspirants

Vision & capability

Measures ability to deliver services successfully. This is captured through four subdimensions

Vision and strategy
Vision for the client and itself; future roadmap and strategy

Scope of services offered
Depth and breadth of services portfolio across service subsegments/processes

Innovation and investments
Innovation and investment in the enabling areas, e.g., technology IP, industry/domain knowledge, innovative commercial constructs, alliances, M&A, etc.
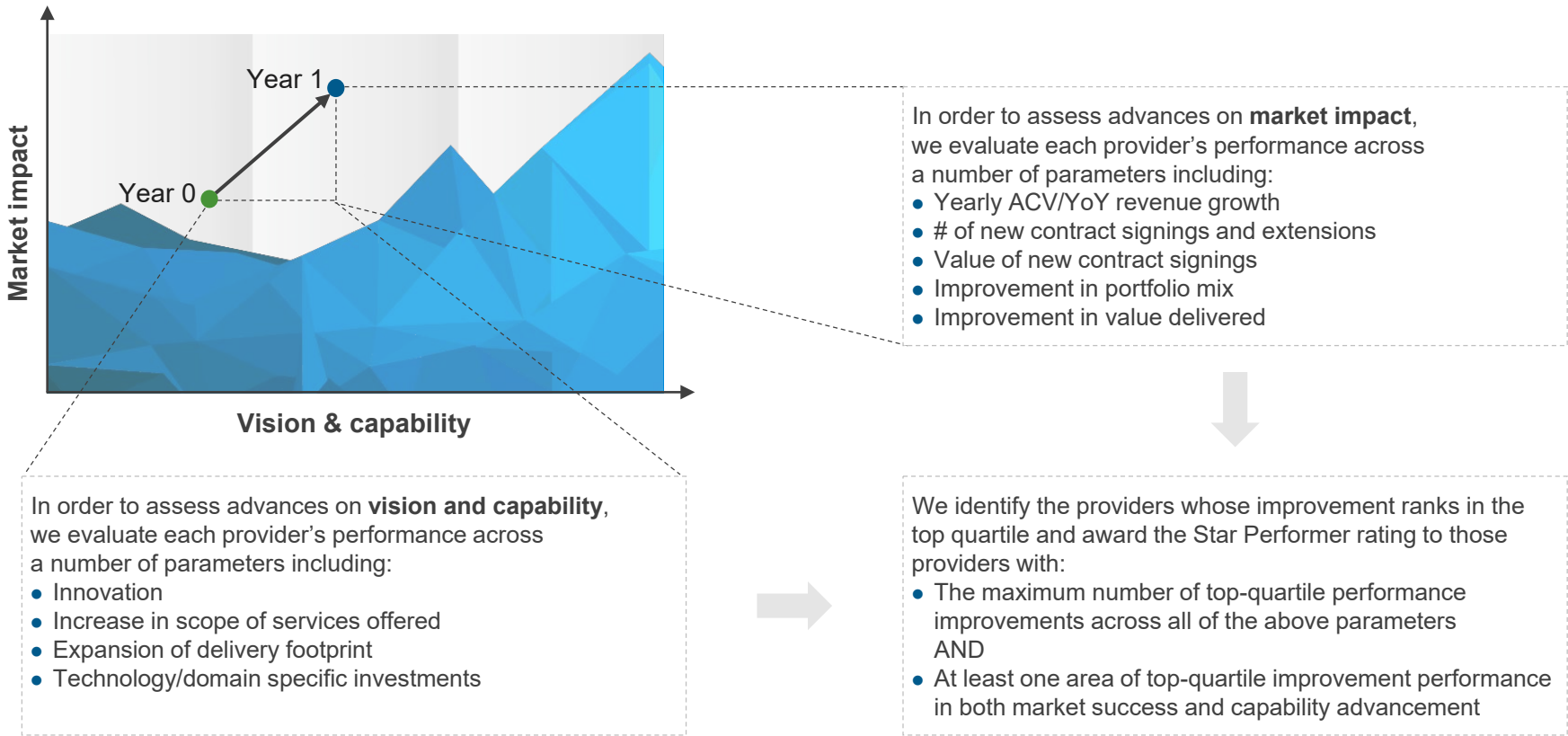
Delivery footprint
Delivery footprint and global sourcing mix

Everest Group confers the Star Performers title on providers that demonstrate the most improvement over time on the PEAK Matrix®

Methodology

Everest Group selects Star Performers based on the relative YoY improvement on the PEAK Matrix

In order to assess advances on **market impact**, we evaluate each provider's performance across a number of parameters including:
- Yearly ACV/YoY revenue growth
- # of new contract signings and extensions
- Value of new contract signings
- Improvement in portfolio mix
- Improvement in value delivered

In order to assess advances on **vision and capability**, we evaluate each provider's performance across a number of parameters including:
- Innovation
- Increase in scope of services offered
- Expansion of delivery footprint
- Technology/domain specific investments

We identify the providers whose improvement ranks in the top quartile and award the Star Performer rating to those providers with:
- The maximum number of top-quartile performance improvements across all of the above parameters AND
- At least one area of top-quartile improvement performance in both market success and capability advancement

The Star Performers title relates to YoY performance for a given vendor and does not reflect the overall market leadership position, which is identified as Leader, Major Contender, or Aspirant.

FAQs

Does the PEAK Matrix® assessment incorporate any subjective criteria?
Everest Group's PEAK Matrix assessment adopts an unbiased and fact-based approach (leveraging provider / technology vendor RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information). In addition, these results are validated / fine-tuned based on our market experience, buyer interaction, and provider/vendor briefings

Is being a "Major Contender" or "Aspirant" on the PEAK Matrix, an unfavorable outcome?
No. The PEAK Matrix highlights and positions only the best-in-class providers / technology vendors in a particular space. There are a number of providers from the broader universe that are assessed and do not make it to the PEAK Matrix at all. Therefore, being represented on the PEAK Matrix is itself a favorable recognition

What other aspects of PEAK Matrix assessment are relevant to buyers and providers besides the "PEAK Matrix position"?
A PEAK Matrix position is only one aspect of Everest Group's overall assessment. In addition to assigning a "Leader", "Major Contender," or "Aspirant" title, Everest Group highlights the distinctive capabilities and unique attributes of all the PEAK Matrix providers assessed in its report. The detailed metric-level assessment and associated commentary is helpful for buyers in selecting particular providers/vendors for their specific requirements. It also helps providers/vendors showcase their strengths in specific areas

What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?
- Participation incentives for buyers include a summary of key findings from the PEAK Matrix assessment
- Participation incentives for providers/vendors include adequate representation and recognition of their capabilities/success in the market place, and a copy of their own "profile" that is published by Everest Group as part of the "compendium of PEAK Matrix providers" profiles

What is the process for a provider / technology vendor to leverage their PEAK Matrix positioning and/or "Star Performer" status ?
- Providers/vendors can use their PEAK Matrix positioning or "Star Performer" rating in multiple ways including:
  – Issue a press release declaring their positioning. See citation policies
  – Customized PEAK Matrix profile for circulation (with clients, prospects, etc.)
  – Quotes from Everest Group analysts could be disseminated to the media
  – Leverage PEAK Matrix branding across communications (e-mail signatures, marketing brochures, credential packs, client presentations, etc.)
- The provider must obtain the requisite licensing and distribution rights for the above activities through an agreement with the designated POC at Everest Group.

Does the PEAK Matrix evaluation criteria change over a period of time?
PEAK Matrix assessments are designed to serve present and future needs of the enterprises. Given the dynamic nature of the global services market and rampant disruption, the assessment criteria are realigned as and when needed to reflect the current market reality as well as serve the future expectations of enterprises

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With you on the journey

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