Everest Group®

Everest Group Financial Crime and Compliance (FCC) Operations Services PEAK Matrix® Assessment 2024

Focus on TCS

March 2024

Everest Group PEAK MATRIX®

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Background of the research

The Financial Crime and Compliance (FCC) operations landscape is rapidly expanding, propelled by Financial Institutions (FIs) addressing cost constraints, geopolitical pressures, evolving regulations, and persistent financial crime threats. Amid these challenges, the demand for digital-led FCC support is surging. Service providers are capitalizing on opportunities to augment capabilities, providing advisory services, platform-led solutions, and innovative offerings to serve the industry's growing needs. Stakeholders prioritize efficiency and productivity by reducing false positives and mitigating potential losses from regulatory fines.

In this research, we present an assessment and detailed profiles of 30 FCC operations providers featured on the Financial Crime and Compliance (FCC) Operations Services PEAK Matrix® Assessment 2024. Each provider profile provides a comprehensive picture of its service focus, key Intellectual Property (IP) / solutions, domain investments, and case studies. The assessment is based on Everest Group's annual RFI process for the calendar year 2024, interactions with leading FCC operations providers, client reference checks, and an ongoing analysis of the FCC operations services market.

The full report includes the profiles of the following 30 leading ABC providers featured on the FCC operations – Services PEAK Matrix:

- **Leaders:** Accenture, Cognizant, Genpact, Infosys, PwC, TaskUs, TCS, Wipro, and WNS
- **Major Contenders:** AML RightSource, Capgemini, Coforge, Deloitte, Exela Technologies, EXL, EY, Guidehouse, HCLTech, IBM-Promontory, KPMG, Mphasis, NTT DATA, Sutherland Global Services, Tech Mahindra, and Teleperformance
- **Aspirants:** Atos, Concentrix, DXC Technology, FinTrU, and Firstsource

Scope of this report

Geography
Global

Providers
30

Services
Financial Crime & Compliance (FCC)

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FCC Operations Services PEAK Matrix® characteristics

Leaders

Accenture, Cognizant, Genpact, Infosys, PwC, TaskUs, TCS, Wipro, and WNS

- These companies exhibit a relatively broad set of capabilities across KYC onboarding, Enhanced Due Diligence (EDD), AML monitoring, AML reporting, fraud management, and chargeback
- They have expanded their presence across all major geographies, including North America, Continental Europe, the UK, and APAC
- Leaders maintain a balanced mix of onshore, nearshore, and offshore delivery locations to provide cost arbitrage as well as flexibility to their clients

Major Contenders

AML RightSource, Capgemini, Coforge, Deloitte, Exela Technologies, EXL, EY, Guidehouse, HCLTech, IBM-Promontory, KPMG, Mphasis, NTT DATA, Sutherland Global Services, Tech Mahindra, and Teleperformance

- These companies are actively pursuing organic and inorganic investment opportunities to expand their capabilities and capture a larger market
- They are building capabilities to serve different geographies and LoBs while specializing in certain regions and segments
- These companies are making efforts to achieve a more balanced mix in their delivery footprints

Aspirants

Atos, Concentrix, DXC Technology, FinTrU, and Firstsource

- These companies possess a limited set of capabilities and operate on a smaller scale, resulting in lower market adoption of their services in the FCC space
- Due to lower market adoption, their client portfolios are limited

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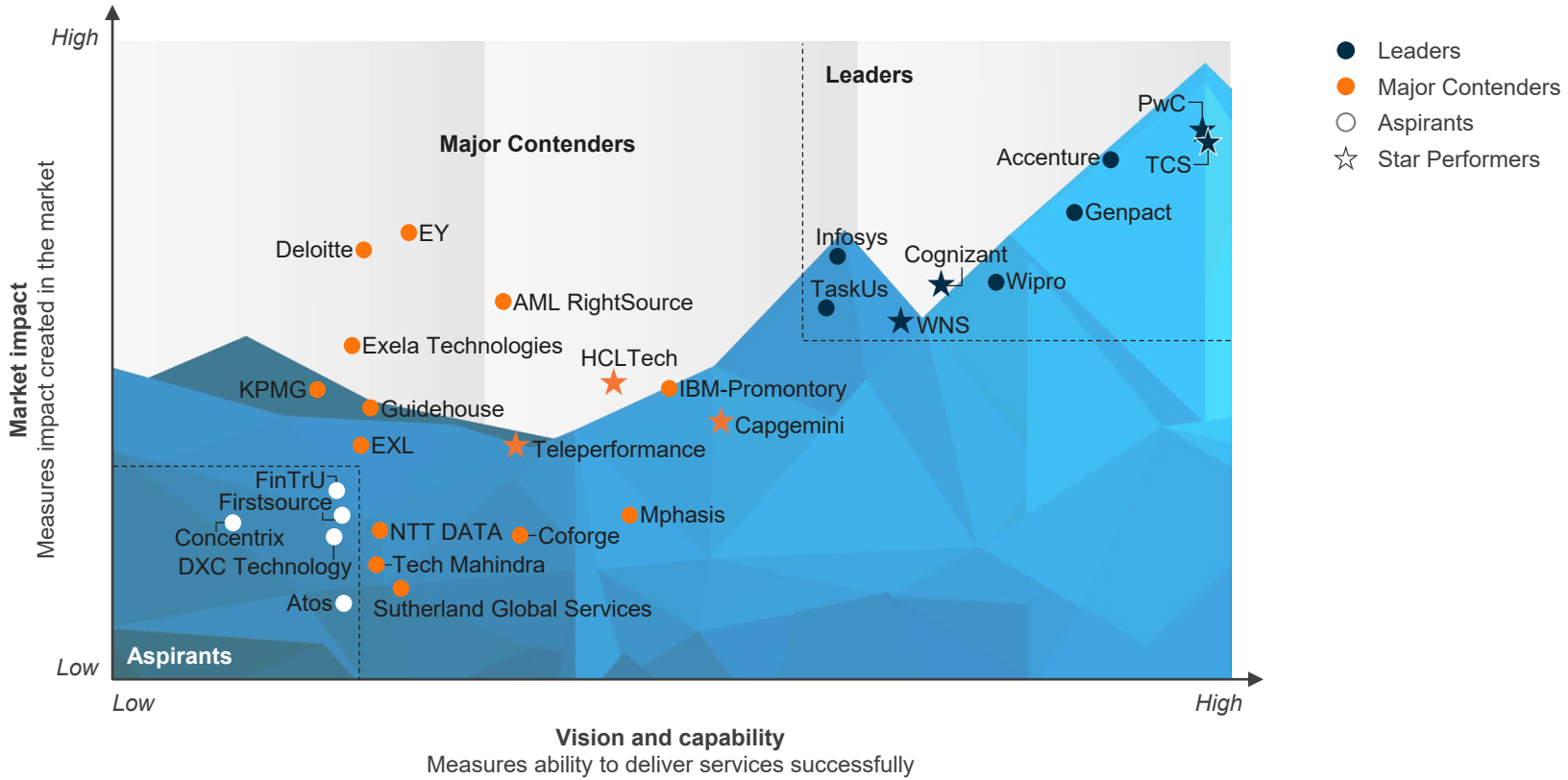
Everest Group PEAK Matrix®

Financial Crime and Compliance (FCC) Operations Services PEAK Matrix® Assessment 2024 | TCS is positioned as a Leader and a Star Performer

Everest Group Financial Crime and Compliance (FCC) Operations Services PEAK Matrix® Assessment 2024[1]



1 Assessment for AML RightSource, Atos, Concentrix, Deloitte, DXC Technology, EY, FinTrU, Guidehouse, KPMG, NTT DATA, Sutherland Global Services, and Tech Mahindra 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 (2024)

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TCS profile (page 1 of 5)
Overview

Company overview

TCS is an IT services, consulting, and business solutions provider. The company manages end-to-end FCC solutions from customer onboarding, due diligence, customer screening, sanctions screening, AML transactions monitoring, reporting, fraud management, chargeback, analytics, change management, and consulting. As a horizontal support, it offers cognitive-based automation point solutions and process accelerators across banking and non-banking functions.

Headquarter: Mumbai, India

Website: www.tcs.com

Key leaders

- **Susheel Vasudevan,** Business Group Head, BFSI, Americas, TCS
- **Shankar Narayanan,** Business Group Head, BFSI, UK, EMEA & APAC, TCS
- **Meenu Mittal,** Head, BFSI CBO, TCS
- **Murali Chellappa,** Head, BFSI CBO, TCS
- **Vijayaragavan Venkatraman,** Global Head, BFSI Risk Management and Regulatory Compliance
- **Srividya Konduparthi,** Global FCC Head, BFSI CBO
- **Claire Bannon,** ANZ ex-Regulator
- **Zeeshan Rashid,** Global Head, FCC, Industry Advisory Group

Suite of services

- KYC and customer onboarding
- Screening, EDD, and CDD
- AML and anti-bribery
- Trade surveillance
- Fraud management, disputes, and chargeback
- Analytics services
- Subpoena services and regulatory reporting
- Platform – KYC/AML/Fraud/ Surveillance

Financial Crime and Compliance BPS[1]	2021	2022	2023
Revenue (US$ million)	Not disclosed		
Number of FTEs			
Number of clients			

Recent acquisitions and partnerships

- **2023:** acquired 30+ FinTech alliances and partnerships and developed new alliances with platform service providers and data vendors such as Symphony AI, Brainspace, Clari5, and Discai; further, continued alliances with BAE System, Nice Actimize, SmartKYC, DataVisor, Feedzai, Fenergo, Senzing, Collibra, Informatica, Thetaray, Securedtouch, Featurespace, Dow Jones, Thomson Reuters, BVD-Orbis, Probe 42, ID Mission, Jumio, IBM Trusteer Pinpoint, Moody's, NetGuardians, and Aquiris to complement TCS' offerings capability in the FCC domain
- **2023:** enabled merchant services and fraud offerings for retail customers and through the partnership with FIS, it added around 350+ FTEs across LoBs – chargeback, merchant onboarding, KYC CDD, and global disputes; additionally, TCS is providing BPaaS support for Client Due Diligence (CDD) remediation for a few clients with Symphony AI as its platform partner
- **2023:** created a digital training academy setup, offering KYC and AML courses across multiple channels and in-house learning platforms enabling freshers and experienced staff to take up courses suitable to their needs with online assessment and evaluation
- **2023:** conducted an enhancement to Quartz KYC module – blockchain enhancement to match Crypto regulations
- **2023:** conducted an enhancement to the Smart Onboarding Solution capability by bringing in advanced filters and capabilities to data extraction and the validation of client data

Recent developments

- **2023:** invested in a Geo-based advisory comprising SMEs and CoE teams, and expanded its FCC hub with 40 resources positioned across North America, Europe, and APAC jurisdictions for FCC advisory services; these are ex-regulators, ex-heads of compliance units, consultants from the big four, and operations/delivery personnel from financial institutions across the globe
- **2023:** established FCC for non-BFS segments such as hi-tech companies, pension, and superannuation firms, travel and hospitality, power and utilities, and automobiles, in addition to FinTech companies and retail financial service providers
- **2023:** achieved FTE reduction to 30-35% over three years through transformation, process efficiency improvement, and art of possible programs (focused on migrating from FTE-heavy models)
- **2023:** integrated KYC and contact center deal: made a new 300 FTEs deal for a large bank in ANZ for a KYC deal with contact center support
- **2023:** expanded its presence in regions such as Italy, Spain, Finland, Cyprus, and Malta in its coverage. through a large Europe-based client; provided support for 30+ countries in the region

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

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TCS profile (page 2 of 5)
Key delivery locations

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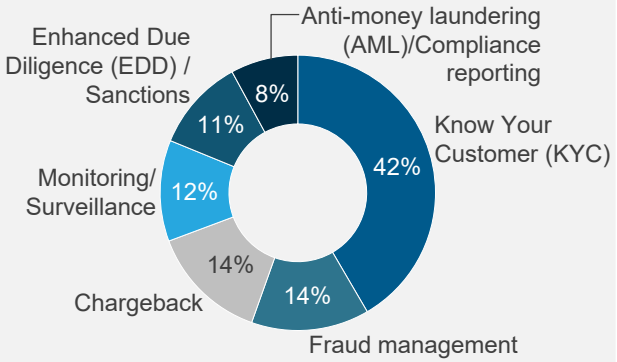
TCS profile (page 3 of 5)
Capabilities and key clients

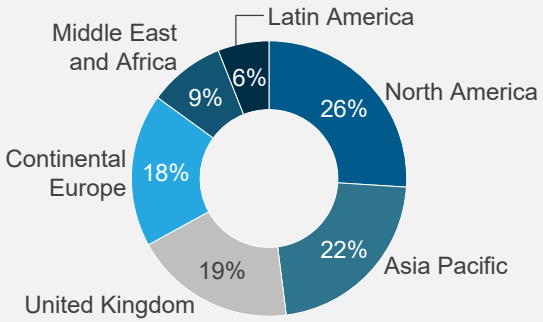
FCC operations FTE mix by segment
Number of FTEs

100% = Not disclosed



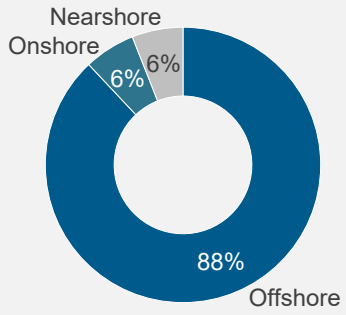
FCC operations revenue mix by geography
Revenue in US$ million

100% = Not disclosed



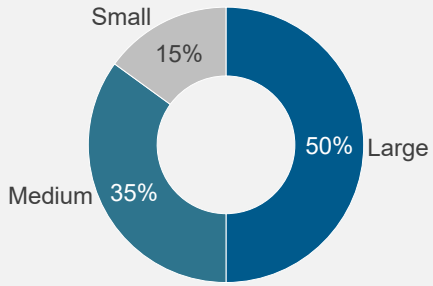
FCC operations FTE split by delivery location
Number of FTEs

100% = Not disclosed



FCC operations revenue mix by buyer size[1]
Revenue in US$ million

100% = Not disclosed



Key FCC operations engagements			
Client name	**LoB** (KYC, EDD/sanctions, monitoring/surveillance, AML reporting, fraud management, chargeback, or others)	**Region**	**Client since**
A leading Dutch bank	KYC and EDD/sanctions	Global	2021
An APAC-based global bank	KYC, EDD/sanctions, AML transactions monitoring, and fraud management	Global	2019
A fortune 500 financial services and annuity provider	KYC, AML transactions monitoring, fraud, and chargeback	Global	2015
A UK-based global bank	KYC, AML transactions monitoring, and EDD/sanctions	Global	2015
A large leading global bank	KYC, AML transactions monitoring, EDD/sanctions, fraud, and chargeback	Global	2004

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 profile (page 4 of 5)
Technology solutions/tools

Application	LOB	Year launched	Description	No. of clients
Enhanced screening of ISO20022 SWIFT payment messages and migration MT to MX	AML and screening	2023	It is a capability for the enhanced screening of payment messages via SWIFT, which migrated from old standard MT to new MX in compliance with the ISO 20022 standard.	Not disclosed
TCS Cards Disputes Resolver	Chargeback	2023	It is a solution that helps banks and financial institutions to automate the end-to-end handling of credit card payment disputes raised by its end customers.	Not disclosed
Cognitive Claims Fraud Predictor	Fraud	2023	It is a solution that is based on AI/ML predictive models aimed at helping insurers to detect claim-level fraud in advance at the First Notice of Loss (FNOL) level.	Not disclosed
Customer self service-based fraud alert auto resolution	Fraud	2023	It enables mobile messaging-based customer response to fraud alerts. Customer response is directly consumed to close false alerts and escalate true alerts. This solution is in addition to TCS's other fraud management solutions including predictive real-time-implementable solutions to detect fraudulent suspicious transactions and analytics-based solutions (upgraded).	Not disclosed
TCS BaNCS compliance solution (upgrade)	KYC	2023	TCS upgraded features such as facial recognition, liveness check, and biometric verification.	Not disclosed
Dynamic KYC triggers for ongoing due diligence	KYC	2022	It is an in-house developed solution for the automated monthly trigger of CDD/EDD reviews based on risk-based material events, in a move toward dynamic KYC.	Not disclosed
AML regulatory reporting	AML	2022	It includes regulatory reports such as Suspicious Activity Reports (SAR), Suspicious Transaction Reports (STR), and Currency Transaction Records (CTR), which can be generated from the system in the formats specified by FIUs.	Not disclosed
Blockchain-enabled CKYC	KYC	2022	It is a distributed ledger technology-ready solution ensuring real-time dissemination of KYC information for authorized participants – eliminating duplication of information and repetition of the KYC process.	Not disclosed
AI-enabled financial crime alerts and case investigation	AML, KYC	2022	It provides the visualization of alerts, entities, related insights, and data enrichment for quicker alert decisioning by analysts.	Not disclosed
ESG integrator solution	ESG	2022	It is a solution for data sourcing, collation, analysis, and reporting for ESG performance requirements.	Not disclosed
Automated alert review and cognitive system	AML	2021	It is a tool to segregate risk alerts into high, medium, and low risk in terms of the propensity of the alerts to become SAR and support the alert review through an automated transaction review.	Not disclosed
Cognitive controls solution for control assurance	AML, KYC, and fraud	2021	It is a cognitive controls solution for automating fraud, AML, and other FCC control assurance.	Not disclosed

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TCS profile (page 5 of 5)
Everest Group assessment – Leader and Star Performer

Measure of capability: Low High

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

Strengths

- TCS exhibits strong capabilities across the FCC operations value chain, which is also reflected in its revenue growth
- The establishment of geo-specific CoEs and co-innovation labs such as Pace Port™ highlights TCS's commitment to enhancing FCC advisory services and fostering collaboration with FinTechs and academia
- It has continued making investments in digital levers such as AI, ML, analytics, and hyper-automation, with a recent enhancement to its Quartz KYC module for bringing in blockchain/crypto regulation capabilities
- TCS is strategically investing in KYC/CDD Remediation-as-a-Service (RaaS) and other BPaaS offerings, while also pioneering ESG-specific use cases through solutions such as the ESG Integrator, Green Mortgage Tool, and Spatial Finance
- TCS continues to have a well-balanced geography mix, demonstrating strong growth in emerging geographies such as Nordics, MEA, and Asia

Limitations

- Despite having strong technology offerings and commitments to FTE reduction in new contracts, TCS's delivery model in FCC deals remains heavily reliant on FTEs
- TCS maintains multiple touch points with its clients through platform/point solutions across FCC operations; however, its capability to cater through end-to-end platforms remains to be tested
- Its delivery capabilities heavily depend on its offshore footprint, which could potentially pose a challenge to gaining traction from clients looking for geographically diverse service delivery

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Appendix

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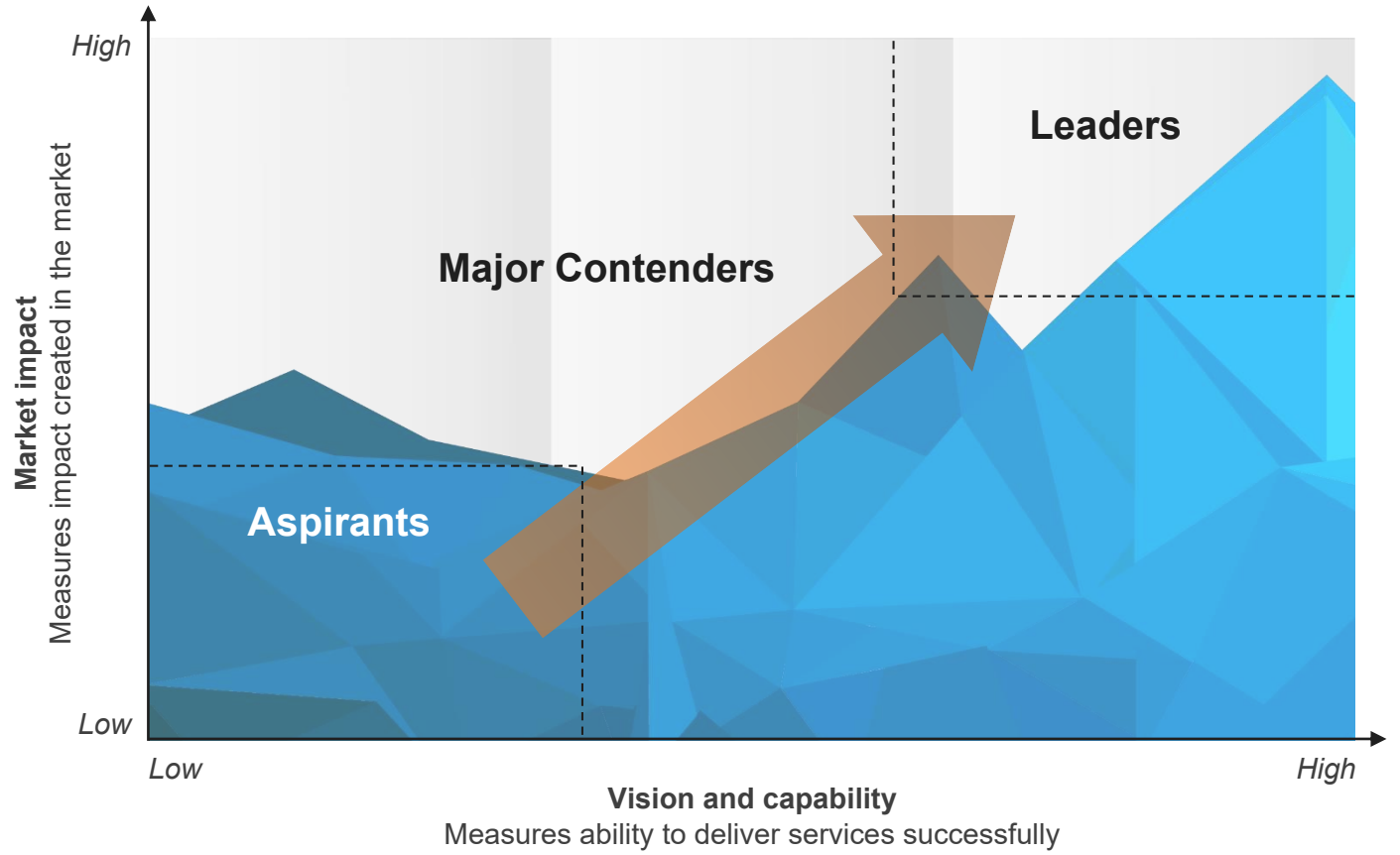
Everest Group PEAK Matrix® is a proprietary framework for assessment of market impact and vision and capability

Everest Group PEAK Matrix



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Services PEAK Matrix® evaluation dimensions

Measures impact created in the market – captured through three subdimensions

Market adoption

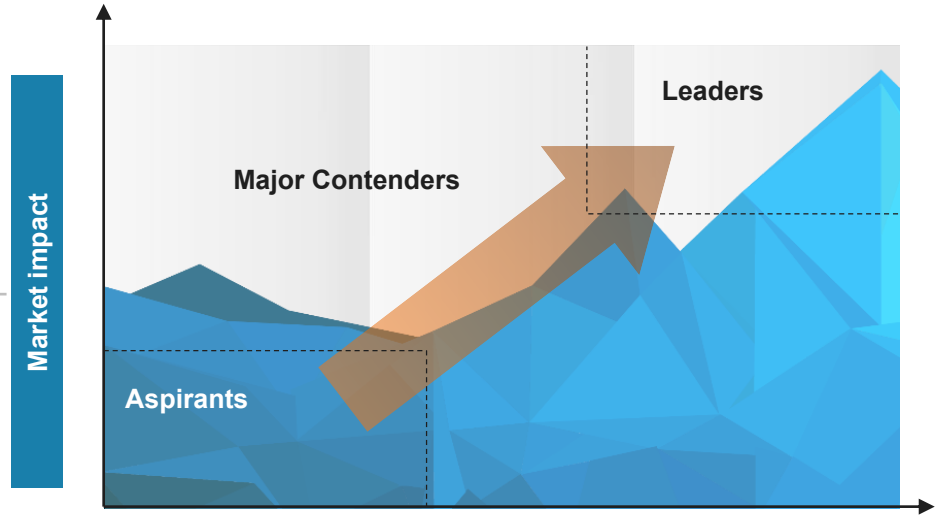
Number of clients, revenue base, YoY growth, and deal value/volume

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



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

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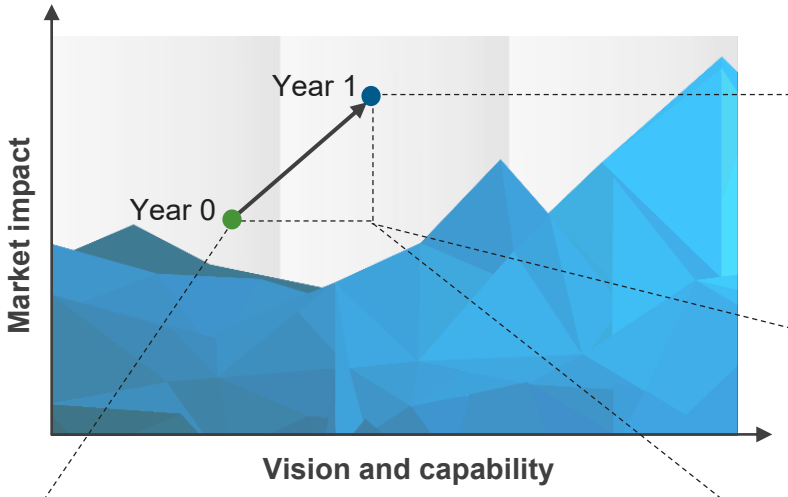
Everest Group confers the Star Performers title on providers that demonstrate the most improvement over time on the PEAK Matrix®

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.

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FAQs

Does the PEAK Matrix® assessment incorporate any subjective criteria?
Everest Group's PEAK Matrix assessment takes an unbiased and fact-based approach that leverages provider / technology vendor RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information. In addition, we validate/fine-tune these results 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 the PEAK Matrix assessment are relevant to buyers and providers other than the PEAK Matrix positioning?
A PEAK Matrix positioning is only one aspect of Everest Group's overall assessment. In addition to assigning a Leader, Major Contender, or Aspirant label, Everest Group highlights the distinctive capabilities and unique attributes of all the providers assessed on the PEAK Matrix. The detailed metric-level assessment and associated commentary are helpful for buyers in selecting providers/vendors for their specific requirements. They also help providers/vendors demonstrate their strengths in specific areas.

What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?
- Enterprise participants receive summary of key findings from the PEAK Matrix assessment
- For providers
  - The RFI process is a vital way to help us keep current on capabilities; it forms the basis for our database – without participation, it is difficult to effectively match capabilities to buyer inquiries
  - In addition, it helps the provider/vendor organization gain brand visibility through being in included in our research reports

What is the process for a provider / technology vendor to leverage its PEAK Matrix positioning?
- Providers/vendors can use their PEAK Matrix positioning or Star Performer rating in multiple ways including:
  - Issue a press release declaring positioning; see our citation policies
  - Purchase a customized PEAK Matrix profile for circulation with clients, prospects, etc. The package includes the profile as well as quotes from Everest Group analysts, which can be used in PR
  - Use PEAK Matrix badges for 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 Everest Group; please contact your CD or contact us

Does the PEAK Matrix evaluation criteria change over a period of time?
PEAK Matrix assessments are designed to serve enterprises' current and future needs. 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 and to serve enterprises' future expectations.

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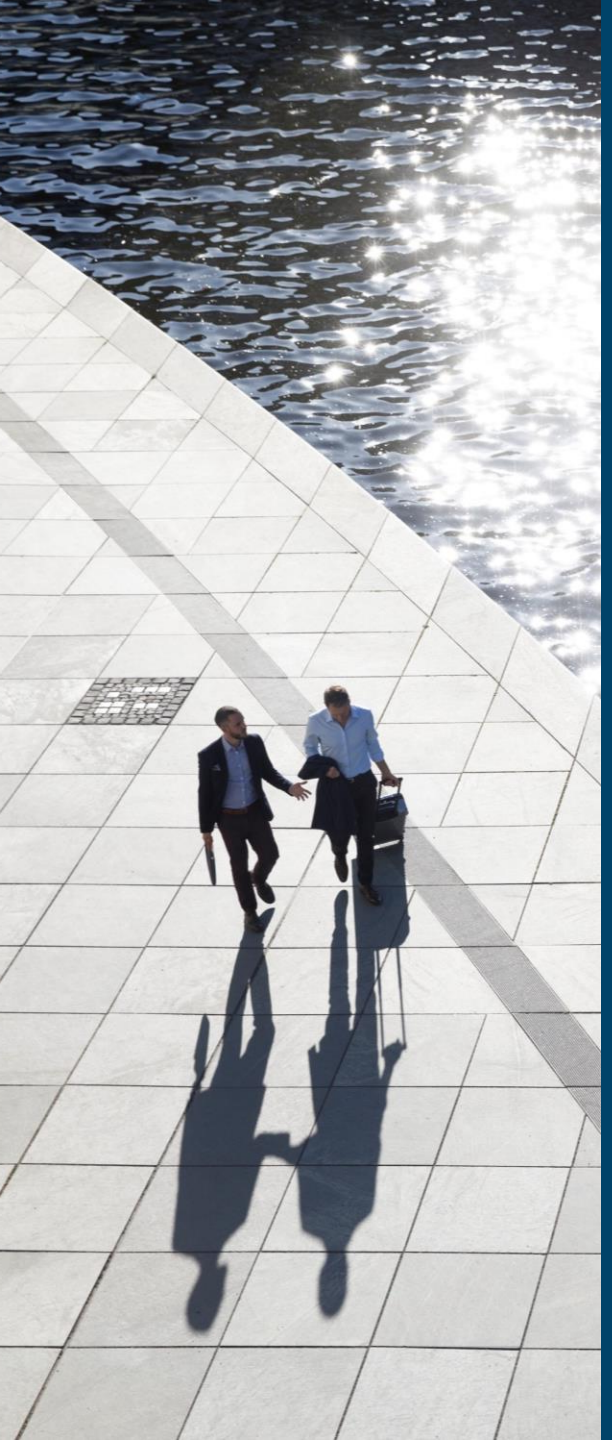

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With you on the journey

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