



## **Cambridge Economic Crime Symposium**

### ***Economic Security and Economic Growth: Identifying Suspect Wealth in the Financial System***

*Delivered 6<sup>th</sup> September 2024*

Good evening ladies and gentlemen,

It is a real pleasure and privilege to join you this evening for the forty-first Cambridge Economic Crime Symposium, here in the fantastic surrounds of Jesus College.

I am Chris Hayward, the Policy Chairman and political leader of the City of London Corporation – the governing body of the Square Mile.

The City is home to some of the world's largest financial and professional services firms, one-fifth of all UK financial services workers are in the Square Mile, and we have a dedicated City of London Police, the National Lead Force for fraud and National Police Chiefs Council lead for economic and cyber-crime.

Gathered here, it is clear that economic security has never been more relevant or necessary. Indeed, we have long held to the maxim that 'economic security is national security'.



In an ever-more-complex world, a more financially-integrated world, a more technologically-advanced world, the notion of economic security being tied to national security was both prudent and self-evident. And this is still accurate today...

Only earlier this year, the UK Parliament opened a new inquiry on the UK's national economic security. The inquiry aims to determine what the risks and vulnerabilities are to the UK's economic security.

Unquestionably, a part of those threats, a significant part, is suspect assets and suspect wealth.

Indeed, we have heard much over the course of this symposium about the nature of suspect assets, asset removal, identifying suspect wealth, and more.

Today, I want to touch on some of these themes, but also address suspect wealth in a different way – one that recognises that economic health and vitality depends on more than GDP figures, more than lines on a graph.

A different view of economic security, one that sees economic security as an essential part of today's zeitgeist: viewing economic security as integral to economic growth.

***[PAUSE]***



For those of you who live in the UK, you will recognise economic growth as central to this new Government's agenda. But more broadly, I believe that defining economic security as an integral part of economic growth has relevance across the global economy.

Beginning here in the UK, Labour's economic growth mission is not simply about GDP growth (though this is often shorthand). It is about creating the conditions for growth...

Growth that produces high-skilled jobs. Growth that enables businesses to flourish. Growth that raises investment in public services.

It is about long-term, sustainable, inclusive growth across the entire country that is resilient to the range of challenges that we face.

At the City of London Corporation, we believe firmly that for growth to be meaningful and lasting, it **must** be built with economic security at its core.

Put another way, across the long history of the City, we have seen time and again that our success is built on two things: trade and trust.

International investors choose the City because we are a trusted place to do business. People save for their pensions because they trust that their money is cared for.



Last week was the sixtieth anniversary of the release of Mary Poppins – the musical film starring Julie Andrews and Dick van Dyke.

In that film, Michael Banks, the young boy at the heart of the film is encouraged by his father to invest his tuppence in the bank. When Michael is hesitant, the bank manager snatches the coin and won't return it.

Other customers overhear the commotion and big cries of 'give me back my money' start a run on the bank.

I share that story because without trust – or the economic security that safeguards that trust – our financial system is left vulnerable to external threats and internal instability.

Without economic security, the UK economy or any economy, cannot hope to achieve long-term economic growth.

**[PAUSE]**

I realise that 'economic security' contains a range of elements that are critical to the global economy.

Last year, at the G7 conference in Hiroshima, a seven-point definition was established that helps us understand the breadth and depth of economic security. These include:



**Building Resilient Supply Chains:** Ensuring that our supply chains are not only efficient but also robust and able to withstand disruptions, whether they be geopolitical tensions, natural disasters, or other unforeseen events.

**Building Resilient Critical Infrastructure:** Protecting the essential systems and assets – such as energy, water, and transport – that underpin our daily lives and economic activities from both physical and cyber threats.

**Responding to Non-market Policies and Practices:** Addressing and countering unfair trade practices and economic policies that distort markets and disadvantage fair competition.

**Addressing Economic Coercion:** Preventing and responding to attempts by state or non-state actors to manipulate economic dependencies for political or strategic gain.

**Countering Harmful Practices in the Digital Sphere:** Combating cybercrime, data breaches, and other digital threats that undermine trust and stability in our increasingly digital economy.

**Cooperating on International Standard-Setting:** Working with global partners to establish and uphold international standards that promote transparency, fairness, and stability in global markets.



Preventing Leakage of Critical and Emerging Technologies: Safeguarding cutting-edge technologies and innovations from being exploited or misappropriated by adversaries.

These seven principles for economic security are the pillars on which a prosperous economy is built.

Security builds trust. Trust builds confidence. Confidence builds growth.

**[PAUSE]**

At the City of London Corporation, we are acutely aware of the importance of economic security, and we are actively contributing to this effort.

The City of London Police is at the vanguard of the national response to fraud, economic crime, cyber threats, and business crime.

Recent government investments have significantly bolstered our capabilities, increasing the number of financial investigators dedicated to pursuing those who pose the greatest economic harm to our society and economy.

Take fraud as an example, 90% of fraud now originates online. Businesses from giant multinationals to SMEs share the same threats from cyber-attacks – ranging from data theft to ransomware.



Ensuring online safety is not just a priority, it is a necessity for economic security in the digital age. The public have the right and expectation to feel safe on our streets and online.

And just as importantly, people and businesses should feel that our economic systems are robustly identifying suspect wealth and assets – ensuring that we are all playing on the same fair playing field.

But the City Corporation's efforts go beyond policing.

The G7's definition of economic security covers the broad nature of economic crime, and I am pleased that the City Corporation is contributing across several fronts.

We are building a cutting-edge justice hub in Salisbury Square, designed to enhance the criminal justice response to economic crime. This facility will be crucial in our efforts to ensure that those who seek to undermine our economy security are held accountable.

We are partnering with the International Regulatory Strategy Group. Earlier this year, we launched the report 'Financial Services Priorities for the Italian G7 and Brazilian G20.' This report is helping guide international efforts to strengthen economic security through financial services.



We have launched an AI Innovation Challenge. Partnering with Microsoft, we are bringing people together from financial and professional services with tech industries. This initiative is harnessing the power of AI to combat cybercrime and online fraud, ensuring that our economy remains secure in the face of evolving threats.

And we are working closely with the Centre for Finance, Innovation and Technology – which we co-founded with government – and industry partners to explore the role of enhanced verification of corporates to combat fraud.

Because as digital transactions further become the norm, ensuring their security is critical to maintaining trust in the entire financial system.

It is, therefore, in these public-private partnerships that we can take big steps forward in identifying suspect wealth and strengthening our economic security.

The City Corporation is keen to understand the challenges of the industry, particularly in combating fraud and money laundering.

We work alongside Square Mile partners, including UK Finance, the Association of British Insurers, the Payment Systems Regulator, and individual banks and financial services firms on these suspect wealth threats.





By working in partnership, we can more readily identify common themes and harness our collective strengths to engage effectively with government.

This includes communicating to the new government our readiness to support a new, enhanced fraud strategy.

This strategy is a tremendous opportunity to ensure that our economic security is fit for the digital age, and robust against the threats posed by fraud and other economic crimes, and we are eager to play our part in its development and implementation.

**[PAUSE]**

In short, economic security is not an abstract issue – it is about protecting people and their hard-earned assets.

Economic security is not solely about policing – it is a system-wide effort that demands collaboration across the public and private sectors.

Economic security is not a pillar of economic growth – it is the very foundation upon which economic growth is built.

By embedding economic security into our growth strategies, we ensure that our economy can thrive in a way that is robust, inclusive, and resilient.



At the City of London Corporation, we are committed to this vision.

Whether through our work with the City of London Police, our partnerships with industry and government, or our ongoing policy initiatives, we are building an economic environment where security and growth are two sides of the same coin.

With your help, we can more easily identify suspect wealth and assets, putting security at the heart of growth, and growth at the heart of security.

Thank you for your attention, and I look forward to continuing this important work together.

**ENDS. CHECK AGAINST DELIVERY**

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