

News

Risk assessment raises awareness of money laundering issues

06 August 2025

The [UK's 4th National Risk Assessment \(NRA\)](https://www.gov.uk/government/publications/national-risk-assessment-of-money-laundering-and-terrorist-financing-2025) [https://www.gov.uk/government/publications/national-risk-assessment-of-money-laundering-and-terrorist-financing-2025] of Money Laundering and Terrorist Financing was published in July. This is the first update since 2020 and reflects an evolving risk landscape — with increased geopolitical instability, greater use of new technologies, and more sophisticated methods of exploitation by criminals.

The findings directly inform [our sectoral risk assessment](https://www.sra.org.uk/solicitors/resources/money-laundering/guidance-support/#heading_dd3c1) [https://www.sra.org.uk/solicitors/resources/money-laundering/guidance-support/#heading_dd3c1], which in turn feeds into how we supervise law firms, and the expectations placed on their own firm-wide risk assessments.

For the legal sector, the NRA flags several key points:

- Legal services continue to be vulnerable to misuse, particularly in relation to sanctions evasion, high-end money laundering, and the use of complex structures to obscure ownership.
- There's growing concern about the role of professional enablers — including legal professionals — in facilitating criminal activity, even unintentionally.
- Trust and company services remain a high-risk area, and legal firms involved in these activities should pay close attention to emerging red flags.
- Enhanced focus is expected on source of funds/source of wealth checks, particularly where clients are from higher-risk jurisdictions or politically exposed persons (PEPs).

We encourage all law firms to review the 2025 NRA and consider how its findings apply to their business model, services, and client base. Using these insights to refine your risk assessment and controls is not only good practice — it's a regulatory expectation.