

# Compliance & Risk

Volume 13 Issue 3

May/June 2024

## Headlines

- Tik Tok suspends rewards service under threat of EU ban, p.17
- ICO issues fines for 1.43m unwanted marketing calls, p.18
- UK competition regulator launches vet sector probe, p.19

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## UK regulators fine CGML £61.7m for controls and systems failures

The global trading organisation, Citigroup, has been fined a total of £61.7m by UK regulators in May 2024 for failures in its trading systems and controls.

In an announcement on 22 May 2024, the Financial Conduct Authority (FCA) imposed a fine of £27.8m on Citigroup Global Markets Limited (CGML) in relation failures in the firm's systems and controls which led to US\$1.4bn of equities being sold in European markets erroneously.

On 2 May 2022, a CGML trader had intended to sell

a basket of equities to the value of US\$58m. The trader made an inputting error while entering the basket in an order management system, resulting in the creation of a basket to the value of US\$444bn.

CGML controls blocked US\$255bn of the basket progressing, but the remaining US\$189bn of non-existent stock was sent to a trading algorithm, which sold US\$1.4bn of equities across various European exchanges, before the trader was able to cancel the order.

The regulator noted that,

although parts of CGML's trading control framework operated as expected, some primary controls were absent or deficient. In particular, there was no 'hard block' in place that would have brought into question the huge basket of equities and rejected it in its entirety, preventing it reaching the market.

Furthermore, pop-up alerts that should have drawn attention to the error were faulty in that they could be overridden by the trader without having being properly read. The firm's real-time

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## PSNI fined for breach that exposed personal data of entire workforce

The UK Information Commissioner's Office (ICO) announced on 23 May 2024 that it intends to impose a penalty of £750,000 on the Police Service of Northern Ireland (PSNI) for failing to protect the personal information of its entire workforce.

The proposed fine relates to an incident where a swathe of personal information relating to all 9,483 serving PSNI officers and

staff, including surname, initials, rank, and role, was included in a "hidden" tab of a spreadsheet which was published online in response to a freedom of information request.

The regulator's report following its investigation has provisionally found that the PSNI's internal procedures and sign-off protocols for the safe disclosure of information were inadequate.

The breach was heard to have had serious consequences for some individuals whose information was published, from having to move house, to cutting themselves off from family members and completely altering their daily routines because of the tangible fear of threat to life.

UK Information Commissioner, John Edwards,

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