Market Quadrants

KYC Data and Solutions, 2024

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Market Quadrants Report

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*For details of Chartis' research methodology, **click here**.*

Executive summary

Financial institutions (FIs) are increasingly seeking to create unified, perpetual customer records or centralized data repositories to enhance customer insights and Know Your Customer (KYC) processes. Traditional core banking technologies have proven inadequate for this task, as they lack the flexibility and scalability needed to manage dynamic customer data across multiple touchpoints. To address this, institutions are adopting advanced workflow and KYC platforms that integrate data from diverse sources, enabling real-time, comprehensive customer views.

As non-bank and corporate KYC solutions evolve, however, bridging data flows between FIs and other entities, such as trusts and legal services, is becoming more complex. The challenge lies in ensuring interoperability between different systems, each governed by distinct regulatory frameworks and data formats. Advanced technologies, such as application programming interface (API) integrations, machine learning and artificial intelligence (AI), are helping institutions manage this complexity, automating data transfer and maintaining consistency across domains.

On another front, trade-based KYC solutions are gaining traction as global trade grows in volume and complexity. These solutions focus on document management and entity risk assessments, helping firms verify the legitimacy of trade transactions. Despite the absence of a complete, unified trade-based KYC solution, institutions are adopting specialized technologies to manage this aspect of compliance.

The rise of synthetic identity fraud, fueled by generative AI (GenAI), has added another layer of complexity to identity verification processes. To combat this, vendors are integrating more advanced identity verification capabilities into their KYC offerings, blurring the lines between corporate and retail KYC.

The KYC vendor landscape is expanding rapidly, with new entrants offering a range of solutions, from workflow automation to advanced analytics. We are seeing some vendors specializing in such verticals as investment banking and trusts, winning market share by offering tailored solutions that address specific industry needs. Overall, though, as the regulatory landscape evolves and financial institutions demand more sophisticated data, leading firms are enhancing their data management capabilities to automate processes, transfer third-party data and improve data accuracy.

Geographically, the KYC market is becoming more diverse, with a growing number of entrants from such regions as the Middle East and Asia-Pacific (APAC). However, the KYC data quadrant continues to be dominated by larger firms that are expanding their offerings to include insights from adjacent areas.

This report uses Chartis' RiskTech Quadrant® to explain the structure of the market. The RiskTech Quadrant® employs a comprehensive methodology of in-depth independent research and a clear scoring system to explain which technology solutions meet an organization's needs. The RiskTech Quadrant® does not simply describe one technology solution as the best; rather, it has a sophisticated ranking methodology to explain which solutions would be best for buyers, depending on their implementation strategies.

This report covers the following providers of KYC and KYC data solutions:[1] AML Partners, AP Solutions IO, Appian, ComplyAdvantage, Complytek, Diligencia, Dixtior, Dow Jones Risk & Compliance, Dun & Bradstreet, Eastnets, Effectiv, Encompass, Fenergo, FinScan, FIS, Flaminem, FOCAL, FullCircl, IMTF, Kharon, Muinmos, NICE Actimize, NominoData, KYC2020, KYC360, KYC Hub, Kyckr, KYC Portal, Oracle, Pega, Rozes, LexisNexis Risk Solutions, Manipal Group, Moody's, Quantexa, Quantifind, Ripjar, Sigma360, smartKYC, SymphonyAI, Tookitaki, valid8Me, Vneuron, WorkFusion and Xapien.

We aim to provide as comprehensive a view of the vendor landscape as possible within the context of our research. Note, however, that not all *vendors we approached responded to our requests for briefings, and some declined to participate in our research.*

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Updates since our last report

KYC takes a more central position

FIs have been exploring ways to create a perpetual record of customer information or a centralized repository of customer data that provides a comprehensive, unified view of their customers. However, many financial institutions have discovered that this goal cannot be achieved effectively by using traditional core banking technology. Core systems, which were designed primarily for transaction processing and operational tasks, lack the flexibility and scalability required to manage dynamic and evolving customer data across various touchpoints.

As a result, institutions are turning increasingly to advanced workflow and KYC platforms to fill this gap. These platforms are designed with greater agility and integration capabilities, allowing them to serve as the central hub for customer data management. By leveraging these tools, institutions can create more dynamic, real-time customer views, integrating data from multiple sources, including transaction history, behavioral data and third-party verifications.

This shift marks an evolution in how financial institutions manage customer relationships, moving away from static data models towards more adaptive, multi-dimensional approaches.

Corporate and non-bank KYC meets banking KYC

In **last year's edition** of this report, we explored how non-banking institutions were increasingly adopting bank-like Know Your Customer (KYC) capabilities and solutions. As this trend has matured, the landscape has evolved further. A growing number of institutions need to bridge the gap between FIs and corporations, and this convergence has introduced new complexities, particularly in the realm of data transfer and communication between entities.

For instance, transferring data between such organizations as trusts, legal services and FIs now requires solutions that can communicate and integrate with one another. These institutions often use different platforms, systems and regulatory frameworks, making interoperability a critical requirement. The need to ‘stitch together’ data from various sources has increased the complexity of the KYC process significantly. Rather than working within a single ecosystem, institutions are now navigating across multiple domains, each with its own set of compliance standards, privacy rules and data formats.

This increase in complexity has required more sophisticated technology solutions capable of integrating disparate systems, automating data sharing and ensuring the consistency and accuracy of information across all parties involved. Institutions must consider how to manage these cross-domain interactions securely, ensuring that data integrity is maintained, while also adhering to regulatory requirements across different sectors. This has driven a greater demand for advanced API integration, machine learning and AI-driven solutions to help manage the growing complexity of KYC processes in a multi-institutional environment.

Ultimately, as this trend continues to evolve, institutions will need to adopt more robust and flexible KYC frameworks that not only meet the needs of their own compliance departments, but also facilitate collaboration with external partners. The challenge now lies not just in performing KYC for individual customers, but also in creating an interconnected ecosystem that can handle the increasingly complex flow of data between various institutions and industries.

Trade-based KYC

The demand for trade-based KYC solutions has continued to grow. Traditionally, KYC processes have focused on individual or corporate customer identities. However, trade-based KYC involves more than just verifying the parties involved in a transaction; it also includes monitoring the flow of goods, services and funds across borders, assessing the risk profiles of trading entities and scrutinizing the documentation that supports these transactions. As global trade volumes increase and become more intricate, firms are paying closer attention to these processes.

At the core of trade-based KYC is document management and entity risk assessment. This involves the ability to manage and verify trade documents – such as invoices, bills of lading, letters of credit and customs documentation – while ensuring the legitimacy and accuracy of the information provided. These documents can often be forged or manipulated to obscure illegal activities, making the need for effective document management systems critical in identifying red flags. Similarly, entity risk capabilities are vital in assessing the counterparties involved in a trade transaction, including their geographic location, ownership structure and historical trading behaviors.

While at present there is no single, complete trade-based KYC solution available on the market, firms are increasingly adopting piecemeal approaches. These solutions are often integrated with broader KYC platforms, but due to the specific nature of trade transactions – such as the need to manage vast amounts of documentation and complex multi-party deals – they require specialized technology. Additionally, the lack of a unified standard for trade-based KYC across different regions and industries adds further challenges to developing comprehensive, one-size-fits-all solutions.

The growth of this discipline aligns with a broader shift in the compliance landscape, where financial institutions are not only responsible for understanding their customers, but also for monitoring the trade flows in which their customers participate.

Synthetic identities contribute to more deeply embedded ID verification

This year, GenAI has notably influenced the realm of identity, but, in terms of active solutions, its impact has been more debatably pronounced in the realm of criminal activity. There has been a surge in synthetic identity fraud, in which criminals leverage AI to craft increasingly sophisticated false identities. These identities are not easily detectable using traditional verification methods, complicating the onboarding process for organizations. The complexity and realism of fabricated identities make it more difficult for businesses and institutions to differentiate between legitimate users and fraudulent actors, thereby increasing both security risks and operational challenges.

Partially in response to this, identity verification capabilities are increasingly being integrated into KYC processes and broader technological frameworks. The lines between 'commercial' (i.e., corporate-focused) and 'retail' KYC are being blurred as it becomes more important to have access to individual identity verification at all points in the customer lifecycle.

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Vendor landscape

The number and variety of vendors entering the KYC space are broader than ever before, offering a range of solutions that cater to different industry needs, organizational sizes and use cases. These include:

- **Case management and workflow automation firms.** These vendors are focused on optimizing the operational side of KYC compliance, offering platforms that streamline the management of complex KYC processes. Their solutions often revolve around automating routine tasks, improving the efficiency of case handling and reducing manual workloads. By automating document collection, approval workflows and ongoing monitoring, these platforms help financial institutions process KYC checks faster and more accurately. Many of these vendors provide configurable dashboards and rule-based decision engines, allowing institutions to tailor their workflows to specific compliance needs while improving the ability to track and report on KYC activities.
- **Analytics-focused firms.** Firms that concentrate on data analytics have carved out a significant niche in the KYC market, offering solutions that use advanced analytics, machine learning (ML) and AI to enhance the decision-making process. These vendors focus on leveraging large datasets to provide deeper insights into customer risk profiles, detect suspicious patterns of behavior and flag potential issues before they become critical. By employing sophisticated algorithms to analyze both structured and unstructured data, these platforms help institutions better assess risks associated with identity verification, transaction monitoring and customer activity. In the face of growing regulatory scrutiny and the rise of synthetic identity fraud, analytics-driven KYC solutions are increasingly being viewed as essential for both risk mitigation and regulatory compliance.
- **Specialist focus.** As the needs of financial institutions and other regulated industries grow more complex, a subset of KYC vendors has emerged, offering highly specialized, tailored solutions. These firms often focus on niche areas of KYC, providing bespoke tools and services to meet specific organizational requirements. One example is the rise of vendors offering GenAI capabilities, such as AI-powered chatbots. These chatbots are designed to assist in customer onboarding by engaging with customers in

real time, answering questions, collecting documents and walking people through processes.

IDV has become more significant. Vendors offering in-house identity verification (IDV) capabilities have increasingly integrated these features into their broader platforms, leveraging technologies such as biometrics, document verification, etc.

On the other hand, vendors that do not have native IDV capabilities have recognized the growing importance of offering identity verification as part of their KYC offerings. These vendors have often chosen to partner with specialized IDV providers, integrating these capabilities into their offering.

Cloud strategies have solidified. At this point, most vendors have determined their cloud strategy. This is not necessarily the broad shift toward the cloud that was expected in previous years, but a more nuanced approach in which vendors and firms have aligned on the cost benefit of this strategy:

- **Cloud-only vendors.** Several vendors have transitioned to a cloud-only model, leveraging the benefits of scalability, flexibility and cost-effectiveness. These vendors are focusing on enhancing their cloud-native architectures and integrating AI-driven solutions to offer more advanced and efficient services.
- **On-premises focused vendors.** In contrast, some vendors have doubled down on on-premises solutions, catering to clients with stringent data privacy and security requirements. These vendors emphasize control, compliance and customization, which are critical for industries with sensitive data.
- **Hybrid and multi-cloud solutions.** The adoption of hybrid and multi-cloud solutions continues to grow, allowing firms to balance the benefits of both public and private clouds.

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Chartis RiskTech Quadrants® and vendor capabilities for KYC data and solutions, 2024

Quadrant dynamics: KYC solutions

Figure 1 illustrates Chartis' view of the vendor landscape for KYC solutions. Table 1 lists the completeness of offering and market potential criteria we used to assess the vendors. Table 2 lists the vendor capabilities in this area.

Figure 1: RiskTech Quadrant® for KYC solutions, 2024

Source: Chartis Research

Table 1: Assessment criteria for vendors of KYC solutions, 2024

Completeness of offering	Market potential
Reporting and dashboarding	Customer satisfaction
KYC risk scoring	Market penetration
Customer profile enrichment with additional data	Growth strategy
Customer onboarding	Business model
Customer maintenance	Financials

Source: Chartis Research

Table 2: Vendor capabilities for KYC solutions, 2024

Vendor	Reporting and dashboarding	KYC risk scoring	Customer profile enrichment with additional data	Customer onboarding	Customer maintenance
AML Partners	***	***	*****	***	***
AP Solutions IO	**	**	**	***	*
Appian	***	***	***	***	*****
ComplyAdvantage	**	*****	***	***	**
Complytek	**	***	***	***	**
Dixtior	**	***	**	***	*
Dow Jones Risk & Compliance	**	**	***	**	*
Eastnets	**	***	**	***	***
Effectiv	***	*	**	***	*
Encompass	**	**	*****	***	***
Fenergo	***	***	***	*****	***
FinScan	**	***	****	**	**
FIS	***	***	***	****	***
Flaminem	**	**	**	**	**
FOCAL	**	***	**	****	**
FullCircl	**	***	**	***	*
IMTF	***	****	***	***	**
KYC2020	**	**	****	***	**
KYC360	**	***	***	****	**
KYC Hub	**	**	**	***	**
KYC Portal	****	***	***	***	***
LexisNexis Risk Solutions	**	**	*****	**	**

Key: ***** = Best-in-class capabilities; **** = Industry-leading capabilities; *** = Advanced capabilities; ** = Meets industry requirements; * = Partial coverage/component capability

Vendor	Reporting and dashboarding	KYC risk scoring	Customer profile enrichment with additional data	Customer onboarding	Customer maintenance
Manipal Group	***	***	**	***	**
Moody's	**	**	****	***	***
Muinmos	***	**	****	***	***
NICE Actimize	***	****	***	***	***
Oracle	***	***	***	****	***
Pega	**	***	**	*****	***
Quantexa	**	***	*****	**	**
Quantifind	**	***	****	*	**
Ripjar	**	*****	*****	**	**
Sigma360	***	***	*****	**	*
smartKYC	***	**	****	**	***
SymphonyAI	**	***	***	**	***
Tookitaki	**	****	***	***	*
valid8Me	**	**	****	**	*
Vneuron	***	***	***	**	***
WorkFusion	**	**	**	****	**
Xapien	***	***	**	**	**

Key: ***** = Best-in-class capabilities; **** = Industry-leading capabilities; *** = Advanced capabilities; ** = Meets industry requirements; * = Partial coverage/component capability

Source: Chartis Research

The KYC solutions quadrant has expanded greatly in size and diversity, with large, developed players and start-ups making their entrance into the marketplace.

Vertical specificity remains key. KYC vendors that focus on verticals, such as investment banking and trusts, have continued to gain significant market share by offering highly tailored solutions. For example, those catering specifically to investment banking have developed capabilities that can handle the detailed due diligence required for these complex entities, and vendors focusing on trusts offer specialized tools to handle the intricate relationships and ownership structures that define this vertical. The expansion of the KYC marketplace is in many ways the natural consequence of this dynamic.

Displacement is difficult at the top. Market-leading KYC firms have often proven difficult to displace. This is at least partially due to the increasing centrality of workflow to the customer view, making it difficult for many financial institutions to displace or replace their previously existing KYC systems. Firms at the top right of the quadrant have also defended their positions: many have invested significantly in building out their solutions, developing their analytics, building connections to third parties via APIs and increasing the data depth of their solutions.

Leading firms are building out their data management. While the core case management and workflow functionality of leading firms has been a key enabler, leading vendors have also been taking more of a data-driven approach to bolster these capabilities, ensuring that data quality, cleaning and validation, as well as entity resolution capabilities, allow them to automate processes, process documents and transfer data from third parties more effectively.

Geographic diversity has grown. The KYC space historically has been dominated by firms from the US and European Union, with some presence from India. This year, we have seen a significant influx from other regions, most notably several new entrants from the Middle East, and some from APAC. As the geopolitical environment becomes more complex, and more FIs look to build out their compliance capabilities, we expect that more regional firms will spring up and that the KYC marketplace will continue to grow.

Quadrant dynamics: KYC data

Figure 2 illustrates Chartis' view of the vendor landscape for KYC data. Table 3 lists the completeness of offering and market potential criteria we used to assess the vendors. Table 4 lists the vendor capabilities in this area.

Figure 2: RiskTech Quadrant® for KYC data, 2024

Source: Chartis Research

Table 3: Assessment criteria for vendors of KYC data, 2024

Completeness of offering	Market potential
Sanctions and watchlist data	Customer satisfaction
Negative news and PEPs	Market penetration
Electronic and digital ID	Growth strategy
Corporate structure	Business model
Entity relationships	Financials
Trade data	
High-risk business	

Source: Chartis Research

Table 4: Vendor capabilities for KYC data, 2024

Vendor	Sanctions and watchlist data	Negative news and PEPs	Electronic and digital ID	Corporate structure	Entity relationships	Trade data	High-risk business
ComplyAdvantage	*****	*****	*	**	***	*	**
Diligencia	**	**	*	*****	***	*	*
Dow Jones Risk & Compliance	****	***	*	*****	*****	*****	****
Dun & Bradstreet	*****	****	*	*****	*****	*****	****
Kharon	*****	*	*	****	****	****	****
KYC2020	***	****	*	*	*	**	**
Kyckr	**	*	*	*****	*****	*	**
LexisNexis Risk Solutions	****	*****	*****	**	**	**	***
Moody's	****	*****	**	*****	*****	***	****
NominoData	****	*****	*	*	*	***	****
Rozes	*	**	*	***	**	*	*

Key: ***** = Best-in-class capabilities; **** = Industry-leading capabilities; *** = Advanced capabilities; ** = Meets industry requirements; * = Partial coverage/component capability

Source: Chartis Research

The KYC data quadrant remains dominated by size and scale, with the largest firms continuing to build on their positions. Both major and minor vendors are actively expanding the depth of their data offerings, not just in compliance and anti-money laundering, but also by incorporating insights from adjacent sectors. This expansion allows financial institutions to form more holistic views of their complex counterparties and clients, utilizing datasets that cover such areas as bribery, corruption, forced labor and supply chain dynamics.

Additionally, the geographical specificity of available data has increased. With ultimate beneficial ownership information becoming more challenging to acquire, many firms are focusing on localized data that highlights specific regional factors, including crime group activities, local registry information not accessible online and integrations with regional identity databases. Despite the continued dominance of a few major players in this landscape, the escalating demand from financial institutions for more extensive and complex data will enable both new entrants and established firms to carve out specialized niches and broaden their impact within the quadrant.

Note

1. Note that references to companies in the text of this report do not constitute endorsements of their products or services by Chartis.

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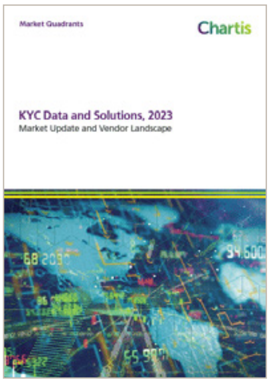
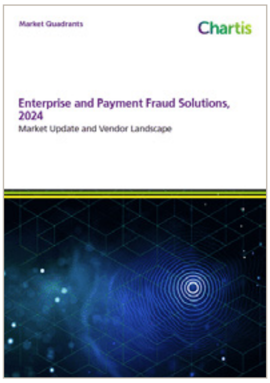
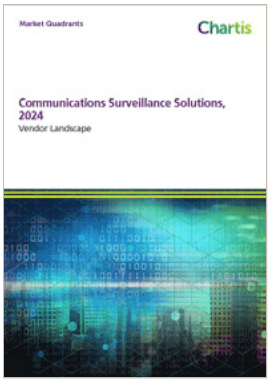
Further reading



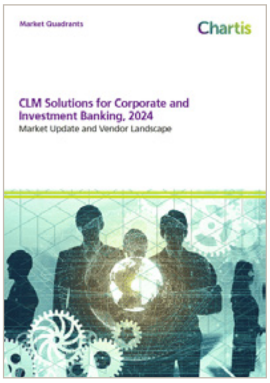
KYC Data and Solutions, 2023: Market Update and Vendor Landscape



Enterprise and Payment Fraud Solutions, 2024: Market Update and Vendor Landscape



Communications Surveillance Solutions, 2024: Vendor Landscape



CLM Solutions for Corporate and Investment Banking, 2024: Market Update and Vendor Landscape

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