TINCheck
by **SOVOS**

The Hidden Complexities of Customer Validation in Large Banks

Breaking Down the Silos

TINCheck by **SOVOS**

For large banks, verifying who your customers are - and ensuring they are who they claim to be - is more complex than ever before. Between IRS Name/TIN or EIN matching, Office of Foreign Asset Control (OFAC) screening, and ongoing fraud and sanctions monitoring, financial institutions shoulder an enormous compliance burden. That burden grows exponentially when a bank operates across multiple business lines, each with its own systems, customer types, data sources, and risk profiles.

What looks like a straightforward compliance task on the surface becomes a labyrinth of disconnected processes beneath it. Here's why.

1. One Bank, Many Customer Types—Each with Different Validation Needs

Each customer type requires different documentation, presents unique risks, and flows through different data systems. For example:

→ A commercial client may provide an EIN and complex ownership structures requiring enhanced due diligence

→ A retail banking customer may require individual TIN and identity verification

→ A mortgage borrower may require tax return validation, property-level checks, and deeper risk review

→ An investment account holder may require additional OFAC, sanctions, and politically exposed person (PEP) checks

A large financial institution might support:

→ Commercial banking clients

→ Small businesses and sole proprietors

→ Retail customers

→ Mortgage borrowers

→ Trust and wealth management clients

→ Investment account holders

→ Depository and payment services clients

This creates a massive challenge:
How do you standardize validation workflows across entirely different types of customers?

2. Information Silos Across Business Units Make Compliance Harder

Most large banks evolved through years of growth, mergers, and digital transformation efforts. The result is a patchwork of disconnected systems and teams:

→ Commercial banking may use one platform for onboarding and due diligence

→ Retail banking often uses a consumer-focused core system

→ Mortgage lending uses specialized LOS, POS, and servicing systems

→ Wealth and investment divisions rely on broker-dealer or advisory platforms

These information silos cause major problems:

→ Data is inconsistent or duplicated: Each system may store the same customer differently—even simple fields like name, address, and tax ID may not match across platforms.

→ Different teams follow different standards: Some departments may run nightly OFAC checks. Others may run checks only at account opening. Some may use real-time validation tools, while others rely on manual verification.

→ Auditability becomes a nightmare: Regulators expect banks to demonstrate consistent application of controls. Siloed workflows make it difficult to prove that every customer, account, and transaction was validated properly.

→ Cross-channel risk detection fails: A fraudster flagged in mortgage may still slip through retail account opening. Sanctions hit in commercial onboarding may not trigger alerts in treasury services.

When data doesn't move, risk exposure grows.

3. IRS Name/TIN Matching: When Simple Data Errors Become Major Reporting Problems

For 1099 reporting and B-Notice compliance, IRS Name/TIN matching is essential—yet banks face unique challenges:

→ Multiple business units collect TINs, and not all follow the same process

→ Old or outdated customer data persists in legacy systems

→ Name formatting discrepancies (corporate suffixes, special characters, alternate spellings) create unnecessary IRS mismatches

→ Different subsidiaries may store different versions of a customer's information

A single incorrect name/TIN pair can cascade into:

→ B-Notices

→ Withholding obligations

→ IRS penalties

→ Customer frustration

And when the mismatch originates from an upstream business unit that another department has no visibility into, the investigation becomes painfully slow.

4. OFAC and Sanctions Screening: Real-Time Requirements, Legacy System Limitations

OFAC and sanctions monitoring requirements demand:

→ Real-time or near real-time screening

→ Ongoing updates as sanctions lists change

→ Cross-system visibility when a match occurs

→ Audit logs and documentation for regulators

But in siloed environments:

→ One system may screen only at onboarding, missing updates

→ Another system may screen transactions but not customer profiles

→ Some divisions may rely on batch processes that miss real-time threats

→ Alert management teams may lack full customer context

This opens banks to significant regulatory risk—especially in an environment where sanctions lists are expanding rapidly and enforcement actions are growing more aggressive.

5. Fraud Monitoring: Customer Behavior Cuts Across Departments—but the Data Doesn't

Fraud detection relies on behavioral signals—a customer's transaction patterns, unusual movements, suspicious onboarding activity, inconsistencies, etc. But large banks often face obstacles:

→ Mortgage teams don't see what retail sees

→ Wealth teams don't see what commercial sees

→ Fraud teams may not see changes to customer profiles in real time

Fraudsters and bad actors know this. They exploit the seams between departments with inconsistent controls.

6. The Case for Centralized, Cross-Functional Validation Infrastructure

To overcome these challenges, the most forward-thinking banks are investing in:

→ **Unified customer identity and tax data repositories:** One authoritative source of truth for TIN, name, customer type, and ownership information.

→ **Centralized OFAC and sanctions screening:** One workflow, one toolset, consistent rules, and full audit visibility across divisions.

→ **Enterprise-wide fraud monitoring and alerting:** Cross-channel analytics to detect patterns that no single department could catch alone.
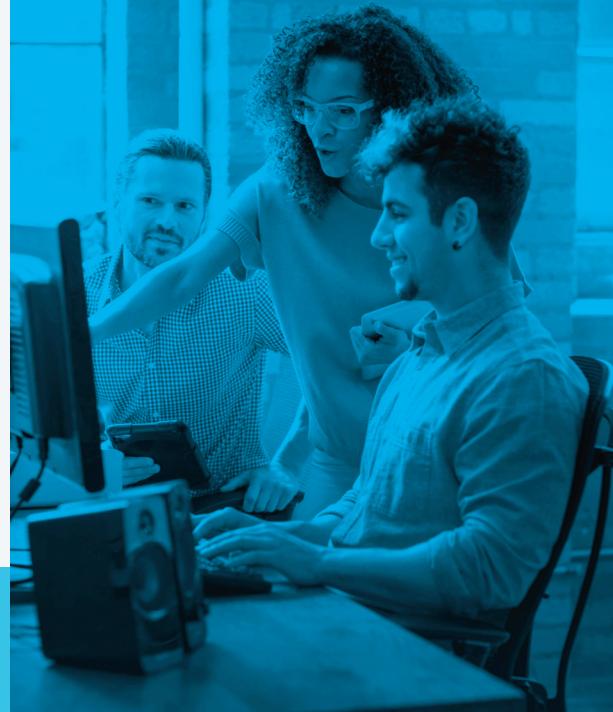
→ **Automated IRS Name/TIN matching tools:** Real-time validation at onboarding, and batch validation before annual reporting.

→ **Integrated reporting dashboards:** Allowing compliance, audit, tax, and risk to see the same data at the same time.

By breaking down silos, banks not only strengthen compliance—they create efficiency, reduce duplication of work, and deliver a better customer experience.

How TINCheck.com Helps Large Banks Break Down These Silos

TINCheck.com provides centralized, automated validation capabilities that improve accuracy and eliminate inconsistencies across business units. Features include:

→ IRS Name/TIN Matching: Real-time and batch matching reduce B-Notices, penalties, and reporting errors.

→ OFAC, SDN, and Sanctions Screening

Consolidated checks against:

→ OFAC
→ SDN lists
→ Global sanctions lists
→ PEP databases
→ Death Master File

This ensures consistent compliance across commercial, retail, mortgage, and wealth divisions.

→ Fraud and Identity Screening: TINCheck helps validate identities and detect anomalies before accounts are opened or payments are made.

→ API Integration Across Business Lines

Fraudsters and bad actors know this. They exploit the seams between departments with inconsistent controls.

TINCheck connects to multiple systems simultaneously, helping banks:

→ Standardize validation
→ Eliminate siloed workflows
→ Ensure every division uses the same data
→ Maintain complete audit trails

→ **Scalable for Large Institutions:** TINCheck supports high-volume validations across millions of records, making it suitable for enterprise-level banking environments.

Conclusion: The Stakes Are Too High for Fragmented Processes

With penalties rising, fraud increasing in sophistication, and regulators demanding deeper transparency, large banks can no longer afford fragmented name/TIN verification, sanctions screening, and fraud monitoring processes.

The banks that will thrive in the coming years are those that embrace:

→ Cross-functional data sharing

→ Unified workflows

→ Real-time validation tools

→ Enterprise-wide risk visibility

In a world of increasing regulatory complexity, centralizing validation isn't just an operational improvement—it's a competitive advantage.