# David Cameron faces unexpected hurdles buying mobile phone due to PEP status



As a former Prime Minister, David Cameron was accustomed to having his needs addressed by a dedicated team. However, a recent attempt to purchase a mobile phone for one of his children has highlighted the unforeseen challenges he now faces as a politically exposed person (PEP). According to reports, Cameron visited a Vodafone store in London but was refused permission to acquire the device, illustrating the barriers people in such positions encounter in everyday transactions.

Sources close to Cameron revealed that this was not an isolated incident. His friend mentioned that the complications arising from his PEP classification are frequent, complicating routine personal matters. The term PEP refers to individuals who hold prominent public positions and are seen as potentially more exposed to bribery or corruption, leading financial institutions to impose stricter scrutiny on their transactions.

This challenge is not unique to Cameron. In a similar vein, former Chancellor of the Exchequer Jeremy Hunt disclosed in 2023 that he also faced obstacles in obtaining a bank account from Monzo due to his political profile. Hunt articulated concerns over the implications of such hurdles, stating, “If the price of going into public life is that you find it really hard to set up a bank account, then we need to make sure that we remove barriers where we can.”

Amid rising concerns, the Financial Conduct Authority (FCA) issued guidance in 2023 urging major banks to treat parliamentarians and senior public officials fairly, following a controversy sparked by Nigel Farage, leader of the Reform UK party. Farage's account at Coutts was closed, leading him to speculate that the decision was influenced by his status as a PEP and by his political affiliations, especially given his public ties to controversial media outlets. Although Coutts asserted that his account closure was due to not meeting their commercial criteria, this encounter has opened a broader discussion about how politically exposed individuals are treated by financial institutions.

The regulatory framework governing PEPs is critical to understanding these challenges. In the UK, the Money Laundering Regulations of 2017 mandate enhanced due diligence for PEPs and their families, a measure that reflects concerns about corruption and accountability. These regulations differ notably from the approach taken by U.S. regulators, who clarified in a joint statement that while institutions should apply risk-based procedures, there is no requirement for unique additional due diligence for PEPs.

The implications of these regulations raise pertinent questions about the balance between necessary vigilance and unfounded discrimination against individuals in public positions. In this ever-complex landscape, former public figures like Cameron must navigate a new reality where the rigours of financial compliance intersect with personal freedom, complicating even the most mundane aspects of daily life.

As debates continue about the treatment of PEPs in the financial sector, it remains to be seen whether further reforms will emerge to alleviate the burdens these individuals face, ensuring that public service does not come at the cost of everyday accessibility.

### Reference Map

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Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.dailymail.co.uk/news/article-14736257/RICHARD-EDEN-Cameron-refused-permission-buy-mobile-blacklisted-Politically-Exposed-Person.html?ns_mchannel=rss&ns_campaign=1490&ito=1490> - Please view link - unable to able to access data
2. <https://www.fdic.gov/news/financial-institution-letters/2020/fil20078.html> - This joint statement from the FDIC, Federal Reserve, NCUA, OCC, and FinCEN clarifies that while banks must adopt risk-based procedures for customer due diligence (CDD), there is no regulatory requirement or supervisory expectation for unique, additional due diligence steps for customers considered politically exposed persons (PEPs). The statement emphasizes that all bank customers, including PEPs, are subject to BSA/AML regulatory requirements such as suspicious activity reporting, customer identification, CDD, and beneficial ownership requirements for legal entity customers.
3. <https://www.globalrelay.com/resources/the-compliance-hub/glossary/understanding-and-handling-politically-exposed-persons-from-a-compliance-perspective/> - This article discusses the concept of Politically Exposed Persons (PEPs) and the associated risks and regulations. It highlights that PEPs are individuals who hold prominent public positions and may present higher risks for potential involvement in bribery and corruption. The article outlines various regulations across different jurisdictions, including the USA PATRIOT Act in the U.S., which requires financial institutions to conduct enhanced due diligence on foreign PEPs, and the Money Laundering Regulations 2017 in the UK, which mandate enhanced due diligence for PEPs, their family members, and known close associates.
4. <https://www.ropesgray.com/en/insights/viewpoints/102gdwv/us-regulators-issue-joint-statement-on-cdd-for-politically-exposed-persons> - This article provides an analysis of the joint statement issued by U.S. regulators, including the FDIC, Federal Reserve, NCUA, OCC, and FinCEN, regarding customer due diligence (CDD) requirements for customers who may be considered politically exposed persons (PEPs). The statement clarifies that while banks must adopt risk-based procedures for CDD, there is no regulatory requirement or supervisory expectation for unique, additional due diligence steps for customers considered PEPs. The article also contrasts this approach with UK and EU anti-money laundering regimes, which have different expectations for handling PEPs.
5. <https://www.sama.thomsonreuters.com/en/b-politically-exposed-persons-peps> - This section of the Saudi Arabian Monetary Authority (SAMA) Rulebook outlines the identification and due diligence measures for Politically Exposed Persons (PEPs). It emphasizes that financial institutions should take reasonable measures to identify whether a customer or beneficial owner is a PEP, whether that person is foreign or local. In cases of high-risk business relationships with PEPs, the financial institution is required to apply enhanced due diligence measures to all types of PEPs, their family members, and persons close to those PEPs.
6. <https://www.fdic.gov/index.php/news/financial-institution-letters/2020/fil20078.html> - This joint statement from the FDIC, Federal Reserve, NCUA, OCC, and FinCEN clarifies that while banks must adopt risk-based procedures for customer due diligence (CDD), there is no regulatory requirement or supervisory expectation for unique, additional due diligence steps for customers considered politically exposed persons (PEPs). The statement emphasizes that all bank customers, including PEPs, are subject to BSA/AML regulatory requirements such as suspicious activity reporting, customer identification, CDD, and beneficial ownership requirements for legal entity customers.
7. <https://www.ropesgray.com/en/insights/viewpoints/102gdwv/us-regulators-issue-joint-statement-on-cdd-for-politically-exposed-persons> - This article provides an analysis of the joint statement issued by U.S. regulators, including the FDIC, Federal Reserve, NCUA, OCC, and FinCEN, regarding customer due diligence (CDD) requirements for customers who may be considered politically exposed persons (PEPs). The statement clarifies that while banks must adopt risk-based procedures for CDD, there is no regulatory requirement or supervisory expectation for unique, additional due diligence steps for customers considered PEPs. The article also contrasts this approach with UK and EU anti-money laundering regimes, which have different expectations for handling PEPs.