

Measuring the Scale of UK Money Laundering

The Joffe Trust, April 2026

This note is presented as a contribution to on-going debate about whether it is possible to produce a better estimate of the amount of money laundered in the UK, or better indicators. It summarises an expert on-line discussion (available [here](#)) with input and follow up from members of the Latimer Network.

The NCA's figure of "hundreds of billions" is too broad. The practical approach RUSI outlined in 2019 has not gained traction. Matthew Collin's 2019 article, [*Illicit Financial Flows: Concepts, Measurement, and Evidence*](#), seems to remain the best analysis of the issues. It emphasises that all approaches are "fraught with error"; none produces aggregates that can be cleanly summed, and the channels that get measured are those for which data happens to exist, not those that matter most.

This note covers three areas: the purpose of measurement, key themes about what could be measured and suggestions about potential ways forward.

The purpose of measurement

Respondents raised the question of why measurement matters. We believe the main reasons include:

1. **Policy prioritisation and resource allocation.** Without some sense of scale, government cannot know whether it is spending an appropriate amount on the problem or the right sectors.
2. **Measuring whether things are getting better or worse.** A consistent framework with indicators tracked over time would show whether the UK's exposure is rising or falling. Without that, the system operates blind. There is no basis for judging whether the resources committed are translating into results.
3. **International comparison and accountability.** The UK has committed to international standards through FATF and other bodies. Comparative data would either vindicate or challenge the claim that its approach is proportionate and effective.
4. **Making the case for compliance.** Demonstrating the positive impact of compliance — value of crime prevented, suspicious transactions blocked — would build buy-in across regulated sectors and shift the narrative from burden to value.
5. **Informing the design of the system itself.** The process of trying to measure the problem forces a better understanding of its structure — where the data gaps are, which sectors are most exposed, and where the system has blind spots.

Each reason points towards different solutions and trade-offs. Any new practical initiative to measure the scale of the issue would first have to clarify the purpose behind its effort.

Key themes from discussion

1. The problem may be fundamentally unmeasurable in aggregate. Money laundering is designed to be invisible. The underlying data does not exist, existing estimates rest on

assumptions so wide they are meaningless, and double-counting across jurisdictions compounds the difficulty.

2. It may be the wrong question. It may be more useful to reframe the question away from “how much is laundered?” and towards: “what are the proceeds of crime available for laundering, what proportion is successfully laundered, and what are the harms and costs?” For other crime types, the UK already measures cost of crime rather than the size of the criminal economy.

3. Directional indicators may matter more than a headline number. A practical approach may be a model with indicators showing whether things are getting better or worse, and where the UK sits comparatively. This echoes proposals for a financial crime “clear-up rate” and for using graded SARs and their associated values as a proxy, smoothed via rolling averages.

4. A sector-by-sector approach could yield credible figures. Bottom-up estimates could be built by sector: e.g. environmental crimes, corrupt property purchases, illicit mineral imports etc. A pragmatic variant from the EU Tax Observatory narrows the scope further: measure specific high-risk channels rigorously, and track how activity responds to policy change as a directional indicator of whether interventions work. They have tested this for beneficial ownership transparency and [UK real estate](#), and forthcoming work ahead of the UK Illicit Finance Summit covers Companies House identity verification (reportedly already finding circumvention) and foreign PEPs' UK property wealth. Channel-level measurement can't cleanly aggregate into a national figure, but for evaluating specific interventions could be the most useful approach available.

5. Structure a measurement framework before gathering data. A framework could define precisely what you need to know, enabling a layered framework across channels and predicate crime sources. Available evidence could be identified for each layer and stress-tested with domain experts.

6. Measuring enforcement impact and harms. It may be possible to focus on the harms that compliance and enforcement actually prevent — e.g. frauds stopped, high-risk transactions blocked, the effect of operations like Op Destabilise on laundering commission rates — to build a more positive narrative around compliance.

7. A data infrastructure approach. A National Financial Crime Data Platform could combine data from sources such as: SARs, Companies House, Land Registry, sanctions and crypto data into a graph-based system generating indicators of whether UK exposure is rising or falling. Work in this direction is already in progress within the public sector in the UK but although this will be helpful for operational purposes, it will not be able to deliver a credible aggregate scale figure. It cannot account for displacement of laundering into other jurisdictions, sectors or asset classes.

8. AI is not the answer yet; the bottleneck is data. The constraint is data availability and quality, not analytical capability. Academic research (e.g. Norway, Bank of Italy/Oxford) may yield progress with better datasets.

9. Broader international frameworks offer useful leads. The 2025 NRA provides the best current UK data. IMF work on illicit flows using transaction data not linked to underlying economic activity, sector-based methodologies, and Oliver Bullough's case for a global data repository all offer useful starting points.

Potential ways forward

1. **Measure what can be measured — but don't let the scale figure become the goal.** Clarify the purpose of measurement. Evaluation of specific actions and policy interventions is vital and should be done rigorously. The exercise of defining what “good enough” looks like has value, provided it is tethered to what can actually be measured and does not crowd out the evaluations and operational work that can be done now.
2. **Design a structured measurement framework.** Define the target metric, map channels and predicate crime sources, identify available evidence, and validate with practitioners before collecting data.
3. **Pilot sector-by-sector estimates.** Start with sectors where data is more available (e.g. property, timber imports, fisheries) and measure rigorously a tight set of high-risk channels and track how they respond to policy interventions.
4. **Build a comparative indicator model.** Develop a model with defined indicators and assumptions that enables tracking over time and international comparison, even if the absolute number remains uncertain.
5. **Invest in proxy indicators.** A basket of proxies — SAR quality and value trends, clear-up rates, enforcement outcomes, laundering commission rates — could give a directional picture of progress.
6. **Build shared data infrastructure.** A platform linking SARs, corporate registry, property and financial data would enable network-level analysis and underpin any future measurement effort. Pursue this for its operational value rather than on the expectation that it will resolve the aggregate-measurement question.
7. **Commission structured research.** Drawing on academic work and IMF methodologies, pilot measurement approaches on bounded problems (e.g. laundering through UK property) where data is more available, and build outward.

Perhaps pursuing these approaches in parallel, treating them as complements rather than substitutes, and building up the evidence base through investment in forensic work on bounded problems, is a way to keep improving measurement of the problem.