

# THE REAL RISKS: HIDDEN THREATS WITHIN THIRD-PARTY RELATIONSHIPS

REFINITIV®  
DATA IS JUST  
THE BEGINNING®

1

## THE REAL PICTURE

With an average of nearly 10,000 third-party relationships to deal with, many organizations are not fully carrying out due diligence at either onboarding or ongoing monitoring stages. This is compounded by competitive pressures, greater globalization and increasingly complex supply chains.



**43%**

of third parties do not receive due diligence checks, according to our survey respondents. This is six percent higher than when comparing the same countries to our 2016 survey.



**63%**

of respondents agree that the economic climate is encouraging organizations to take regulatory risks in order to win new business.



**53%**

of respondents say that they would report a third-party breach internally and only sixteen percent would report it externally.



**60%**

of respondents are not fully monitoring third parties for ongoing risks.

2

## DRIVERS AND BLOCKERS

Despite greater regulation and stronger enforcement action, organizations are struggling to gain visibility over third-party risks and take appropriate action. Green crime and environmental risks are rising but require more accurate analysis.



**61%**

perceive that prosecution would be unlikely if they breached third-party-related regulations.



**50%**

say they know of an enforcement action being taken against their company in relation to a third-party risk.



**25%**

of an organization's corporate value would be lost as a result of a regulatory breach, according to our survey respondents.



**84%**

of respondents believe that 'greenwashing', by providing misleading environmental credentials, is becoming increasingly common.

3

## TAKING ACTION

Better data, greater innovation and new forms of collaboration hold the key to reducing third-party risk. Building greater transparency and resilience into supply chains is crucial.



**37%**

of respondents believe that a lack of data is a problem they face in identifying risk within their supply chain.



**93%**

saying that spending increased after an enforcement action related to third-party risk.



**62%**

of respondents do not know the extent to which third parties are outsourcing work.

### About the survey

This information is based on research commissioned by Refinitiv that was conducted online by an independent consulting company in February 2020.

Nearly 1800 risk management and compliance professionals across 16 countries completed the survey.

View global report [now](#)

Explore our risk and compliance solutions visit [Refinitiv.com](#)

#FightFinancialCrime

REFINITIV®  
DATA IS JUST  
THE BEGINNING®