

IFB Consumer Advice

'Cash for Crash Scams'



The 'cash for crash' scam

As innocent unsuspecting motorists on the road, you or a member of your family and friends could fall victim to and be targeted by what are known as 'cash for crash' fraudsters. Aside from the safety risk, being involved in a motor vehicle accident can be traumatic and there is the time and inconvenience associated with dealing with the fraudsters making claims on your insurance policy. Ultimately you could see an impact on your no claims bonus and the future cost of your insurance policy.

The fraudsters behind cash for crash will target cars or commercial motor vehicles. They will operate for example in the vicinity of busy roundabouts, junctions, on slip roads and in slow moving traffic, but they can be anywhere. By suddenly and unexpectedly applying their brakes, the innocent driver in the vehicle following the fraudster will not have sufficient time to react and they will crash into the rear of the fraudster's vehicle. Stage one of the cash for crash scam has taken place; now the fraudsters will put the wheels in motion to go for the cash.

The fraudsters will make a claim against the innocent driver and ultimately their insurance company, predominantly using third party professionals (e.g. solicitors and claims management companies), some of whom are unwittingly brought into the scam. These claims can feature:

- compensation for fictitious personal injuries, to include claims from individuals who were not even in the fraudster's vehicle at the time of the accident
- the cost of recovering the fraudster's vehicle from the scene of the accident, even though it was actually driven away after the collision
- the cost of repairing the fraudster's vehicle, to include fictitious damage and damage that was already present on their vehicle from previous cash for crash activity
- loss of earnings for the driver and the occupants of the fraudster's vehicle
- the cost of hiring an alternative vehicle until the fraudster's vehicle has been repaired, despite them driving their vehicle following the accident or having access to others

For each successful cash for crash scam and its important to reference that the insurance industry is very active in targeting those behind such activities, the fraudsters can net up to £30,000 and more in certain circumstances.

The Insurance Fraud Bureau (IFB) also has evidence to demonstrate that the proceeds from this type of fraud are used to fund other forms of serious crime which have a detrimental impact on society. Fraudulent insurance claims on average add £44 to the annual costs (per insurance policy) individual genuine policyholders face each year.

How to minimise the risk of being targeted by the cash for crash fraudsters

Below are some simple pointers to assist innocent motorists from becoming the target of cash for crash fraudsters, some of which is good driving practice.

- **Stay Alert**
Always focus 100% on your driving and the environment you are driving within
- **Distractions**
If you are eating or worse still using your mobile phone when driving (which is itself illegal), you may be a particularly attractive target for the fraudsters
- **Safe Distance**
Always keep a safe distance between your vehicle and the vehicle in front; sufficient for you to stop or take other evasive action to avoid colliding with the rear of the vehicle
- **Brake Lights**
If the vehicle you are following has been involved in braking manoeuvres in front of you, have you seen their brake lights working?
- **Erratic Driving**
Is the vehicle in front being driven unnecessarily slowly or is it slowing down and speeding up for no apparent reason?
- **Driver Behaviour**
Is the driver of the vehicle in front paying an unusual amount of attention to what is taking place behind them?
- **Passenger Behaviour**
Are the passengers in the vehicle in front turning around in their seats and looking at your following vehicle for no apparent logical reason?
- **Collision Damage**
Does the vehicle immediately in front display existing motor vehicle damage to its rear?

An accident occurs and you are highly suspicious

- Stay calm, don't argue or get angry with the driver of the other vehicle and/or their passengers
- Call the Police immediately while you are still at the scene of the accident, inform them you suspect the accident is a cash for crash scam and ask they attend the accident scene
- Don't admit liability to the other driver, anyone else in their vehicle or any other party that appears to be connected to them at the scene of the accident, or sign any document
- Make a comprehensive record of as much information as possible at the scene, namely:
 - the time, date, location and weather conditions at the time of the accident
 - the full name, address and date of birth of the driver and each passenger in their vehicle, and whether they were male or female
 - ask the driver of the other vehicle to produce something to confirm their identity
 - ask the driver whether they are the owner of the vehicle and if not, ask the driver for details of the owner
 - the total number of passengers in the other vehicle, to include where they were sat in the vehicle immediately after the accident
 - the make, model and registration number of the other vehicle
 - if the other vehicle is damaged, make a note of what that damage is. If it is not displaying any damage, make a note of that
 - if you have a camera in your vehicle, or alternatively a mobile phone/PDA with a camera, take photographs of the area of the other vehicle your vehicle impacted with, to capture details of any damage or not as the case may be
 - take photographs of the scene of the accident
 - only if safe to do so, take photographs of the driver and the passengers in the other vehicle
 - whether the driver of the other vehicle or any of their passengers are complaining of being injured and also if no one is complaining of being injured
 - whether the driver was reading from a document when dealing with you, or hands you a document with their details already recorded thereon
 - how the other vehicle left the scene of the accident (e.g. driven or towed away). If towed or transported away, make a note of the vehicle and registration number of the vehicle that took the car away, to include whether it displayed any business name
 - the make, model and registration number of any other vehicle you feel may be connected to the vehicle you have collided with, which you have noticed soon after the accident occurred
 - the names and addresses of any independent witnesses
- It may not be possible for you to record all the information shown above, however the more you do capture, the greater the benefit to your insurer when tackling the fraudsters

- Contact your insurer immediately after the accident to advise them of your suspicions and to provide them with all the information you have recorded. It is very important you contact your insurer the same day or the following day, to supply this information. They will in turn be able to move quickly to respond to any insurance claim they subsequently receive from the fraudsters
- Keep a record of the information you supply to your insurer
- In the unlikely event you are unable to make prompt contact with your insurer to supply this information, please feel free to contact the Insurance Fraud Bureau (IFB) by visiting the IFB website <http://www.insurancefraudbureau.org/contact>

Know someone who is, has been or may be involved in insurance fraud?

Insurance fraud is a crime. The insurance industry doesn't tolerate any form of fraud and takes a variety of steps to protect their customers from the impact of fraud.

The IFB assists insurers to not only identify those fraudsters involved in serious, organised and cross insurer fraud, but also to ensure their activities are disrupted. This includes successfully prosecuting the fraudsters resulting in terms of imprisonment being handed down by the courts. The IFB also manages the insurance industry Cheatline.

If you know someone who is, has been, or may be associated with any form of insurance fraud and not just cash for crash incidents, then the IFB wants to hear from you. The IFB operates a free and confidential Cheatline, where you can supply information relating to any form of insurance fraud, by calling **0800 422 0421**, or alternatively you can report on-line at www.insurancefraudbureau.org/report