



NEWS RELEASE

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Bogus Britain - insurers expose over 2,300 fraudulent claims every week

Insurers are detecting more fraudulent insurance claims than ever according to figures released today by the ABI. Last year over 2,000 dishonest insurance claims worth more than £16 million were detected every week.

ABI figures show that in 2009:

- 122,000 fraudulent insurance claims were uncovered, up 14% on 2008. The value of these claims, at £840 million, rose by 14% on the previous year.
- Motor insurance frauds were highest by value, with dishonest claims totalling £410 million uncovered. The most common frauds involved home insurance, with 62,000 bogus or exaggerated claims detected.
- 4% of all claims by cost were fraudulent. This is similar to 2008, although double the figure of five years ago.

Many of the 8,500 dishonest liability claims exposed involved bogus personal injuries. Examples of such frauds include:

- A man claimed he had fractured his hand after falling over a pothole in the street, when in fact he had sustained the injury after he punched a wall during a domestic dispute.
- A young woman claimed to have tripped over a loose pavement, when in fact her injuries were actually sustained from jumping down a flight of stairs while running away from security guards on suspicion of shoplifting.
- Head injuries allegedly sustained by falling over, were in fact sustained after being hit on the head by a baseball bat during a fight.

Nick Starling, the ABI's Director of General Insurance and Health, said:

Reducing fraud remains an ongoing battle for the insurance industry. Our honest customers rightly object to having to pay higher premiums to subsidise the fraudulent minority, which is why insurers continue to up their game in the war on the cheats.

Whether claiming against a third party for bogus personal injury or on their own insurance, fraudsters are more likely than ever to get caught, leading to more expensive and harder to obtain insurance and credit, and the possibility of a criminal record.

- ENDS -

Notes for Editors

1. Enquiries to:
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2. Fed up with paying for fraudsters through higher premiums? Here is an example of how the public can fight back by providing information to the free an confidential Cheatline run by the Insurance Fraud Bureau (IFB).

An individual submitted a false claim for a substantial amount on their boat, claiming the boat had sunk whilst out sailing. An anonymous call to the Cheatline provided vital information to support insurer investigations and resulted in the boat being discovered for sale on an online auction site and stored, undamaged, locally. The claim was not paid by the insurer and the individual concerned prosecuted. That person now has a criminal record associated with making a fraudulent insurance claim.

The IFB urges anyone with information on insurance fraud to call or click its free and confidential Cheatline on 0800 328 2550 or <http://www.insurancefraudbureau.org/report/>.

3. The ABI is the voice of the insurance and investment industry. Its members constitute over 90 per cent of the insurance market in the UK and 20 per cent across the EU. They control assets equivalent to a quarter of the UK's capital. They are the risk managers of the UK's economy and society. Through the ABI their voice is heard in Government and in public debate on insurance, savings and investment matters.
4. An ISDN line is available for broadcasts.
5. More news and information from the ABI is available on our web site, www.abi.org.uk.