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## **JOINING FORCES TO FIGHT FRAUD**

Thirty-seven organisations [1] joined forces today to launch '*Fighting Fraud Together*', a new strategy that aims to reduce fraud - a crime that affects everyone and is estimated to cost the UK £38 billion every year [1].

It is the first time that the government, industry representatives, voluntary groups and law enforcement agencies have joined together on such a large scale to sign a joint commitment to tackle fraud.

All thirty-seven partners that have signed up to *Fighting Fraud Together* will contribute to and be accountable for its success [2]. They are intent on expanding and extending the successful activities that exist in their sectors and sharing fraud intelligence across boundaries to prevent and disrupt the activities of fraudsters.

*Fighting Fraud Together* and its accompanying action plan place strong emphasis on preventing fraud through greater fraud awareness and self protection, combined with stronger government and industry prevention systems and controls. It also sets out a more effective approach to enforcement.

Examples of the new initiatives that are being progressed under *Fighting Fraud Together* include:

- **Preventing fraud:** Industry and the public sector will develop their intelligence-sharing capabilities to prevent fraud attacks [3].
- **Increasing awareness and reporting:** A new research tool will help all sectors provide more targeted prevention advice to the public, particularly vulnerable people, and develop a better understanding of small businesses' vulnerability to fraud and the support they need. Action Fraud will expand its fraud report taking capacity to include all financially motivated online crime. [4&5].
- **A more effective enforcement response:** Greater intelligence capabilities of the National Fraud Intelligence Bureau will disrupt fraudsters' activities and rapidly close down the channels through which they operate and launder money [6]. Increasing the use of the civil system will bring more fraudsters to justice and there will be more redress for their victims.

*Fighting Fraud Together* is an active commitment that will continue to evolve. The aim of all who have signed up is to encourage many more industries and organisations to sign up and become involved in the coming year.

Speaking at the Fighting Fraud Together launch event, today at Mansion House, James Brokenshire MP, Minister for Crime and Security said:

"I applaud the different organisations and industry groups that have joined together today to play their own part in Fighting Fraud Together. By sharing what we know, we will reduce fraud.

"Fraud causes serious harm to the public, to businesses and the wider economy. For too long fraud has almost been seen as a victimless crime. It isn't and too often the victims are some of the most vulnerable members of our community. That's why this new strategy is important to better target, prosecute and prevent it.

"The creation of a new Economic Crime Command as part of the National Crime Agency will also provide a more effective, better co-ordinated and intelligence-led response across all economic crime fighting agencies."

The National Fraud Authority led the development of *Fighting Fraud Together* on behalf of the whole counter fraud community, with significant input from the private and not-for-profit sector as well as law enforcement and government.

National Fraud Authority Chief Executive, Stephen Harrison, commented:

"Fraudsters can be beaten. We have seen reductions in fraud in some sectors in recent years but overall the threat is still growing. Fighting Fraud Together provides the means for all sectors of the economy to learn from each other and collaborate.

"As a result of Fighting Fraud Together I expect to see more sharing of intelligence, more fraud losses prevented, a greater number of criminal enterprises disrupted, more assets denied and more criminals brought to justice. We have the tools to fight back. Now we have the will and commitment to use them together to even greater effect."

Adrian Leppard, Commissioner of the City of London Police, which is the UK's lead force for fraud, said:

"The nature and scale of fraud offending across the UK demands a co-ordinated and collaborative response from law enforcement and the public, private and voluntary sector.

"Through Fighting Fraud Together we have a comprehensive strategy in place that will enable the counter fraud community to combat more effectively a crime that has permeated all corners of society.

"As the national lead force for fraud and the home of the National Fraud Intelligence Bureau, the City of London Police specialises in sharing intelligence and best practice and will utilise all its resources in support of the Fighting Fraud Together strategy, which we believe marks an important milestone in our collective efforts to combat fraud."

**For more information please contact:** The National Fraud Authority on 0203 356 1035

## Notes to Editors

- (1) National Fraud Authority Annual Fraud Indicator 2011
- (2) The 37 organisations that have signed up to Fighting Fraud Together are: Association of British Insurers; Association of Chief Police Officers; Attorney General's Office; British Bankers Association; British Chambers of Commerce; British Retail Consortium; Building Societies Association; Charity Commission; Charity Finance Directors Group; Citizens Advice; City of London Police; Council of Mortgage Lenders; Crown Prosecution Service; Department for Communities and Local Government; Department for Work and Pensions; Federation of Small Businesses; Fraud Advisory Panel; Financial Services Authority; HM Revenue and Customs; HM Treasury; Home Office; Insurance Fraud Bureau; Land Registry; The Law Society; Metropolitan Police; Ministry of Justice; National Council for Voluntary Organisations; National Fraud Authority; Royal Institute of Chartered Surveyors; Serious Fraud Office; Serious Organised Crime Agency; Solicitors Regulation Authority; Telecommunications UK Fraud Forum; The UK Cards Association and Victim Support
- (3) A public sector fraud alerts mechanism will be established and information on compromised and false identities will be shared more extensively. In recent years parts of government, law enforcement and industry have made significant investments in sharing information and intelligence, with tangible benefits. One example is the pilot exercise conducted by the Council of Mortgage Lenders and HM Revenue and Customs to assist lenders with checking income details provided by mortgage applicants. The Council of Mortgage Lenders estimated that the pilot identified and prevented mortgage frauds with a total value of more than £111million. Following the pilot, the March 2010 budget announced the introduction of the Mortgage Verification Scheme - a formal mortgage scheme to combat suspected fraud. As well as aiding mortgage fraud prevention, the scheme will help HMRC to risk assess whether the information it has been given on applicants' tax affairs is correct.
- (4) The National Fraud Segmentation is a new research tool to help target more vulnerable individuals with awareness and behaviour change activity. It was developed by the National Fraud Authority in association with private sector partners and identifies groups of people whose attitudes and behaviours to financial decision-making make them potentially more vulnerable to fraud. It is already being used by some industries to target their more vulnerable customers with tailored, specific fraud prevention awareness and messages. More sectors will be encouraged to use it to provide more targeted prevention advice to the public, particularly vulnerable groups, and it will be extended to develop a better understanding of small businesses' vulnerability to fraud and the support they need.

- (5) Action Fraud is expanding its national fraud reporting remit to take all financially motivated online crime and will be enhancing its prevention advice and awareness for individuals and businesses. Action Fraud has already taken over £250 million of fraud crime reports from 28,000 victims and provides online prevention advice to over 400,000 people.
- (6) The National Fraud Intelligence Bureau will be a powerful means to provide intelligence, rapidly shut down fraudsters and secure more criminal convictions. A recent case demonstrates the potential of the service: In July, Action Fraud was inundated with reports from people living across the UK of an online ticketing fraud against popular music concerts. The National Fraud Intelligence Bureau quickly assessed hundreds of these allegations and provided an intelligence report for the City of London Police to use as the basis of a criminal investigation. In just 24 hours, detectives had arrested a suspect and soon after had removed from the internet a website believed to be selling non-existent tickets. The investigation is ongoing.

### **Quotes from Fighting Fraud Together signatory organisations**

#### ***British Retail Consortium***

British Retail Consortium's Director General, Stephen Robertson said: "Internet retailing is extremely important for customers, retailers and the UK economy. It's the fastest growing shopping channel by far, now responsible for 8% of all retail sales which, last year, were worth more than £23 billion. Retailers invest very significant resources in security. Customers' increasing confidence in buying online is part of the reason for its rapid expansion. Fighting Fraud Together is an important step to delivering the benefits of further growth by giving retailers and customers extra reassurance when they buy via the internet".

#### ***Charity Commission***

Sam Younger, Chief Executive of the Charity Commission said: "We are pleased to be working in partnership with the National Fraud Authority on developing a strategic response to tackling fraud in the charity sector. Whilst charity fraud only accounts for 3% of all fraud, the thought that any individual or group could steal from genuine good causes that vulnerable people rely on is something I'm sure the public would find abhorrent. We will work with Government agencies and the sector to help charities do all they can to protect themselves from the risk of fraud, including continuing to provide information to help the public identify genuine charities."

#### ***Charity Finance Directors Group***

Caron Bradshaw CEO of the Charity Finance Directors Group said: "At times of economic stress the pressure from and vulnerability to fraud increases. Like the private and public sectors, the charity and voluntary sector is not immune to fraud and so has a significant part to play in prevention, reporting and enforcement activities. Tackling fraud requires

robust action and the coordination of a cross-sector project is an extremely powerful and positive step.

“We are pleased that the Fighting Fraud Together strategy recognises the full breadth of the role charities can play in raising awareness and reducing the incidence of fraud, and CFDG will have a key role in supporting and developing this work. Providing opportunities to share experience, intelligence and good practice will be pivotal in tackling fraud and is at the heart of what CFDG does.”

### ***Citizens Advice***

Citizens Advice Chief Executive Gillian Guy said: “We all have a part to play in tackling fraud. Consumers, advice agencies, enforcers such as Trading Standards and the National Fraud Authority can only beat fraudsters by working together, sharing what we know to keep one step ahead of the latest scam and to take action to stop fraudsters in their tracks.”

### ***Federation of Small Businesses***

Mike Cherry, Policy Chairman, Federation of Small Businesses (FSB) said: ‘The Strategic Plan signals a real partnership between the public and private sector in the fight against fraud. Fraud costs UK small businesses up to £2900 per year per business - a concerning figure given the deterrent effect to businesses wanting to grow and trade more online. Raising awareness of current fraud risks to aid prevention is key, coupled with encouraging businesses to report fraud and e-crime, ensuring that targeted activity and investigations take place as a result’.

### ***Insurance Fraud Bureau***

Glen Marr, Director of the Insurance Fraud Bureau (IFB) said: “The IFB welcomes and supports the Fighting Fraud Together Campaign. In 2006 the insurance industry recognised the value of acting in a collective manner to disrupt organised insurance fraud and formed the IFB. The IFB model, which represents a milestone for the UK insurance industry, demonstrates the success that can be achieved in approaching fraud prevention from a collaborative perspective, with intelligence, data sharing and use of analytical software, underpinned by partnerships with insurers, law enforcement agencies and regulators. In our firm opinion, there are significant opportunities for the private and public sector to work in partnership to reduce fraud, and it is a step that the IFB would relish being part of”.

### ***National Council for Voluntary Organisations***

Sir Stuart Etherington, Chief Executive of the National Council for Voluntary Organisations said:

‘While the incidence rate of fraud in the voluntary sector remains mercifully low, it is one of a number of challenges which can hinder charities’ ability to play their fullest role in society. We are delighted to be joining forces with such a wide range of organisations in signing up to this strategy. Fraud can be tackled most effectively if we all work together to raise awareness, share intelligence and take a collective stand against it.’

### ***Solicitors Regulatory Authority***

Steve Wilmott, the SRA's Director of Intelligence and Investigation, said: "We fully support this new initiative by the National Fraud Authority. We already work closely with other agencies such as the Police and the Serious Organised Crime Association, which has proved successful. Action Fraud will help us to build on this success by closer networking with other organisations, sharing information and resources. This will enable us to identify criminal activity at an earlier stage than was previously possible and to close gaps which existed. Criminals often target respectable professions as a front for their activity, and solicitors and legal services are areas which become involved, often unwittingly. We look forward to co-operating with Action Fraud so that we can prevent vulnerable members of the public becoming victims of crime."

### ***Telecommunications UK Fraud Forum***

Jack Wraith, CEO, Telecommunications UK Fraud Forum said; "Fighting Fraud Together reinforces the work already undertaken by the National Fraud Authority to bring to the fraud arena a greater awareness and cross industry and public sector engagement in the on-going fight against fraud wherever it is committed. It is a clear call to action to all fraud professionals, law enforcement agencies and Government to come together to tackle this attack by criminals on both public and private finances and resources"

### ***The UK Cards Association***

Paul Marsh, Managing Director, The UK Cards Association said: "We are delighted to support the National Fraud Authority in the fight against crime and will continue to invest in short-term and long-term measures to tackle banking fraud in all its guises. We have long embraced a partnership approach in the fight against fraud and are fully supportive of the way forward outlined in Fighting Fraud Together."

### ***Victim Support***

Javed Khan, Chief Executive of Victim Support, said: "We know that fraud is not a victimless crime. It can have a devastating financial and emotional impact on the lives of individuals and families, which is why we are supporting Fighting Fraud Together. The more agencies from a range of sectors can work effectively together to raise awareness and prevent fraud, then the fewer victims there will be. Victim Support is looking forward to working with partners to ensure that we succeed in the fight against fraud and that fraud victims get the help and support they need."