Crash for Cash
Putting the brakes on fraud
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Inevitably, Carl crashed into the back of the car in front and by doing so became an unwitting victim of car insurance fraud. Stage one of a ‘Crash for Cash’ scam – the crash – was complete.

As the car in front approached the zebra crossing, the road ahead was clear.

“There wasn’t a pedestrian in sight and I couldn’t see any reason for him to stop,” said Carl.

“But out of nowhere he slammed on the brakes as I approached behind him.”

Inevitably, Carl crashed into the back of the car in front and by doing so became an unwitting victim of car insurance fraud.

Stage one complete

Now the fraudsters would set the wheels in motion to go for the cash.

Page 15: The scam continues…
For too long there's been a common misconception that insurance fraud is somehow a 'victimless crime' – that fraudulent claims just dent the pockets of so-called 'fat cat' corporates.

Let me dispel that myth. Insurance fraud costs us all. As honest policyholders we pick up a collective bill for fraud through increased premiums. Are you happy giving fraudsters £50 of your money each and every year?

But in ‘Crash for Cash’, insurance fraud poses even starker risks to society. Innocent motorists are being targeted on roads by fraudsters motivated by greed. By deliberately causing accidents, fraudsters are gambling with the lives of innocent people.

Criminal gangs organising multi-million pound ‘Crash for Cash’ scams are using the profits of their fraud to fund other crimes plaguing our society – illegal firearms, drug dealing and people trafficking, to name just a few examples.

Far from being a victimless crime, insurance fraud is something we all need to be wary of.

The Insurance Fraud Bureau (IFB) was set up in 2006 to clamp down on organised insurance fraud – to disrupt criminal gangs and protect consumers from the effects of fraud. At any one time, 30 to 40 criminal gangs are under investigation by the IFB.

Since 2006, the IFB has dismantled sophisticated fraud rings across the UK, adding weight to the argument that ‘Crash for Cash’ is a UK-wide phenomenon, not constrained to postcodes or ‘hot-spots’.

In 2012 a landmark prison sentence was handed out to a ‘Crash for Cash’ conspirator – a seven-years-and-three-months jail term sent a clear statement from the industry, police and our justice system that insurance fraud will not be tolerated. And with the introduction of a dedicated police unit – the Insurance Fraud Enforcement Department (IFED) – we continue to up the ante on fraudsters.

Today, the IFB publishes the first comprehensive report on the ‘Crash for Cash’ phenomenon, which lifts the lid on a criminal enterprise worth £392 million every year.

Unveiling the lengths fraudsters go to scam the system, the ‘Crash for Cash’ report unpicks the make-up and psychology of criminal gangs targeting the insurance industry, considers the geographical spread of scams currently under investigation across the UK, and looks at whether public perceptions towards ‘Crash for Cash’ could be contributing to the problem.

The report demonstrates that UK motorists and honest policyholders are the ultimate victims of ‘Crash for Cash’. As such, if you know anyone involved in a ‘Crash for Cash’ scam, please call our free and confidential Cheatline – powered by Crimestoppers – on 0800 422 0421.
Motorists concerned about sustaining injuries in a deliberately-caused accident: 8 in 10

Annual cost of ‘Crash for Cash’ fraud: £392 million

Personal injury claims linked to suspected ‘Crash for Cash’ scams: 1 in 7

Average value of organised ‘Crash for Cash’ scam investigated by the IFB: £1.7 million

Of motorists concerned about insurance premiums rising to cover the costs of fraud: 84%

People would consider taking part in ‘Crash for Cash’ for financial gain: 1 in 10

Personal injury claims linked to suspected ‘Crash for Cash’ scams: 69,500

Of population think ‘Crash for Cash’ is a big problem in the UK: 74%

Report insurance fraudsters – 0800 422 0421
Preface

Insurance Fraud Enforcement Department

In January 2013 the Insurance Fraud Enforcement Department (IFED) will be one year old and I believe we are already repaying with interest the investment – time and money – made in us by the insurance industry.

The 2012 fact sheet makes for good reading. Going into November we had made close to 250 arrests on referrals from 50 different insurers. From this we have secured seven convictions, including several custodial sentences, and at any one time have around £12 million of insurance fraud under investigation.

But this only tells part of our story. With the support of the Association of British Insurers, the IFB and a swathe of insurers, and through regular appearances in local and national media, we are starting to change a misguided perception that insurance fraud is not a real crime and offenders have little chance of being caught. This applies to fraudsters in all their forms, from the individual bogus claims made for missing animals, stolen possessions and dead relatives right up to the serious organised crime gangs running ‘Crash for Cash’ scams that put motorists’ lives at risk and cost insurers hundreds of millions of pounds each year.

Right from the start we knew that cases of induced accidents would be a focus of attention, and so it has proved. Our detectives have dismantled several major criminal gangs, which marks a good beginning. But in 2013 I look forward to seeing many more gangs who think they can make money by committing crime on our roads, to be given a very nasty wake-up call in the form of a visit from IFED.

It’s what they deserve and what the industry has now come to expect.

Ian Dyson, City of London Police Assistant Commissioner
The insurance industry provides essential products and services that help consumers manage their financial risk every day – a role that is more important than ever in today’s tough economy. Combatting fraudulent insurance activity is one of the industry’s key priorities and we have a simple, on-going aim: to stamp out fraud and protect our honest customers.

Each day insurers uncover 381 fraudulent insurance claims worth more than £2.7 million. That’s 2,670 fraudulent claims a week costing honest customers £1 billion a year. But that is only the tip of the iceberg. We estimate that there is a further £2 billion of undetected fraud – all of which is adding an extra £50 to the annual household insurance bill. ‘Crash for Cash’ frauds alone cost the industry £392 million each year. We welcome this report from the Insurance Fraud Bureau (IFB) with its thorough analysis of this costly, unacceptable crime.

Insurers invest about £200 million a year in counter-fraud activity, and 2012 has been a seminal year in the fight against fraud with two key industry initiatives launched. The industry-funded specialist police unit, the Insurance Fraud Enforcement Department, was launched in January and has already made more than 200 arrests in the first nine months. The Insurance Fraud Register, launched in September, provides the first industry-owned, cross-sector register of known fraudsters. Both initiatives are significant tools in our armoury to fight fraud, and both complement the excellent work carried out by the IFB since it was set up in 2006.

The industry makes no apologies for its tough stance on tackling insurance fraud, whether it is opportunistic or highly organised motor scams. We will maintain our focus to ensure that the consequences for those who commit fraud are severe, and will continue to do what it takes to protect our genuine customers.

Otto Thoresen, Director General of the Association of British Insurers
Across the UK criminal gangs are organising ‘Crash for Cash’ scams, faking or deliberately causing thousands of ‘accidents’ every year just to submit fraudulent insurance claims.

‘Crash for Cash’
- definition - to stage or deliberately cause a road traffic collision solely for the purpose of financial gain.
Two vehicles, both in the hands of the criminals, will be deliberately crashed together away from the public eye. Sometimes the fraudsters may just take a sledge hammer to the vehicles to mimic the effects of a genuine car crash.

With an induced accident, the fraudster targets an innocent motorist to become the ‘at fault’ driver. Typically the fraudster’s car will pull in front of the victim, slam on the brakes and – if the driver behind can’t stop in time – be shunted from the rear. Fraudsters often disable brake lights on their vehicles to give the unsuspecting victim no chance of stopping in time.

Over the years methods have become increasingly sophisticated, involving more than one participant, decoy vehicles and fake witnesses.

By targeting motorists on UK roads, fraudsters are gambling with the lives of innocent people.

Beyond the obvious safety implications, innocent victims of induced accidents can lose their no-claims bonus and see their premium rise following the ‘accident’.

Sometimes the fraudsters don’t bother crashing cars at all. Contrived or ‘ghost’ accidents are paper-based frauds, which involve submitting completely fabricated claims for accidents which never actually took place, and in some cases for cars that don’t even exist.

Report insurance fraudsters – 0800 422 0421
Fraudsters deliberately causing accidents pose a significant risk to the safety of UK motorists. In America, ‘Crash for Cash’ scams have cost innocent motorists their lives. Police warn it’s only a matter of time until the UK suffers its first ‘Crash for Cash’ fatality.

Watch the ‘Crash for Cash’ video online
www.insurancefraudbureau.org
Fraudsters look to make as much money out of the scam as possible. Each ‘accident’ can net anything up to £30,000 through a combination of exaggerated insurance claims for:

- Personal injury
- Loss of earnings
- Vehicle damage
- Bogus passenger claims
- Vehicle recovery
- Car hire
- Vehicle storage
‘Crash for Cash’ is big business for criminal gangs. Organised ‘Crash for Cash’ scams cost the insurance industry £392 million every year.

A victimless crime?
Honest policyholders ultimately pick up the bill for ‘Crash for Cash’, with increased premiums covering the costs of fraud.

Evidence also suggests the proceeds of organised insurance fraud are used to finance other crimes, including drug dealing, supply of illegal firearms, money laundering and people trafficking.

So far from being a victimless crime, ‘Crash for Cash’ affects everyone.

The supply chain
A closer look at the gangs involved in ‘Crash for Cash’ and their network of contacts provide a disturbing insight into the criminal underworld.

‘Crash for Cash’ is a production line from a criminal’s point of view. Godfather-like figures sit at the top of the chain organising the scams from start to finish.

These organisers need a number of other parties to complete the scam from start to finish. These include drivers and middlemen to stage crashes, claimants to put in fake injury claims, and professionals who can be corrupted or duped into helping present what looks like a genuine claim.

Professional enablers
To assess the losses suffered after a genuine accident, a claimant requires the services of various professionals to value and present a claim to an insurer.

Therefore, even after the fraudsters have organised a crash, they still have work to do to present a genuine-looking claim for the cash. To do so, criminal gangs rely upon key individuals and organisations such as recovery and storage companies, motor engineers, car repair body shops, hire car companies, doctors and solicitors – so-called ‘professional enablers’.

Claims management companies (CMCs) exist to take care of the needs of accident victims – everything from pursuing personal injury claims to arranging courtesy car hire while the damaged vehicle is being repaired. Whilst many CMCs are genuine, some are set up by criminal gangs to assist them in their scams.

In many ‘Crash for Cash’ scams exposed by the Insurance Fraud Bureau, criminal gangs who would have otherwise operated out of back street garages, have attempted to mask their crime behind the seemingly legitimate front of a CMC.

The corrupt claims management company
Criminal gang leader Mohammed Rashid ran a crooked claims management company in Keighley, West Yorkshire.

From this business and his associated garage, Rashid was able to run a sophisticated ‘Crash for Cash’ scam, which saw him recruit people from within the local community who were convinced they could make some easy money. Rashid took their vehicles, staged accidents and then submitted false claims.

An investigation into Rashid concluded in 2012. He was found guilty of conspiracy to defraud and jailed for five years.
Fighting back
The insurance industry adopts a tough stance on insurance fraud and is fighting back against the ‘Crash for Cash’ phenomenon.

The Insurance Fraud Bureau (IFB) was set up by the insurance industry in 2006 to stamp down on ‘Crash for Cash’ gangs specifically targeting the organisers at the top of the chain.

With access to 130 million cross-industry insurance records (policies and claims), the IFB uses world-leading technology to identify suspicious patterns of activity and tell-tale signs of organised fraud.

Since 2006 the IFB has overseen 116 police operations across the UK, disrupting criminal gangs organising multi-million pound ‘Crash for Cash’ scams.

Gangs typically own, or have links to, professional enablers including car hire organisations, car repair body shops, motor engineers, doctors and solicitors.

For each element of ‘loss’ presented, the fraudsters require the necessary paperwork from a professional to validate their claim. This could be the valuation of damage to vehicles or the assessment of personal injuries, for example.

In many cases vehicles will be damaged by gangs before being presented to a motor engineer and people will go to the doctor pretending to be injured. At the other end of the spectrum, professionals can be fully complicit in scams and reports will be prepared writing off repairable vehicles and exaggerating injuries. In some cases, completely bogus ‘injured passengers’ have been added to fraudulent claims.

One in seven personal injury claims can be linked to a suspected organised ‘Crash for Cash’ scam.

Did you know?

The corrupt motor engineer

Peter Burroughs, a consultant motor engineer, was charged with 11 counts of conspiracy to defraud in 2010 after he was recruited into a gang to write false vehicle reports for damage that had not occurred and for vehicles he had not even seen.

In one case an insurance company paid out £7,810 for a vehicle Burroughs declared written off – although it transpired he never actually saw the vehicle. Burroughs received a nine-month custodial sentence suspended for 12 months, a 12-month supervision order and a £1,000 fine.

At the bottom of the chain are the recruited drivers and passengers, putting their lives and those of innocent motorists on the line by causing accidents. Recruits can be willing participants or vulnerable members of society intimidated into assisting the scam. Those at the bottom of the chain often carry the greatest risk of being caught first.

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The research unveils concern amongst the general public around ‘Crash for Cash’. Three-quarters of the population (74%) consider ‘Crash for Cash’ to be a very or fairly big problem in the UK today.

Safety was of particular concern to the motoring public in assessing the threat of ‘Crash for Cash’, with eight out of 10 motorists (78%) worried about sustaining injuries as an innocent victim of an induced accident. UK motorists are also concerned about the financial impact of fraud, with 84% of UK road users worried about their insurance premiums rising to cover the costs of ‘Crash for Cash’ and 79% concerned about losing their no-claims bonus because of a deliberately-caused accident.

Yet despite public concern, almost one in 10 people (8%) would consider taking part in a ‘Crash for Cash’ scam for financial gain, which could represent almost four million adults based on UK population figures.* Awareness about the consequences of participating in fraud need to be clear, so that everyone, and in particular these vulnerable groups, turn their back on insurance fraudsters.

**Key findings**

- 74% think ‘Crash for Cash’ is a very or fairly big problem
- 84% of motorists are very or quite concerned about insurance premiums rising to cover the costs of fraud
- 78% of motorists are very or quite concerned about sustaining injuries in a deliberately-caused accident
- 8% of the population would consider taking part in ‘Crash for Cash’ for financial gain
  - Rises to 14% amongst young people (18-24)
  - Rises to 15% amongst low-income respondents (those earning £6,499 per year)
- 53% of the population think ‘Crash for Cash’ fraudsters are unlikely to be caught
- 56% of the population think prison is a suitable punishment for ‘Crash for Cash’ fraudsters

**Public scepticism**

Research indicates that more than half the population (53%) think it’s unlikely a ‘Crash for Cash’ fraudster would be caught. Scepticism is particularly high in the East Midlands and South West, where 70% and 64% respectively say it is unlikely a ‘Crash for Cash’ fraudster will be caught out.

**At risk of recruitment**

IFB investigations have found that criminal gangs actively recruit and coerce people from local communities to stage/induce accidents for cash payments. Despite this, less than half the population (48%) are concerned about being approached to participate in a ‘Crash for Cash’ scam.

According to the research, 14% of young people (aged 18-24) and 15% of low-income respondents would consider participating in ‘Crash for Cash’ for financial gain.

The North (14%), East Anglia (13%) Yorkshire & Humberside (12%) and Greater London (12%) sit at the top of the league table of geographical regions with residents willing to participate in ‘Crash for Cash’.

**Punishments**

When asked about suitable punishments for ‘Crash for Cash’ fraudsters, more than half the population (56%) recommended prison sentences, with 46% advocating a ban from driving. A quarter (23%) thought that blacklisting from insurance and other financial services was a suitable punishment for ‘Crash for Cash’ fraudsters, according to the research.

*Source – Experian.*
A few weeks later Carl got a letter from his insurance company.

“It had received a claim for more than £20,000 which included the costs of a recovery vehicle, car hire for two weeks and whiplash injuries to passengers. But he’d driven away from the accident himself – there wasn’t a tow truck – and I’m sure the car had no other passengers?”
Tackling fraud across the UK

There is no geographic immunity from ‘Crash for Cash’. The Insurance Fraud Bureau is uncovering and dismantling scams across the UK.

Live Investigation: Wales

Value of attempted fraud: circa £1 million
Method(s): Staged accidents
Police force overseeing operation: Gwent Police

Code-named Operation Dino, 40 arrests have been made as part of an on-going investigation into a suspected ‘Crash for Cash’ gang staging accidents in Wales.

Further arrests are expected in 2012 as the scale of the fraud is still unfolding under investigation by the IFB and Gwent Police.

Operation Hydra

Location: Greater London
Value of attempted fraud: £3 million+
Method(s): Ghost accidents
Police force overseeing operation: City of London Police

Two men were jailed for their part in submitting more than 300 fraudulent insurance claims worth more than £3 million. In reality, not a single accident had taken place.

The pair called upon a sophisticated criminal network of crooked officials to sign-off the paperwork required to commit the fraud. Both men were jailed in 2009, receiving combined sentences totalling seven years and four months.
Operation Saisir
Location: Greater London
Value of attempted fraud: £6.5 million+
Method(s): Staged and ghost accidents
Police force overseeing operation: Metropolitan Police, CO15 Unit

A crooked claims management company provided the seemingly legitimate front to a £6.5 million attempted ‘Crash for Cash’ scam exposed by the IFB.

Ringleaders Masi Naqshbandi and Sabaoon Hillaman received unprecedented prison sentences totalling more than 12 years combined for their parts in organising hundreds of staged and contrived accidents.

Using their registered accident management company – Real Accident Helpline – to coordinate the scam, the pair orchestrated fake accidents across London, which resulted in more than 250 fraudulent insurance claims being submitted in a single year.

Live Investigation: North-West
Value of attempted fraud: circa £100,000
Method(s): Staged accidents
Police force overseeing operation: Insurance Fraud Enforcement Department

Four people were arrested in Liverpool in 2012 as part of an on-going investigation into a suspicious private hire bus crash. Despite the bus driver not feeling the impact, passengers insisted the bus had been struck from behind and immediately complained of neck injuries. 30 personal injury claims followed.

Operation Contact
Location: Lancashire
Value of attempted fraud: £2 million+
Method(s): Induced accidents
Police force overseeing operation: Greater Manchester Police

Workers in Cheadle raised suspicions around the alarming regularity with which collisions were taking place on the roundabout below their office block. Although the cars involved in the crashes were different each time, the same man – Mohammed Patel – was driving.

Patel was identified by the insurance industry as a stooge driver who had deliberately caused more than 90 accidents in a three-year period. Patel was linked to a number of conspiring claims management companies across Lancashire who were organising accidents and processing lucrative, yet fraudulent, claims.

In total, 50 men were convicted as part of Operation Contact. Three of the ringleaders – Asif Mallu, Rezwan Javed and Rehan Javed – received prison sentences totalling 13 years. Patel received four-and-a-half-years in prison for his role as a stooge driver.
So often a neglected aspect of criminal research is the offender’s perspective. Yet offenders offer important insights about the specifics of their crimes. There are at least two key things that most offenders prioritise. The first is to get the money and/or goods. After all, without the rewards crime cannot pay. The second priority, and generally the most important one, is to avoid being caught and in particular being prosecuted.

There are many factors that enable a crime to take place. These include identifying an attractive target without sufficient security, and having the knowledge, skills and resources to overcome what security there is. Offenders often focus on organisations rather than individuals because they offer the opportunity to make higher gains. In any event, it is easier for some offenders to justify attacking organisations because of the (false) perception they are victimless crimes.

Looking at it like this, one can see why the insurance industry might be considered a suitable target. The term ‘victimless crime’ has become synonymous with insurance fraud over the years.

We know from work on those who are opportunists – committing insurance fraud against their own policies – they are attracted by the fact that they see it as easy; they can get money with a low risk of being identified. There should be nothing surprising then that different types of insurance fraud have become attractive to more organised offenders.

Organised criminal gangs adopt a strategic approach to their crime. I recently interviewed someone in prison who explained just how he and his accomplices approached their offending. The interviewee’s role was merely to handle the money. He was given cash to look after, initially £60,000 but later much more than that. His job was to receive it from someone else in the chain and pass it on to others when told to do so. He would have phones which would be used only once and all telephone numbers would be passed on by hand.

After every payment was made he would make a call to his colleagues to say that all had gone well, and then others in the chain would be advised. If the call was not received it was an indication that something had gone wrong and all those connected would be warned. Money was stored in different places, but often in other people’s houses who would be paid in cash just to store money.

This was the point. The interviewee noted that those on the edge of criminality, and sometimes those who would raise little suspicion for deviant acts, are recruited to help. Their role can look ‘normal’ like storing money, or in the context of ‘Crash for Cash’, pretending to ‘witness’ an accident or claiming to be an injured passenger in a fake accident. They would most often be paid in cash and their perception would be that the chances of being caught are low.
In reality, it’s those recruited who carry the greatest risk of being caught, as the conspirators at the top of the chain build protective layers of middlemen and recruits between themselves and the law.

People all over the UK are affected by organised crime. Offenders are interconnected, with proceeds of one crime often feeding and financing the next. This is another reason why it is important and why it is dangerous. People are drawn into margins by cash payments and therefore into a murky world of crime.

More people are victims suffering directly and in many ways, emotionally, through increased costs, additional administrative burdens, via disrupted services and so on. Organised crime puts drugs and illegal firearms on the streets. Moreover, those who are the least affluent arguably suffer the most.

This is why the topic is an important one. The consequences are serious for society.

A typical ‘Crash for Cash’ network
Fighting back

But the insurance industry is fighting back, investing in excess of £200 million every year in sophisticated controls – employing dedicated counter-fraud teams to vet claims, using world-leading technology to detect scams and funding a dedicated police unit to bring fraudsters to justice.

The Association of British Insurers (ABI) report that insurers uncovered 139,000 dishonest claims worth nearly £1 billion last year, dispelling the myth that the insurance industry is an easy target.*

Tightening the grip, dispelling the myth

Protecting honest customers by reducing all forms of fraud is a top priority for the insurance industry.

Fraudsters continually look for new ways to defraud insurers and ultimately honest customers. Insurance fraud ranges from lying on application forms and exaggerating claims, to highly-organised ‘Crash for Cash’ crime rings.

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Did you know?

Every hour of every day, 15 fraudulent insurance claims are exposed in the UK.*

With the introduction of the Insurance Fraud Register (IFR), known fraudsters will be visible to all insurers and face the prospect of reduced access to insurance and other financial services.

The message to fraudsters is clear: There’s no hiding place for cheats and there are serious consequences for those who commit fraud. These include prison sentences and criminal records.
Counter-fraud: the key players

**Insurance Fraud Enforcement Department**
Funded by the insurance industry, the Insurance Fraud Enforcement Department (IFED) is a specialist police unit dedicated to tackling insurance fraud of all forms.

Based at the City of London Police's Economic Crime Directorate, the 34-strong team of detectives and financial investigators work closely with the insurance industry to identify and prosecute insurance fraudsters across the UK.

**Insurance Fraud Bureau**
The Insurance Fraud Bureau (IFB) is a not-for-profit organisation specifically focused on the detection and prevention of organised, cross-industry fraud.

Launched in July 2006, the IFB spearheads the industry’s crackdown on organised fraud, working closely with police and law enforcement agencies to dismantle criminal gangs targeting insurers.

Since its inception, the IFB has overseen more than 700 arrests, securing nearly 200 combined prison years for organised fraudsters.

**Insurance Fraud Register**
The Insurance Fraud Register (IFR) is the first industry-wide database of known insurance fraudsters. The database stores details of people who have made either fraudulent claims or have deliberately lied/withheld relevant information when taking out insurance.

Insurers can search the IFR across all types of insurance and at all stages of the product life cycle including the application stage and when a claim is made.

Individuals who find themselves on the IFR will face restricted access to insurance and other financial services, with policies and product prices reflecting their ‘high risk’ status.

**Cheatline**
The public have a key role to play in the fight against fraud. Through Cheatline – powered by Crimestoppers – members of the public can report fraud anonymously 24/7, 365 days a year, by phone or online.

In the past three years alone, nearly 9,000 reports of insurance fraud have been made via Cheatline. This is a clear indication that members of the public are no longer willing to pick up the bill for fraudsters.

*Source: ABI – No Hiding Place, September 2012*
Crash for Cash  Putting the brakes on fraud

Risk versus reward

Personal finance journalist Emma Lunn considers the economics behind ‘Crash for Cash’:

Insurance fraud has always existed but there are several factors which could be blamed for the increase in fraudulent motor insurance claims we have seen over the past few years.

Criminals generally weigh up the risks and rewards before deciding to commit organised crime and many have concluded that ‘Crash for Cash’ is relatively low risk, both in terms of getting caught and the level of punishments handed out if they are. In return, the rewards are high. After all, the nature of ‘Crash for Cash’ means the chances of getting caught in the act are significantly lower than drug dealing and armed robberies for the simple reason that the criminals simply driving a car won’t be in possession of anything illegal.

Another key attraction of insurance claims is that the money is not taxable, so need never attract the attention of HMRC. It’s not particularly newsworthy either; while a £2,000 robbery from a local shop will make headlines in the local paper, ten times as much can be gained from an insurance claim without anybody batting an eyelid.

When ‘Crash for Cash’ was a relatively new or rare phenomenon many perpetrators might have thought that detection at a later stage, for example during the insurance claim process, was unlikely too and might simply involve their claim being rejected rather than a court appearance. So, you can see why some criminals, and those on the edge of the criminal fraternity, might think insurance fraud is easy money.

But police are now allocating more resources than ever to tackle insurance fraud as they realise it can give them access to, and information on, criminals they have had trouble getting close to in the past. However, as well as catching hardened criminals police are also finding people with no previous criminal record are getting involved in ‘Crash for Cash’, typically as the driver or passenger in the vehicle hit from behind or the owner of the car.

Drivers and passengers of the ‘no fault’ car may be recruited by an organiser or fraudulent claims management company from within the criminal, or wider, community. Taxi drivers, for example, often let their cars be used for ‘Crash for Cash’. In the past a corrupt taxi driver may have arranged for a mini-cab near the end of its life to be stolen and burnt out, and then claim the insurance to buy a new one. But ‘Crash for Cash’ can result in a bigger pay-out for a new car.

Other normally law-abiding citizens might be tempted to do the same thing. After all, they’ve bought car insurance for years and never made a claim: Where’s the harm in arranging for your car to be written off for the insurance money? But think twice before allowing your car to be used for insurance fraud; not only is it a criminal offence to arrange a car collision, it’s also against the law to allow your vehicle to be used in one.

The recession is undoubtedly a contributing factor in the ‘Crash for Cash’ phenomenon. When people are desperate they do desperate things. In other cases professionals inadvertently become corrupted by fraudsters; motor engineers start exaggerating vehicle damage in return for a fee while doctors write medical reports without seeing patients in return for a cut of the proceeds.

As well as the recession, our increasing litigious society is also to blame for the increase in insurance fraud. Everywhere you look there are adverts declaring “where there’s blame there’s a claim” while no-win-no-fee lawyers will take on any incident where they think they have a decent chance of winning – and bill the losing side for their costs. In many cases these professionals must have an inkling that a personal injury claim is bogus but they go ahead and take on the case anyway.

But although no one in the legal profession has been convicted of insurance fraud for involvement in ‘Crash for Cash’ to date, it’s only a matter of time. Like solicitors, doctors also run the risk of being struck off their professional register if found guilty of insurance fraud.

So all the years of studying, training and working would go to waste: perhaps insurance fraud isn’t easy money after all?
Report insurance fraud

Cheatline
REPORT INSURANCE FRAUD
0800 422 0421
powered by Crimestoppers

Cheatline
REPORT INSURANCE FRAUD
CLICK TO REPORT
All statistics quoted valid as of 1 November 2012.