



**National Fraud
Authority**

A better deal for fraud victims

Research into victims' needs and experiences



OFFICE OF FAIR TRADING



A better deal for fraud victims

Research into victims' needs
and experiences

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Foreword - Dr Bernard Herdan, NFA Chief Executive and Mike Bowron, Commissioner of Police for City of London and lead of ACPO Economic Crime Portfolio

Fraud is not a victimless crime. It knows no demographic boundaries and deeply affects tens of thousands of people in the UK each year. It can wipe out a person's entire life savings or cause the collapse of a business. The stress that stems from becoming a victim of fraud is far reaching and can be completely devastating.



Dr Bernard Herdan
Chief Executive

There is very little knowledge available about what makes people vulnerable to this type of crime and, in turn, a limited understanding on how best to support victims of fraud. It is within this context that the National Fraud Authority (NFA) in partnership with the ACPO Economic Crime Portfolio commissioned the University of Portsmouth to conduct this vital piece of research into the experiences and needs of fraud victims.

The findings are significant and will inform the NFA's work to provide practical and targeted support to victims of fraud. One such project which will benefit from the research is a pilot starting in January 2010 in the West Midlands. The pilot is to be delivered in partnership with Victim Support and local community based care agencies drawn mainly from the third sector and will seek to provide the tailored service that fraud victims deserve. If it is successful the NFA intend to roll it out to the rest of England and Wales before the end of 2010. One aim of the pilot is to stop the multiple victimisation of some of our most vulnerable citizens.



Mike Bowron QPM
Commissioner

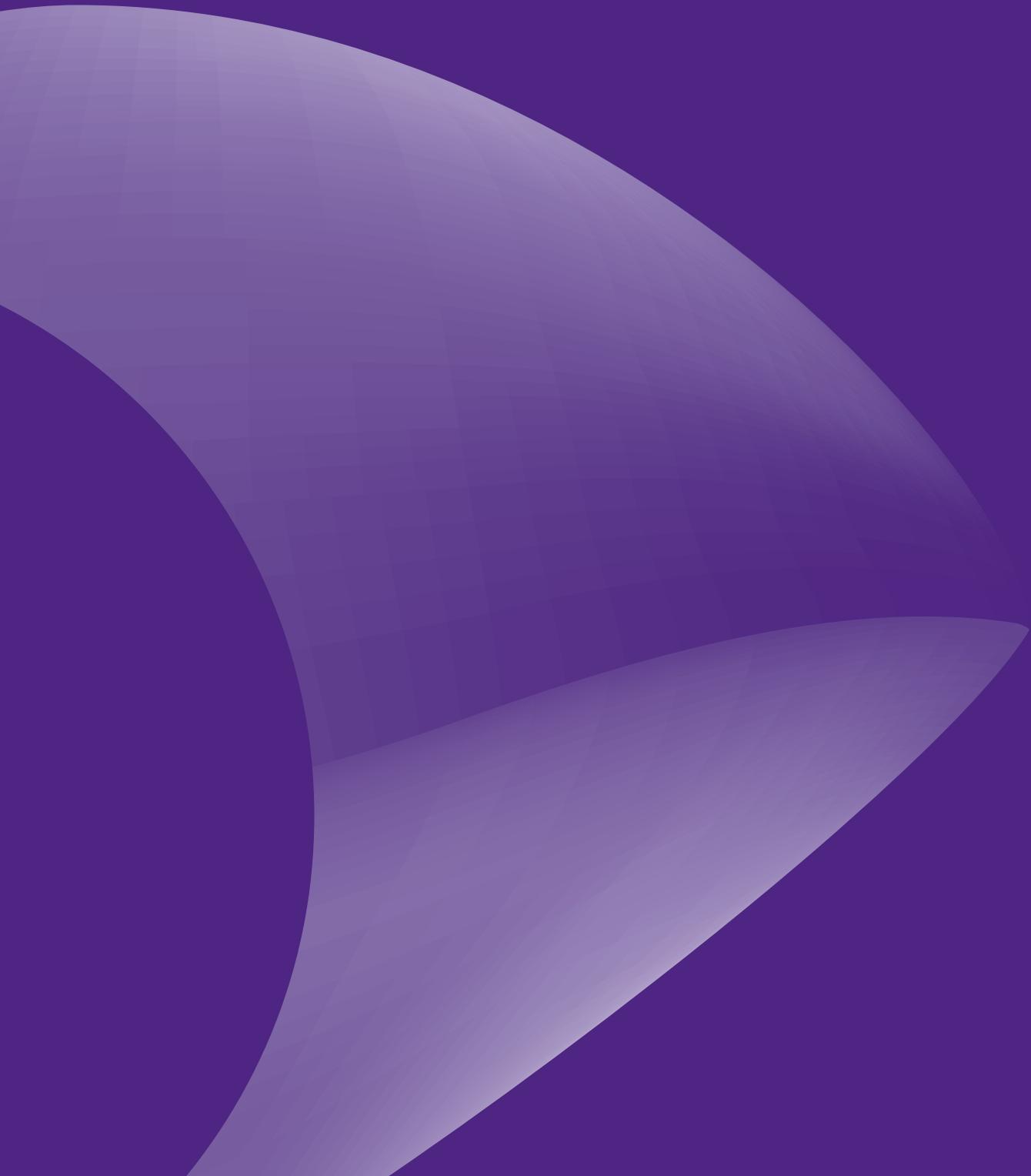
We hope you find this research as invaluable as we have. It represents an important step forward in filling in the gap in our knowledge about the victims of fraud and provides a bed-rock for ensuring that victims remain at the centre of our plans to combat the effects of fraud.

A handwritten signature in purple ink, appearing to read 'Bernard Herdan'.

Dr Bernard Herdan CB
Chief Executive

A handwritten signature in purple ink, appearing to read 'Mike Bowron'.

Mike Bowron QPM
Commissioner



Executive summary

In recent years the needs of crime victims have become much more recognised in the responses of the justice system and other agencies. There have been campaigns to improve the situation of victims of domestic violence, sexual assaults, gun and knife crimes. However, few campaigns have focussed on fraud victims, resulting in fraud being described as a 'silent crime', with victims receiving little support or restitution.

Research carried out by the authors of this report has started to fill this gap. Their reviews of the research literature and the fraud support infrastructure (Button et al., 2009a, 2009b) illustrated: the diversity of frauds that affect individuals and small businesses in England and Wales; the perpetrators of fraud; and the techniques employed. It identified victim typologies; discovered what victims want in response to frauds; assessed information and support currently available to victims.

This report adds to a growing body of research by presenting new findings from surveys conducted in Summer 2009 on the largest group of fraud victims in the UK to date. Using face-to-face interviews, focus groups and telephone interviews about 800 victims have provided information on their experiences and their attitudes to the support available.

The findings reveal that, similar to more visible crimes, victims of fraud are a diverse group, ranging from the young, educated and professional through to the elderly and more vulnerable. The impact of a fraud is often individualised, depending on specific factors relating to the victim. The same fraud can affect multiple victims very differently. This has implications for the level of information, support and services required, with some requiring greater support than others.

Methodologies used in this research

Talking to victims was an essential part of this research making access to the names, addresses or telephone numbers of victims essential. Care was taken by co-operating agencies to maintain confidentiality and victims were only interviewed if they had consented to participate. Of nearly 2,000 victims whose names were supplied to the University of Portsmouth, just over a third participated in some form of interview.

The way the lists were drawn up means that there is a bias towards certain types of fraud victims: investment fraud, boiler room fraud and identity fraud, with mass-marketing frauds under-represented. Thus, the research cannot claim to be fully representative of fraud victims as a whole. When interpreting this report, it must also be recognised that the vast majority of frauds (with the possible exception of identity frauds) go unreported and it may be that the characteristics of these unreported frauds may be different from those frauds that are reported.

Interviews were conducted in three formats:

1. The research team conducted 30 face-to-face interviews involving victims of fraud and 3 relatives of victims;
2. Telephone interviews with around 750 victims, just under 40% of those whose names were supplied. These were conducted by a specialist telephone marketing company, using a questionnaire designed by the research team and first piloted on 20 victims.
3. Two focus groups were held to float and discuss potential ideas for giving greater support to victims of fraud.

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Results of the analysis

The project produced extensive data and the main body of this report summarises the results of the analysis of this data. However, many more analyses are possible which could form the basis of further reports e.g. of particular types of fraud.

Profile of victims

92% of interviews had been individual victims of fraud, 6% were partners or relatives of victims and only 2% were small business victims of fraud. The results for small businesses were particularly interesting but the sample was too small to present a general overview for this group.

75% of victims were male. Victims were predominantly older people, with 47% being over 60 and only 5% under 30. Over 40% of victims came from London or the South East. 36% said they were retired and only 2% unemployed. 68% of those who gave their employment status said they were non-manual professionals, employers or managers. 46% had a first or higher degree and only 8% had no qualification. 53% earned over £30,000 a year and only 8% under £10,000.

Types of fraud and losses reported

These varied considerably and reflected the way that the sample was drawn. The largest proportions mentioned identity fraud (43%), boiler room fraud (25%) and investment fraud (21%). Many other frauds were mentioned, but by very small proportions of victims: e.g. 2.3% mentioned insurance fraud, 1.2% credit card fraud.

Losses reported ranged from under £100 (16%) to over £100,000 (3.1%). 76% reported losses of under £10,000. However, victims were affected differently by similar losses and their ability to cope with these losses varied greatly.

Discovering and reporting the fraud

Victims' experiences of discovering their fraud varied considerably. For some it was triggered by silence when they expected 'good news'. Other victims discovered their loss from a third party: e.g.

other victims or the police. Some victims refused to admit they had been victimized, even when others told them. Having discovered the fraud, victims may decide not to report it for various reasons, such as not knowing what to do, feeling there is little chance of getting their money back or being very embarrassed. However, many victims discover the fraud through an agency such as a bank, which has unearthed the fraud, so that it is automatically reported. The main body of this report quotes several case studies of victims' experiences in reporting a fraud.

44% of victims interviewed in this research said they reported the fraud to an official organisation. 40% did not know about the fraud until contacted by an official agency. Remainder of interviewees did not report the fraud, or, very occasionally, took direct action.

Response of agencies to victims reporting fraud

The experiences of fraud victims reporting to different agencies varied greatly. Whilst there were some very encouraging stories on support provided, other victims reported that the enforcement agencies they dealt with seemed disinterested in supporting them. The small sample of businesses interviewed reported overwhelmingly negative experiences.

Satisfaction with the response varied greatly according to the type of institution. 75% of victims gave a satisfaction rating of 5 or higher (on a 1-7 scale) when it came to dealing with their own bank or financial institution. 72% gave a rating of 5 or more when dealing with the City of London Police. 72% gave a similar rating to CIFAS and Consumer Direct and 65% to the Crown Prosecution Service. However, only 43% gave a 5 or more rating to 'Other Police Forces', 38% to the FSA and 33% gave this to Victim Support.

Victims attitudes also varied greatly to the type of response they valued. Around 70% rated a telephone call or written correspondence very highly (a rating of 5 or more on a scale from 1 to 7).

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65% gave this rating to receiving part or all of their money back. 60% gave a high rating to receiving help to rectify the situation. However, only 23% gave a high rating to receiving counselling support, 27% to receiving a referral to Victim Support and 34% to being referred to a Credit Reference Agency.

Victims' experiences were by no means all negative. There were many examples of victims who received excellent support from some of the agencies involved. This is especially true where police were investigating a case which resulted in going to court. Also, in some cases the investigative bodies sought the co-operation of the victims to help investigate the case.

Impact of fraud on victims, partners and relatives

68% of victims reported strong feelings of anger. 45% claimed that financial loss had a high effect on their emotional well-being and 44% that the fraud had caused feelings of stress. 37% reported a profound psychological / emotional impact. A smaller number of victims reported problems in relationships, mental or physical health issues or feelings of suicide. Around 10% commented on the significant impact losing their credit rating or their pension had on them. However, some victims suffered little or no financial effect.

A quarter of victims said the fraud had caused no change in their behaviour. However, 37% said they were much more cautious with requests to invest or to purchase goods, especially when the request was made by phone/internet. 14% had become more cautious of using credit cards, especially on-line. 13% had taken special preventative action with regard to potential frauds, e.g. a small number of victims had stopped using credit/debit cards altogether. 11% reported significant behavioural change such as frequent anger, loss of trust, addiction to scam mails, agoraphobia and rudeness. Many people now relied on their partner to take appropriate action. One or two had given their credit cards to their partner, or asked them to make all purchases.

What victims want as a response to their experience of fraud

Victims were very keen to receive support of all kinds. 83% felt that a sympathetic response was 'very important' (a response of 5 or more on a scale 1-7). 90% strongly felt there should be a 'single point of contact' and 'a single official place where they could obtain information'. Over 90% placed great importance on: getting their money back; hearing progress on their case; the fraudster being found guilty; tougher penalties for fraudsters; or the fraudster being dealt with by deportation, asset seizure or being forbidden to trade.

Conclusion

The research has helped to highlight the diversity of fraud victims. It demonstrated that 'greediness' and 'stupidity' were not main factors in whether people became victims of fraud. It was also shown that the more people knew about fraud, the more they were able to avoid becoming a victim. The report identified groups, such as the elderly, as particularly vulnerable to becoming chronic scam victims. The frustration often experienced by family members who feel powerless to help their relative was also identified.

It emerged from the research that victims had a diverse range of support needs depending upon numerous factors. However, common to most victims was a need to be treated with courtesy and respect, to be kept up to date with timely and accurate information by agencies who have the required specialist knowledge and victim awareness training.

Eleven recommendations based on the research findings have been made within the body of this report. These are also summarised on pages 9 and 10.

Recommendations

Recommendation 1

See page 74

Consideration should be given to establishing a website for those who suspect they are victims of fraud. This website should, for each type of fraud, set out:

- a. who they should report the fraud to and on reporting, a needs-based assessment should also be undertaken which triggers certain levels of support for victims
- b. what support is available and how to access this support
- c. what to do to prevent further victimisation.

Because of the large number of older fraud victims who are less familiar with the Internet, appropriate paper-based resources should also be created.

Recommendation 2

See page 78

Information should be published to manage expectations of fraud victims. This should, for example, make clear the extent to which cases are likely to be investigated.

Recommendation 3

See page 78

Specialist arrangements and information sources are necessary for small businesses on what to do when fraud is discovered. To produce this may require the setting up of a fraud sub-group, involving all agencies and the Federation of Small Businesses (FSB).

Recommendation 4

See page 79

The financial loss suffered by fraud victims should be recognised and compensated as happens with other serious crime. A fund to offer some of the most deserving cases some compensation should be considered, together with the appropriate delivery mechanism.

Recommendation 5

See page 79

Whether or not any compensation authority is set up, an annual report should be produced by the National Fraud Authority (NFA) on the situation of fraud victims, detailing improvements made to their position.

Recommendation 6

See page 81

Further research should be conducted on the punishments fraudsters receive with a view to considering their effectiveness and to making further recommendations.

Recommendation 7

See page 83

Relevant agencies should develop a tailored package of support for fraud victims and this should be publicised on reporting. Some of the areas which would need to be considered would be financial management, anger management and relationship support.

Consideration should also be given to extending the Victims Code of Practice to all bodies receiving reports from fraud victims. This should include providing an update on any investigations that may take place and offering guidance on receiving further support.

Recommendations

Recommendation 8

See page 84

Further research should be considered into whether the law relating to chronic scam victims should be reformed to enable relatives and partners caring for them to have greater scope for intervention.

Recommendation 9

See page 85

Multi-agency teams from the Royal Mail, telephone companies, trading standards, social services, health authorities, Office of Fair Trading (OFT), the police and any other relevant body should be considered on a regional basis to co-ordinate strategies to prevent further victimisation of chronic scam victims.

Recommendation 10

See page 86

In seeking to advise those at risk of becoming victims of fraud, bodies should consider using past victims or those from similar demographic groups to get the message across.

Recommendation 11

See page 87

A new panel should be set up to consider annually a small number of recently closed fraud cases. This panel would have access to all papers and make recommendations as to whether procedures need to be changed to improve the situation of fraud victims. This panel could be set up as a pilot in London, and, if successful, rolled out regionally.

It would have an independent chair and include interest groups, as well as representatives of fraud agencies.

Introduction

1.1

It would be difficult not to have noticed the significant shift that has occurred in the criminal justice system, from a process that once focused solely on the offender to one that now expresses explicit concern for the victims of crime. This is reflected in the now familiar political commitments to rebalance the system in favour of victims and place victims at the heart of the criminal justice system. This very public recognition of victims of crime and an acknowledgement of the crucial role they play in the investigation, prosecution and successful conviction of offenders, culminated in the introduction of a plethora of reforms and initiatives in the 1990s. These were aimed at improving the information and services offered to victims of crime and sparked a controversial debate regarding the needs and rights of victims and witnesses (Tapley, 2005). Since 2000, important pieces of legislation have been introduced, focussing on strengthening the protection and support provided to victims and witnesses, including the Youth Justice and Criminal Evidence Act 2000, the Criminal Justice Act 2003, the Sexual Offences Act 2003 and the Domestic Violence, Crime and Victims Act 2004, which introduced the Victims Code of Practice, placing statutory responsibilities upon criminal justice agencies to support, inform and consult with victims, implemented from April 2006.

1.2

Many of these reforms were the culmination of campaigns led by well-organised groups specifically set up to campaign on behalf of victims, emerging in the 1960s and becoming increasingly influential during the 1980s, when rising concerns regarding the fear of crime led to criminological research and the introduction of the British Crime Survey (BCS), which revealed the true extent of victimisation and assisted in the subsequent politicisation of victims' issues in the 1990s. In particular, feminist campaigns revealed the

extent of violence against women and children, and challenged the inadequate response of criminal justice agencies, whilst media campaigns began to focus on specific high profile cases, for example Dunblane, Jamie Bulger, Sarah Payne, Madeline McCann and the families of victims of gun and knife crimes.

1.3

However, these campaigns tended to focus on specific types of crime, in particular personal and violent crimes, with more recent policies and legislation focussing specifically on homicides, domestic violence, sexual assaults, gun and knife crimes. It is interesting to note that, until very recently, no such campaigns have focussed on victims of fraud and relatively little has been known about the extent of fraud and the impact upon victims, resulting in fraud having been described as the 'silent' crime, with its victims receiving relatively little in the way of services, support or restitution.

1.4

A review of the literature undertaken by the research team illustrated the diversity of frauds that affect individuals and small businesses, assisting in the identification of fraud typologies, the perpetrators of fraud and the various techniques employed. It also assisted in identifying victim typologies - what victims do when they discover they have become victims of fraud, and undertook an assessment of the types of information and support currently available to victims and the agencies that provide this. The literature review also illustrated how victims of fraud have been largely neglected by the broader community of scholars interested in victims (Shichor et al, 2001). This is despite evidence of the widespread risk of fraud (Office of Fair Trading, 2006). The research that has been conducted upon fraud victims is largely based upon the USA (see for example, Titus and Copes

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et al, 2001; Gover, 2001; and Shichor et al, 2001) and Australia (Carach et al 2001; and Muscat et al, 2002). In the UK only identity fraud victims and those who fell victim to collapse of the Maxwell pension have been researched (Pascoe et al 2006; and Spalek, 1999).

1.5

This report presents findings from research conducted on the largest group of fraud victims in the UK to date. Almost 800 victims participated in telephone and face-to-face interviews. The findings reveal that, similar to other more visible crimes, victims of fraud are a diverse group, ranging from the young, educated and professional through to the elderly and more vulnerable groups, depending upon the type of fraud being committed. As with all forms of victimisation, the impact can be individualised, depending on specific factors. Victims may suffer the same type of fraud and similar losses, but its effect is dependant upon their own personal circumstances. This has implications for the level of information, support and services required by victims, with some requiring greater support than others. This report concludes with recommendations as to what action needs to be taken to improve the information, support and services provided to victims of fraud and which statutory and non-statutory agencies could be responsible for delivering this.

Methodologies and information collection

2.1

To conduct the research for this report a number of research tools were utilized. These included: desk research; face-to-face interviews with stakeholders; face-to-face interviews with victims; a telephone survey of a sample of victims conducted by Accent; and focus groups of victims. Other reports that have been produced that are relevant to the discussion in this report can be found in the list of references. (Button et al 2009a, 2009b).

Selection of victims

2.2

Talking to victims of fraud was a central part of this research, so securing access to names of fraud victims was essential. For some organisations access proved to be difficult due to confidentiality or data protection reasons. The City of London Police (COLP) and the Metropolitan Police Service (MPS) supplied lists of victims from their records (numbers are set out below) for contacting. Their approach was to write to the victims on the list to inform them they may be contacted by the University of Portsmouth (UoP) or Accent and it was up to them whether they wished to participate in the research. Other organisations required positive consent from the victim to pass their details to UoP. CIFAS, The UK's Fraud Prevention Service, FSB, OFT and financial institution contacted victims from their records (or in the case of the financial institution as they reported) and asked if they would like to take part. If they did, those details were passed to the UoP. Additionally the NFA, COLP and UoP initiated some stories in the media: You and Yours on Radio 4 and a story in the Mail on Sunday. These included details of a special e-mail address that victims could use if they wished to take part. Table 1 illustrates the total numbers of victims' details the UoP was able to secure for this research.

2.3

The nature of the composition of the victim lists means that there is a bias towards certain types of fraud victims: investment fraud, boiler room fraud and identity fraud, with mass marketing fraud being under-represented. This is because of the dominance of victims from the police and Barclays, the former focussing more on investment and boiler room fraud and the latter on identity related frauds. These issues will be explored in more depth later in this report.

Table 1
Total number of victims details passed to UoP

Source	Total victims
City of London Police list 1 for face-to-face	20
Metropolitan Police Service list 1 for face-to-face	11
OFT list 1 for face-to-face	7
FSB list for face-to-face	5
Citizens Advice Bureau	3
City of London list 2 for telephone	899
Metropolitan Police Service list 2 for telephone	264
Barclays list	524
Names given to Portsmouth University	258
OFT list 2 for telephone	138
CIFAS list	74
Media	46
Total	1991

Methodologies and information collection

Interviews with victims face-to-face

2.4

The research team conducted 30 face-to-face semi-structured interviews involving 31 victims of fraud and 3 relatives of victims of fraud (in some cases additional relatives sat with victims to support them, with the intention of not participating, but some did offer comments. No personal data was sought from these). These interviews were conducted using largely open-ended questions. A copy of the interview schedule can be found in appendix 1. All, bar one of the interviews, were recorded and then transcribed to enable coding and analysis. Initial results from some of the face-to-face interviews were then used to frame the more closed questions for the telephone interviews.

Telephone interviews

2.5

Telephone interviews were conducted by the specialist telephone marketing company Accent. A questionnaire was designed based upon the needs of the research project and about 15 of the face-to-face interviews. Ideally the research team would have liked to have completed the face-to-face interviews, but the time pressures of the project meant this had to be done at an earlier stage. The questionnaire was piloted on 20 victims and then further refined. A copy of the questionnaire can be found in appendix 2.

Focus groups

2.6

Focus groups were organised with the aim to float potential ideas for giving greater support to victims (the questions used are in appendix 3). The focus groups proved very difficult to organise. First, the research team used the existing lists and many had already participated in the telephone survey and had no further desire to help. Others who were not willing to take part in telephone survey were even less likely to contribute to a focus group, which would take up even more time. There is also clearly an embarrassment factor with a focus group where many victims are unwilling to reveal what had happened to them in public, but on a one-to-one basis with an interviewer they would. As one participant from a focus group commented:

“That’s a very interesting question actually ‘cos the reason why you haven’t got many people here is probably because they’re very ashamed of what they’ve done.”

Participant 2 from Focus Group 1

2.7

The research team had planned four focus groups. One was to be in Birmingham and three in London. The Birmingham focus group, which had only managed to secure 3 victims, did not take place as all cancelled on the day. Two of the London groups were merged and two people attended. The final group was organised by the Serious Organised Crime Agency (SOCA) who had a list of thousands of victims the research team had not yet utilised. This was more fruitful, securing seven victims.

Analysis

2.8

The project produced extensive data. The qualitative data from the face-to-face interviews and focus groups was transcribed and then coded. The quantitative data from the telephone interviews was fed into Excel allowing more sophisticated analysis.

2.9

The following discussion integrates the findings from the face-to-face interviews, telephone interviews and focus groups. All face-to-face interviewees were allocated a name different from their own to protect their identities and these are used throughout to illustrate the variety of views of different types of victims. Focus group participants' contributions are presented as participant number followed by focus group 1 or 2.

2.10

The analysis attempts to follow the process from discovery of fraud to conviction of fraudster (where that occurs). It also assesses the impact of the fraud and what the victims actually say they need. Before this is embarked upon that it would be useful to examine the profile of victims contacted for this research.

Profile of victims interviewed

Face-to-face interviews

3.1

The face-to-face interviews were conducted in 30 semi-structured interviews involving 34 participants for which data was captured (some interviews had relatives or partners sitting in for support who sometimes interjected with useful comments, which were recorded). Of the 34 participants: 27 were individual victims, 4 were small business victims and 3 were relatives of victims. Of the 34 interviewed, 22 were male and 12 were female. The age ranges of the victims interviewed were drawn from older groups. Half were 60 or over, followed by just under a third 41 to 60 and 17.6% 31-40. There were no interviewees 30 or under. This pattern is clearly not representative of the population as a whole. It simply reflects the names given to the research team.

Table 2
Age groups of face-to face interviewees

Age group	Number	%
Under 20	0	0%
21-30 years	0	0%
31-40 years	6	17.6%
41-50 years	6	17.6%
51-60 years	5	14.7%
Over 60 years	17	49.9%
Total	34	

3.2

The geographical distribution was centred around the South East, London and East Anglia, which together accounted for just short of two thirds of those interviewed. All regions of England had at least one participant. Scotland, Wales and Northern Ireland were not represented.

Table 3
Place of residence of face-to-face interviewees

Region of the UK	Number	%
North of England	1	2.9%
Yorkshire and Humberside	2	5.8%
North West	1	2.9%
East Midlands	2	5.8%
West Midlands	2	5.8%
East Anglia	6	17.4%
Greater London	5	14.5%
South East	11	31.9%
South West	4	11.6%
Wales	0	
Scotland	0	
Northern Ireland	0	
Total	34	

3.3

The employments status of the face-to-face participants included 16 who were employees, 12 who were retired and 6 self-employed. The socio-economic group revealed non-manual professional as the largest group accounting for 58%. The second largest group was manual, semi-skilled accounting for a fifth of participants.

Table 4
Socio-economic group of face-to-face interviewees

Socio-economic group	Number	%
Non-manual: professional	20	58%
Non-manual: employers/managers	1	2.9%
Non-Manual: intermediate and junior	0	0%
Manual: skilled and own account	4	11.6%
Manual: semi-skilled	7	20.3%
Manual: unskilled	2	5.8%
Total	34	

Profile of victims interviewed

3.4

Given the socio-economic group it was no surprise that 60% of the interviewees were higher education graduates and post-graduates. 29% of the interviewees had no qualifications or 5 GCSEs/O Levels or equivalent. Some of this will reflect the earlier school leaving ages of people who are now in their 60s.

Table 5
Highest qualifications of face-to-face interviewees

Highest qualification	Number	%
No qualifications	5	14.5%
GCSE/O Levels	5	14.5%
GCSE/A level	3	8.7%
Degree	18	52.2%
Postgraduate degree	3	8.7%
Total	34	

3.5

The annual income of the interviewees was mixed. Some retired on small incomes with 39% earning less than £15,000. At the other end, almost a quarter earned £30,000 or more, with 15% £50,000 or more. One victim refused to answer this question.

Table 6
Annual income of face-to-face interviewees at time of fraud

Annual income	Number	%
Under £10,000	5	15%
£10,000-£15,000	8	24%
£15,000-£30,000	12	36%
£30,000-£50,000	3	9%
Over £50,000	5	15%
Total	33	

3.6

The household situation of the interviewees included 6 who lived alone, 25 who were married or lived with a partner and 1 who lived with friends (in one interview the question was not asked).

Telephone interviews

Response rate

3.7

Of the 1991 names available for telephone interviews, 745, or 37.4%, were successfully contacted and completed the telephone questionnaire. This varied according to the source of the name. 51.6% of the 258 names given to UoP, 38.3% of those from the COLP: 34.7% of those from financial institution: and 32.6% of those from the Metropolitan Police (MPS) successfully completed a questionnaire¹.

Type of respondent

3.8

91.9% of the telephone respondents were individual victims of fraud and 5.9% were partners or relatives of fraud. Only 2.1%, or 16 respondents were small business victims of fraud. Thus, although the response of small business victims was particularly interesting, the sample is not a sufficient size to be able to present a general overview about small business victims.

¹ This reflects the fact this group positively wrote to the UoP to participate.

Profile of victims interviewed

Characteristics of respondent

3.9

73.4% of the 745 telephone respondents were male and 26.6% female. The age groups from which victims were drawn were predominantly the older groups, as can be seen in Table 7. 47% of respondents were over 60. Further 38.3% were aged 40 to 60 and only 4.8% aged under 30. This is likely to reflect the type of fraud suffered (see Tables 13 and 14), so that those with money to invest were more likely to be targeted, as well as the perceived vulnerability of the older age groups.

Table 7
Age groups of telephone respondents

Age group	Number	%
Under 20	3	0.4
21-30 years	33	4.4
31-40 years	89	11.9
41-50 years	125	16.8
51-60 years	145	19.5
Over 60 years	350	47.0
Total	745	

3.10

The ethnic group of telephone victims was predominantly White, with 95% describing themselves as such. 2.6% described themselves as from the Indian sub-continent, 0.7% as of Mixed ethnicity, and a further 0.8% as Black. Only 0.4% refused to answer the question. Given the older age group from which respondents were drawn, the White percentage is only slightly higher than the White group within the general population. As only 34 respondents identified themselves as non-White the sample is too small to make generalisations about this group.

Geographical distribution of victims

3.11

The place of residence of victims is given in table 8 below. Over 41% of the sample came from London or the South East, much higher than the proportion of the population living in these areas. This reflects the source of the names and to some extent the type of fraud experienced.

Table 8
Place of residence of telephone victims

Region of the UK	Number	%
North of England	39	5.2%
Yorkshire and Humberside	42	5.6%
North West	64	8.6%
East Midlands	48	6.4%
West Midlands	47	6.3%
East Anglia	35	4.7%
Greater London	99	13.3%
South East	211	28.3%
South West	80	10.7%
Wales	23	3.1%
Scotland	37	5.0%
Northern Ireland	12	1.6%
Refused to answer	8	1.1%
Total	745	

Profile of victims interviewed

Employment position of victims

3.12

Reflecting the older age groups in the sample, 35.8% of the victims said they were retired from work at the time of the fraud, compared with 59.2% who were in employment (mainly full-time) or students. Only 2% said they were unemployed and a further 2% were long term sick or looking after their family full-time (Table 9).

Table 9
Employment status of victims

Employment status	Number	%
Full-time (30+ hrs)	358	48.1%
Part-time (8-29 hrs)	66	8.9%
Part-time (<8 hrs)	10	1.3%
Unemployed	15	2.0%
Retired	267	35.8%
Student	7	0.9%
Looking after family	10	1.3%
Long term sick	6	0.8%
Other or refused	6	0.8%
Total	34	

3.13

434 respondents gave their own socio-economic group, based on either their present employment or their employment before they retired. Non-manual occupations predominated, with 67.9% putting themselves in the categories of non-manual professionals, employers and managers, very much higher than for the country as a whole (Table 10).

Table 10
Socio-economic group of those responding

Socio-economic group	Number	%
Non-manual: professional	182	41.9%
Non-manual: employers/managers	113	26.0%
Non-manual: intermediate and junior	40	9.2%
Manual: skilled and own account	62	14.3%
Manual: semi-skilled	26	6.0%
Manual: unskilled	6	1.4%
Other	5	1.2%
Total	434	

3.14

Following a similar pattern, respondents also gave their highest qualifications, which turned out to be much higher, on average, than the population as a whole, with only 7.8% saying they had no qualifications and 45.8% saying they had a first or higher degree (Table 11). This is clearly much higher than the population as a whole, especially as many of the sample were older people, who tend to leave school earlier and have fewer qualifications than younger people. Thus compared with the general population, we have a picture of much older and much more highly qualified group of people.

Table 11
Socio-economic group of those responding

Highest qualification	Number	%
No qualifications	58	7.8%
GCSE/O levels	148	19.9%
GCSE/A levels	150	20.1%
Degree	247	33.2%
Postgraduate degree	94	12.6%
HNC/HND	9	1.2%
NVQ/BTEC	3	0.4%
City and Guilds	5	0.7%
Professional qualifications	18	2.4%
Other	13	1.7%
Total	34	

Profile of victims interviewed

3.15

The higher status of victims in the telephone sample was also reflected in their salaries. Over a half, 52.5%, said they earned more than £30,000 a year and fewer than 8% said they earned under £10,000 a year. These are substantially higher salaries than the population as a whole, reflecting that, in this sample, those with higher incomes were more likely to be targeted (Table 12).

Table 12
Annual income of respondents at time of fraud

Annual Income	Number	%
Under £10,000	49	7.6
£10,000-£15,000	73	11.3
£15,000-£30,000	185	28.6
£30,000-£50,000	164	25.4
Over £50,000	175	27.1
Total	646	

Focus groups

3.16

Of the 9 victims who participated in the focus groups, 7 were individual victims and 2 were partners of victims; there were 6 male and 3 female participants, with 6 over 60, 2 between 51-60, and 1 between 41-50 years of age. In terms of race, 6 were white and 3 were Asian (Indian sub-continent).

All were based in Greater London. 7 of the 9 were retired with one employed and one self-employed. In terms of status, 4 were professional, 4 employers or managers and 1 skilled manual. The educational achievement included 2 educated to A level or equivalent, 5 to degree level and 2 to postgraduate. Six of the participants earned less than £10,000 and one earned £10,000 to £15,000 with 2 earning £15,000 to £30,000. 4 lived alone, 2 were married and 3 lived with family. 7 of the 9 victims arranged via SOCA were all victims of mass marketing/lottery fraud. One was a victim of a boiler room fraud and the other, identity fraud. The losses for these victims/partners were far less, with 5 losing less than £100, 3 losing between £1000 to £10,000, 1 losing between £10,000 to £50,000 and 1 losing between £50,000 to £100,000.

Types of fraud and loss of victims

4.1

The types of fraud experienced by the victims were varied. For the face-to-face interviewees the types of fraud, numbers and 'names' of victims are reproduced in Table 13.

Table 13
Type of fraud reported

Type of Fraud	Names	Number	%
Bogus holiday fraud	Tom James Lorraine	3	8.8%
Bogus tipster fraud	Brian	1	2.9%
Boiler room, share sale fraud	Doug Heather Reg Annette Giles Edward	6	17.4%
Card-not-present	Becky	1	2.9%
Identity fraud	Nathan David Harold Dean	4	11.6%
Internal	Peter Roy	2	5.8%
Investment	George Jane Roger Archie Steve Mike Tim Val	8	23.2%
Long firm fraud	Barry	1	2.9%
Lottery fraud	Hilda Fred Lisa Arthur	4	11.6%
Nigerian 419	Christine	1	2.9%
Psychic/lottery	<i>Margaret</i>	1	2.9%
Pyramid	Doreen	1	2.9%
Multiple	<i>Claire</i>	1	2.9%

Italics distinguishes relative of victim, **bold** small business. Additionally comments will be found in the text to Mildred (wife of George), Louise (sister of Roger) and John (partner of Claire).

4.2

The types of fraud reported by the telephone survey victims also varied considerably, as can be seen from Table 14. However, this pattern cannot be taken as representative of fraud victims as a whole but is much more a feature of the group of names that were given to the interviewing team.

4.3

Nearly 88% of the sample group stated they were victims of identity fraud (42.6%), boiler room fraud (share sale) (24.5%) or an investment scam (20.7%). Other types mentioned were lottery scam (3.5%), insurance fraud (2.3%) and ticket fraud (1.7%). The final 5% included small numbers of other types of fraud (pyramid letters, African advanced fee fraud, credit card cloning/stealing, betting scams, timeshare scams, internet fraud, and various combinations (Table 14).

Table 14
Type of fraud reported

Type of Fraud	Number	%
Identity fraud	317	42.6%
Boiler room (share sale) fraud	183	24.6%
Investment fraud	154	20.7%
Lottery scam	25	3.4%
Pyramid /chain letter scam	6	0.8%
African advanced fee fraud	6	0.8%
Insurance fraud	17	2.3%
Credit card fraud	9	1.2%
Ticket fakes/did not arrive	13	1.7%
Betting scam	4	0.5%
Time share/holiday fraud	2	0.3%
Combination of frauds	2	0.3%
Internet frauds	3	0.4%
Other	4	0.5%
Total		745

Types of fraud and loss of victims

4.4

A high proportion of victims claimed they were repeat victims of fraud. 155, or 20.8% of the victims reported they had been previous victims of a similar fraud. A further 90, or 12.1% reported they had been victims of another type of fraud before. Of these 90, 37 quoted identity fraud, 32 investment fraud, 7 boiler room (share sale) fraud, 2 insurance fraud, 1 advanced fee fraud, 1 a betting scam, 3 ticketing fraud, 2 credit card fraud, 3 paid for goods/service they did not receive and 4 quoted other frauds.

4.5

The losses of the face-to-face interviewees (or relatives) ranged from nothing to several million pounds. The biggest group lost between £1,000 and £10,000, with 40.6% of the interviewees. There was also almost a quarter of the group losing between £10,000 and £50,000. Six of the interviewees had lost over £100,000 and at the other extreme four had lost less than £1,000.

Table 15
Range of financial loss suffered by face-to-face interviewees

Range of loss	Number	%
Under £100	2	5.8%
£100-£1,000	2	5.8%
£1,000-10,000	14	40.6%
£10,000-£50,000	8	23.2%
£50,000-£100,000	2	5.8%
£100,000-£1m	2	5.8%
Over £1m	4	11.6%
Total	34	

4.6

The range of financial loss suffered by those interviewed on the telephone also varied considerably (Table 16). 1 in 6 (15.7%) had lost under £100, 37.2% had lost under £1,000 and three quarters, or 76.4% had lost under £10,000. At the other end of the scale, 1 victim had lost over a million pounds and 22 victims had lost between £100,000 and £1m.

Table 16
Range of financial loss suffered by telephone survey victims

Range of loss	Number	%
Under £100	117	15.7%
£100-£1,000	160	21.5%
£1,000-10,000	292	39.2%
£10,000-£50,000	106	14.2%
£50,000-£100,000	35	4.4%
£100,000-£1m	22	3.0%
Over £1m	1	0.1%
Refuse to say/did not know	12	1.6%
Total	34	

Discovering the fraud

5.1

The victims' experience of discovering their fraud varied significantly. For some the realisation was triggered by silence, when they expected 'good news' or the disappearance of the person who took their money. Many victims also discovered they were victims from a third party, which could be the bank, the police or even the media. Some of these experiences will be explored in a bit more depth.

Person/expectation doesn't transpire

5.2

Many victims of fraud have embarked upon investments or other schemes in the hope of reaping financial rewards. When dates pass where the victims expected a payment or the person that took their money disappears, many discover their fate. The experience of George, the victim of an investment fraud, is typical of many:

“And I called him and called him and called him. And there was just literally no answer, nothing at all. And, er, that was when the grim realisation was that it was basically a rip off.”

George, victim of investment fraud

Discovery through a third party

5.3

A very interesting finding from the research was the significant number of victims who discover their situation from a third party. Some victims were simply watching the television or listening to the radio where a story on fraud was covered and suddenly realised they were victims. Other victims are contacted by a bank or other financial institution who have identified unusual activities on their account which they suspect are fraud. Many victims first hear of the fraud from the police when their contact details are discovered as part of a raid.

5.4

One victim recounted how she was listening to Radio 4 to a programme on 'boiler rooms' and realized that the shares she had been buying were probably bogus. Another victim was watching GMTV, as the extract from the interview illustrates.

“This one's a great one. I was made aware of the fraud by one day in the school holidays I woke up very early one morning for no reason whatsoever, and switched the TV on to see GMTV warning people of a holiday scam. And there it was.”

Lorraine, bogus holiday fraud victim

Discovering the fraud

5.5

Many victims of identity fraud are contacted by a financial institution when unusual activities have occurred on their accounts. The case below of David shows an example of how victims may be informed.

“I was in Paris, just before Christmas and I was telephoned by a man from... let me get this absolutely right... I was telephoned by a Mr ####, at two fifty one, on Monday the 29th of December and he was calling from Redhill and he said that he worked for the bank at Redhill, he wanted me to confirm that I had actually on the 23rd of December, some six days earlier, been into his branch and withdrawn nine thousand, five hundred pounds from my current account on the basis of my passport. I said I didn't and I hadn't and I asked him what identity the person had produced and he said my passport and I asked if they had the passport and he said 'no, they didn't' and I asked if my debit card had been produced in association with that and he said 'it hadn't' and I asked if he had been asked to produce any security details, such as my mother's maiden name and my date of birth etc and he said 'yes, and the person had answered all those absolutely correctly'. So, I said well in that case, you know, I've been swindled and he said 'oh dear... you've had your identity stolen.'”

David, identity fraud victim

5.6

For lots of victims the knock on the door or a telephone call from the police is when they discover their situation. Interestingly, some victims may already know or suspect they are victims but either have no wish to report or are unsure whether to, when the police contact them. The experience of one 'boiler room' victim illustrates this.

“Probably about six months after I, invested if you like. I tried to contact the company and had difficulty contacting (them) and then checked with Companies House and they were late in filing their returns because they were a limited company, the phone number didn't work, and I thought oh well you know, [laughter] it's gone you know ... so, and then the next thing I heard was the police contacting me.”

Reg, boiler room fraud victim

5.7

One victim interviewed who had fallen for a Nigerian 419 scam only discovered it was a fraud when they went to the solicitors in the process of securing a loan after all the person's life savings had been exhausted.

Discovering the fraud

Relatives and partners of victims

5.8

The circumstances of relatives and partners of chronic victims of fraud is the most challenging. Many discover the fraud after substantial sums of money have already been lost and then face the very difficult trial of reporting it and preventing further fraud, something which will be explored in depth later. Claire secured a job with Age Concern where she had become acquainted with scams. This led to the grim realization her mother-in-law was a victim.

“And she was asking your sisters to post some letters wasn't she, which you know never thought much about... And then one day when she asked me to post these six letters, which I realised obviously having seen (them) where I worked (knew they were a) scam. Because you recognise the envelopes, there's no question about it that they're anything else really...”

Claire, daughter-in-law of chronic scam victim

5.9

Another daughter of a chronic scam victim explains that it was not possible to convince him.

“I've got this letter, and he showed me the letter and immediately I saw the letter, scam, you know, it was just obvious it was a scam. But I couldn't persuade him at the time that it was a scam and that, you know... that he wouldn't be seeing this money, he just wouldn't accept it from me at all.”

Lisa, daughter of chronic scam victim

Reporting the fraud

6.1

Once victims discover the fraud they face the decision of whether to report it. Many decide not to report, the reasons for which will shortly be outlined. Others may have had their fraud reported by a third party. Those who do decide to report sometimes face challenges to secure the interest of an agency. Before some of these issues are explored, the reasons for non-reporting will be examined. When reading this section of the report, it should be recalled that the vast majority of frauds go unreported (Button et al, 2009a).

Reasons for not reporting

6.2

There were a variety of reasons advocated by victims for not reporting. For those interviewed for this research all of those who didn't report were eventually found by the police or other agency. Nevertheless, for many of these had it not have been for that contact, they would never have reported.

Not knowing what to do

6.3

Some victims admitted they just didn't know what to do. Fraud is perceived by many to be different from other crimes and as a consequence, the natural choice of going to the police is not always pursued. The two extracts from interviews illustrate this point.

“There was the upset and also... for me it wasn't, embarrassment - I was just really angry that someone could do that to anyone, but also someone's life savings. It's just disgraceful. But, I don't think that that's why they didn't contact the police, I think it was they probably had no idea what to do, but then someone contacted them...”

Claire, daughter-in-law of chronic scam victim

“No. I wouldn't know where to go. I just wouldn't know where to go.”

Archie, investment fraud victim

Little chance of money back

6.4

Some victims conclude that there isn't much chance of getting their money back and, therefore, decide not to report. As the extract from the interview with Roger, an investment fraud victim shows.

“The fact is we'd been ripped off and the chances of getting the money back is pretty remote.”

Roger, investment fraud victim

Reporting the fraud

Embarrassment/shame

6.5

Shame and embarrassment prevented some victims from reporting, as the extracts below show.

“You have a great sense of feeling very stupid over it, as well, and naïve...”

Archie, investment fraud victim

“What could they do? They’d sit there and they’d say, well who’s the fool? I mean a guy rings you up and out of the blue and says ‘I’ve got a horse running tomorrow, send me £100 and I’ll give you the name of it and you send him £100, how stupid are you?’”

Brian, bogus tipster victim

Didn’t think police would do anything

6.6

Another reason given for non-reporting was that they didn’t think the police would do anything, therefore didn’t see the point of reporting. As the following small business that was a victim of card-not-present fraud states.

“No, I don’t think they would do anything about it.”

Becky, small business victim of card not present fraud

Small sums of money

6.7

The value of losses from fraud is a relative concept. For some victims losses of thousands of pounds were considered minor, whereas to others a few thousand pounds loss was life changing. Some interviewees felt the loss was of little consequence.

“Not at all. It didn’t cross my mind. It was just because it was such a small sum – and I had no information that I could prove or evidence to put forward and... I didn’t think I would get anywhere with it. I felt I would be wasting police time to be honest.”

Giles, boiler room fraud victim

Situation resolved

6.8

For lots of identity fraud victims the first point of contact is the financial institution where the fraud occurred. Frequently the situation of the victim is sorted out by them and so many feel no need to contact the police – although as will be shown later, for some victims there is a need for the case to be reported to the police. The case below of Nathan, highlights how some victims view their situation.

Reporting the fraud

“You know, they just instantly recognised it as being fraudulent. The person I spoke to put me onto their manager and they immediately said that they would cancel off the account, they would contact Experian for me. So as far as I could see what they were talking about would resolve the, situation altogether. Didn't quite think as far as actually it's a crime, so maybe I ought to do something with the police, I just... I never did.”

Nathan, identity fraud victim

Different perception of fraud

6.9

For some victims fraud is perceived as something which is slightly different from 'ordinary' crimes and therefore where and how they decide to report it is also distinct. One victim of a pyramid scam illustrated this when discussing potential punishments.

“Yeah, that's all really, I don't like prison, because they're not really criminals, isn't it? [Laughs] Sorry, that's what I think, my own opinion, they're not criminals, they haven't committed very deep crime...”

Doreen, pyramid scam victim

6.10

In the telephone survey the reasons given by the 30 or so victims who did not report fraud included: 3 felt it was too small a loss; 3 just wanted to forget about it; 9 wrote it off, as they felt the money lost could not be retrieved; 6 couldn't think who to report it to or felt no agency would be interested; 3 were too embarrassed by their own actions; 1 had been told by the police that he was not the victim but that the credit card company was the victim; 4 were fatalistic and felt there was no point in reporting; 3 had taken action as a group.

Reporting the fraud

Victims' experience of reporting fraud

6.11

It would be useful to now examine the experience of victims once their fraud enters the system, whether by their own reporting or by a third party. Some of the victims' experiences have been mapped on a diagram to show how the process can be both simple and very complex. The diagrams also go on to map what the outcome of the report was. It must be stressed that it was clear in some interviews the victims may not have recalled the exact chronological history of events. Nevertheless, bearing this caveat in mind it does show some interesting findings.

6.12

Before this is done the overall experience of victims interviewed by telephone should be looked at. Table 17 shows how they described their current situation with regard to the fraud. 43.5% had reported the fraud to an official organisation but almost as many, 40.1%, did not know they had been victim of a fraud until contacted by an official organisation. 8.1% knew about the fraud but waited until they were contacted by an official organisation before doing anything about it. 31 people, or 4.2%, knew about the fraud but did not report it to anyone. A small number left it to others to report a fraud by the same person. Two victims took direct action and two refused to acknowledge there had ever been a fraud.

Table 17
Current situation of victims for the most recent fraud

Current situation	Number	%
Reported the fraud to an official organisation	324	43.5%
Attempted to report the fraud but told it was not possible	19	2.5%
Knew about the fraud but did nothing until contacted by an organisation	60	8.1%
Did not know about the fraud until contacted by an organisation	299	40.1%
Knew about the fraud but decided not to report it	31	4.2%
Other victims contacted official organisation first	6	0.9%
Victim took direct action	1	0.1%
Cannot remember	3	0.4%
Victim refuses to acknowledge the fraud	2	0.3%
Other	4	0.5%
Total		745

6.13

The report now looks at some individual experiences of those interviewed face-to-face.

Reporting the fraud

Those who find out the fraud via a third party

6.14

As shown above, some victims find out they are victims from a third party. The experience of Lorraine below shows how she discovered her victimisation from a television programme, which led her to phone them and then the police. In her case there was an investigation leading to a successful prosecution and the return of her monies.

Figure 1
Lorraine, bogus holiday fraud victim



6.15

Another example of finding out from a third party is Tom and James who were initially contacted by the police. They then helped the police in the investigation culminating in a trial, a guilty verdict and some restitution.

Figure 2
Tom and James, owners of company hit by bogus holidays fraud



Reporting the fraud

6.16

In Hilda's case she was told by her building society that the cheques she was sending to secure a lottery prize were likely to be a scam and that she should contact the police. There was a limited investigation which did not result in any prosecution. In this case the victim was asked and consented to go on television to warn others of this scam.

Figure 3
Hilda, victim of lottery scam



6.17

Many identity fraud victims find out from a third party and the experience of David is typical of many. He discovered his account had been emptied while on holiday in Paris. Once the bank confirmed it was fraud his monies were returned. However, there was no major investigation, involvement of the police or further information on how this fraud took place, which upset the victim.

Figure 4
David, identity fraud victim

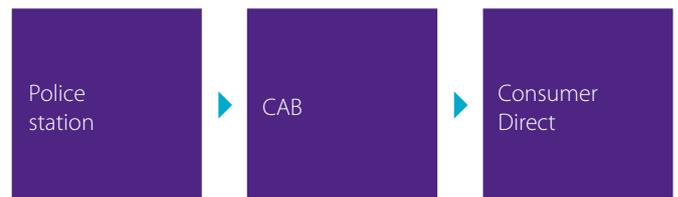


Some report it and it is straightforward

6.18

Some victims discover the fraud themselves and then report it. The analysis shows a diversity in who they contact and the number of bodies they often have to deal with. The experience of Fred is typical of many victims of mass marketing scams. He first went to the police and was told to go to the Citizens Advice Bureau (CAB), who then referred him to Consumer Direct. His case was never investigated and that was the end of the process for him.

Figure 5
Fred, lottery scam victim



6.19

For Doug, when he sought information on the shares he had bought the information didn't seem right, so he contacted his bank. They then told him to go the police and he went to the local station who took his statement. The case was then referred to the City of London Police who visited him and his wife. In this case the investigation is ongoing and has not yet reached court.

Reporting the fraud

Figure 6
Doug, victim of boiler room scam



6.20

Many identity fraud victims discover the fraud themselves and then report it. In the case of Nathan he received a letter relating to an unknown loan he was supposed to have taken out. He telephoned the company who the loan was with who dealt with his situation relatively speedily. They also advised him to contact Experian, which he did. His situation was resolved with his debt cleared and his credit rating restored. From the victim’s perspective there was no significant investigation, identification of the culprit or police involvement.

Figure 7
Nathan identity fraud victim



Reporting the fraud

Complications in initially reporting

6.21

Some victims have a few more hurdles to jump before finally getting their fraud reported. The case of Val illustrates this. When she tried to contact the firm overseeing her investment she suspected the worst. She then searched online and identified she should contact the Metropolitan Police. They referred her to the local police to report, which she did and then she was visited by police officers. In this case it was investigated, resulting in a court case, for which the fraudster was found guilty.

Figure 8
Val, victim of investment scam



6.22

Some face what could be described as a reporting merry-go-round. The case of Doreen illustrates this very well. She began the process by visiting the Citizens' Advice Bureau (CAB), where she was told to go to Consumer Direct. They then told her to go to the police, where they told her it was a 'civil matter' and she should go to a solicitor. She paid to do this but was advised it would cost substantially more to pursue and would not be worth it given her loss was only £3,000.

Figure 9
Doreen, victim of pyramid scam



Reporting the fraud

6.23

The reporting merry-go-round can become even more complex when small businesses are involved. As will be shown later, several of the small businesses interviewed expressed the view that agencies such as the police thought it was their responsibility to investigate fraud. In the case of Peter below he had to visit the police four times before they showed any interest. This eventually led to an investigation, but the evidence was not enough to interest the Crown Prosecution Service. This led him to contact his MP who then contacted the police. In the second investigation, forensic accountants were brought in and at the time of writing the investigation was still ongoing.

Figure 10
Peter, small business victim of internal fraud



Reporting the fraud

6.24

The case of Mike and Steve illustrates further how complex reporting a fraud can be. A few days after purchasing contracts from a large company, they realised the business was rife with endemic corruption and fraud. In the first instance they contacted their solicitors and began their own investigations. After a period of time they had what they thought was enough evidence to interest the police. However, after meeting them, the police referred them to the Serious Fraud Office (SFO). Initially they were also uninterested in the case but eventually decided to take it on. Meanwhile the victims were still largely investigating the case themselves, with some outside professional help. The case eventually reached court – after a dispute where the SFO stopped them from going down the civil route – where guilty verdicts were secured. However, it didn't stop there as the indictment had been wrongly phrased which meant they would not secure compensation (something they had been promised). This led to further legal action to secure monies, which is still ongoing.

Figure 11
Mike and Steve, victims of multiple frauds transpiring from purchase of 'fraudulent' company



Reporting the fraud

6.25

Complications with reporting can also be time consuming for relatives of chronic scam victims who often have to contact multiple bodies that won't always deal with them. The case of Claire below shows how she started with the Royal Mail, then went to the bank, followed by OFT, Age Concern and the local police. So exasperated had she become, she then contacted celebrities such as Esther Rantzen and then her MP.

Figure 12
Claire, daughter-in-law of chronic scam victim



6.26

The illustrations above show the diversity in victims' experiences when it comes to reporting fraud. It can be simple, it can be complex, it can result in court cases, it can also result in a report not being accepted and it can often involve no reference to a statutory body. Compare this to other crimes such as burglary, theft etc, where a victim contacts the police, who issue a crime number and determine whether or not to investigate.

Attitudes of agencies

7.1

The research revealed a wealth of findings on the quality of experience with different fraud agencies, both positive and negative. There were some quite different perceptions of the police's response to fraud victims. There were also some very positive views on the help and support that victims received. It is also important to distinguish between the experience of individual victims and small businesses. For the latter, the experience of different bodies was overwhelmingly negative, although only a small number of businesses were interviewed so this may not be representative of the broader business community.

Unsympathetic response

7.2

It was shown earlier that many victims were reluctant to respond because of shame and embarrassment. This illustrates the need that enforcement agencies show sympathy to the victims. The extracts below show how some victims perceived their treatment from the police.

“And even when I've spoken to, the police at times about it the, vocal reaction was like, “Well, you're the mugs with your money, you're the fools with your money. It's your fault.” And it seems to be that... was the general way they felt it... they are speaking to me. It's like, well, you know, you're the fool mate. And I... there wasn't a great deal of seemingly sympathy. And that, that's just the feeling I got from the, the vocal type of reaction... It just didn't seem to me that they seemed to care. It was like, oh, if we catch him we catch him, if we don't, too bad.”

Roger, investment fraud victim

“He (the police officer) didn't strike me as outstanding, it just came across as another case that he had on his books and he was just ploughing his way through the best he could.”

Tim, ponzi investment victim

7.3

The police were not the only organisation that was criticised for an unsympathetic response. In one interview the victim recalled how a judge in court had also been.

“The worst thing for us was when they did the actual court case, the judge said that we were all wealthy arrogant people that wanted to get on the bandwagon of hedge fund investment ... He did. He just said that we were wealthy arrogant people... which was annoying 'cause we weren't. We were just normal people. Obviously, if my husband hadn't been involved we would never have got involved in it. We probably would've gone straight to the building society, paid off the mortgage and said, end of. Instead, we thought well could invest it, make a bit more from it, do something more for the children, that type of thing.”

Val, investment fraud victim

Attitudes of agencies

7.4

One victim – who was very positive about the police – was very negative about their bank.

“Ideally...it would have been a bit nicer to have a bit more sympathy from them, but there was none of that whatsoever. You were treated like you were really stupid and you shouldn't have done it in the first place. That's the attitude I got from three of them wasn't it, it really upset me. They never even gave you a crime number that you could phone for support or anything like that. They just weren't interested, not at all, just not interested.”

Lorraine, bogus holiday fraud victim

Incompetence/tardy

7.5

Sometimes victims were offered advice from statutory bodies that was incorrect. One desperate in-law of a chronic scam victim approached two police officers on the beat. They incorrectly advised her that it was a matter for the 'international police.'

“When I stopped these two young bobbies in Buxton and asked them. This is when they said that is was a matter for the International Police, because it was coming from abroad like I say. And because of the amount of money involved that the International Police wouldn't be interested in dealing with it.”

Claire, daughter-in-law of chronic scam victim

7.6

Another victim complained how long it had taken the bank to contact him regarding the fraud and also wondered why a phone check was not made when his account had been emptied.

“I mean when they got round six days later to wondering whether they'd done the right thing, they'd telephoned, they have my mobile telephone number, they telephone me. I was ... I'd just got off my boat which is moored in the centre of Paris, onto the pontoon and the telephone rang and I answered it and there we were. So they were able ... they could have contacted me anywhere in the world, just like that! So why couldn't the girl have rung me up, right at that very moment, before counting at nine thousand five hundred quid in cash and say 'oh I just want to check' you know? And I could have said 'it's not me dear, don't give it to him!' And you know... So there's a lack of common sense, there's a lack of training.”

David, identity fraud victim

Attitudes of agencies

7.7

A boiler room fraud victim in the focus groups also complained of the length of time it took the Financial Services Agency (FSA) to respond to his letter explaining the fraud that had been perpetrated against him. '

“Well I wrote to the FSA about it all and they wrote to me about six weeks later which is silly because I mean six weeks has gone past, saying I should have got in touch with my local police station, which I haven't done yet because I've got other things to do, but it's been now eight or nine weeks before ... they could have answered me straightaway.”

Participant 2, Focus Group 1

Small firms

7.8

Small firms interviewed for this project were overwhelmingly negative about their experience of statutory bodies that they sought to report to. As stated, only four small businesses were interviewed as well as four directors of medium sized firms. It would seem that high expectations of action by the police and other statutory bodies are often not met, leading to a very negative perception. This can start with the difficulty of simply reporting the fraud, as the following shows. '

“I went there (the police station) four times before I got anybody to talk to me ... had to shout in the ... in the reception till this duty officer came out.”

Peter, small business victim of fraud

7.9

Some small businesses expect that the police will help to recover what to them is a large sum of money. As one small business victim was to state: '

“I was advised by Company House(sic) to contact the police. The police weren't interested because it wasn't a serious fraud in their opinion, it may not be a large amount to the police but to me it was a serious amount of money at the time. It was a big dent in my, in my sort of margins if you know what I mean. I live a pretty modest sort of life. I'm not a lavish person, er, at all, um, so this was a massive hole that I, I didn't expect and was so frustrated that there was no remedy. The only remedy would have been to take out a civil action I was told and that would mean employing a barrister and they said to me ... and debt collectors have said to me if you're going to go to those stages you may as well drop the whole case completely.”

Barry, long firm fraud victim

Attitudes of agencies

7.10

The same victim pondered the message a lack of investigation of this type of crime sends out to society.

“I thought it was, disgraceful that the, the British legal system has, loopholes that sends out a message to society, in my opinion, that people can do this... as long as they keep it to around about £6-7000 a go you can do this to 20 or 30 people at a time if you want to and no one's going to pursue you, and the odd one that does pursue you you've got the money to pay them. You can just go and do this over and over and over again and get away with it completely Scot free although it's a criminal offence...”

Barry, long firm fraud victim

7.11

Two victims interviewed, who were directors of a small company, were the only victims interviewed face-to-face to have experience of the SFO. Their experience was also very negative.

“We approached the SFO and they were lethargic, incompetent, poorly led, so incredibly slow. And, and when you're talking about a, a fraud crime and assets are being shifted around all over the place you need to be moving quickly. You've got to be doing something. SFO don't recognise the victim, the victim is meaningless. I tried to speak to them and say look, come on guys, what's going on after a few months of lethargy. 'Why are you talking to me', they said. This is one of the barristers, the, case managers... 'Why are you talking to me, how dare you come through to me.' ”

Steve, multiple fraud victim

Attitudes of agencies

Quality response

7.12

Not all victims, however, received an unsympathetic response on reporting. Some victims of identity fraud were pleasantly surprised to find financial institutions quickly dealing with their case and restoring monies or repairing credit ratings.

“The person that answered the phone straight away, you know, only asked me a couple of questions before putting me straight onto their manager, who was almost waiting for me to say that, you know, this had happened. She launched straight into exactly what she would do, close the account, let Experian know, it was almost like they were practised at doing this, you know. It wasn't like they had to suddenly dig up the plans of what they do in this, you know, strange situation.”

Nathan, identity fraud victim

7.13

Some of the relatives of chronic scam victims were often critical of the Royal Mail, but some were also very positive about postmen, particularly concerning some of the informal help they gave.

“The postman who's been fantastic, I said to him look you know with them getting the mail back, I said I know it's your job and everything this is, but can you just give me a wink if you see the mail building up again. And he said 'yes, I'll let you know'. But if we didn't live in a small village community you wouldn't get that even, would you?”

Claire, daughter-in-law of chronic scam victim

7.14

The police were also praised by some victims, especially when their case is taken up for investigation. In these situations victims are generally very positive.

“Oh they (the police) were brilliant, absolutely brilliant. I think it was only a few days when he'd actually come round and taken a statement from us about it...”

Lorraine, bogus holiday fraud victim

Support once reported

Those victims who receive no further information or support

8.1

Victims interviewed by telephone were on the whole very positive in describing how they had been treated by the organisations they had contacted when reporting their fraud. Our 745 telephone victims reported 1334 contacts with different organisations. Table 18 summarises the responses and the report concentrates on the 14 organisations that were mentioned by at least 20 people.

Table 18
Victims' views on the quality of response they received by organisations mentioned
Scale: 1 = very poor, 4= average, 7 = very good

Current situation	Number of responses	Mean response ²	% not satisfied (response 3 or lower)	% satisfied response 5 or higher (3 or lower)
Victim's bank or financial institution	368	5.9	17.7%	75.5%
City of London Police	307	5.2	18.9%	72.0%
Police (other forces)	142	3.5	41.5%	43.0%
Financial Services Authority	126	2.7	54.0%	38.0%
Serious Fraud Office	66	4.1	30.3%	53.0%
Trading Standards	50	4.1	38.0%	52.0%
Credit reference agencies	40	4.8	27.5%	65.0%
CIFAS	40	5.4	22.5%	72.5%
Office of Fair Trading	32	4.5	37.5%	50.0%
Victim's solicitor	29	4.2	41.4%	51.7%
Citizen's Advice	23	4.3	26.1%	52.2%
Consumer Direct	22	5.5	27.3%	72.7%
Victim Support	21	3.1	47.6%	33.3%
CPS	20	5.5	30.0%	65.0%
Other ³	50	4.4	46.0%	48.0%
Total	1334	4.8	28.8%	61.8%

8.2

Victims were asked to classify the quality of the response on a scale ranging from 1= very poor, 4 = average to 7 = very good. 61.8% were satisfied with the response they received (i.e. giving a rating of 5 or above). Only 28.8% were unsatisfied (i.e. giving a rating of 3 or below).

² The usual measure of central tendency, the mean, is not appropriate for this exercise as the distribution does not follow the normal distribution: ie, it is not bell-shaped. Therefore, the median has been used as a measure of central tendency as a comparator between organisations. The median is the response where half the victims were more satisfied and half less satisfied.

³ These included the Fraud Advisory Panel (mentioned 10 times), Help the Aged/Age Concern (5 times), the Federation of Small Business (4 times), as well as 30 other organisations mentioned only once each eg. commercial firms, postal services, government departments or financial advisors.

Support once reported

8.3

Once a victim is in the 'fraud justice system', either by their own initiative or by some third party contacting them, the support received is very variable, as shown below. As will be discussed later, some victims do not want 'support', so the lack of it was not necessarily perceived as negative. There was also evidence that the Code of Practice for Victims of Crime was not always met (although in many of the cases the fraud occurred before it was compulsory). Although the level of satisfaction was high, victims reported a variable level of quality in the response they received from the organisations they approached.

8.4

The largest group (368 responses) approached their **own bank or financial institution**. They were very satisfied. Their average (mean) response was 5.9, which meant 75.5% classified the quality of the response as 5 or higher and only 17.7% classified it as 3 or lower.

The next largest group (307 responses) approached the **City of London Police (COLP)**. They were also very satisfied. Their mean response was 5.2, which meant 72.0% classified the quality of the response as 5 or higher and only 18.9% as 3 or lower.

There were 142 reports to **other police forces**. For these as a whole, victims were less satisfied. Only 43% classified the quality of the response as 5 or over and about the same, 41% classified it as 3 or lower. The mean response was low, at 3.5.

126 victims had contacted the **Financial Services Authority (FSA)**. They reported lower response quality. Their mean was 2.7 which meant 54% classified the response as 3 or lower and only 38% as 5 or higher.⁴

66 victims had contacted the **Serious Fraud Office** and were reasonably satisfied. The mean response was 4.1 which meant 53% classified the quality of response as 5 or over and 30.3% as 3 or under.

50 victims had contacted the **Trading Standards organisation at their local authority** and were reasonably satisfied. The mean quality was 4.1 which meant 52% classified the quality of response as 5 or over and 38% as 3 or lower.

40 victims had contacted a **credit reference agency** such as Experian or Equifax and were quite satisfied. The mean response was 4.8 which meant 65% classified the response as 5 or more and 27.5% as 3 or less.

40 victims had contacted **CIFAS** and were very satisfied. The mean response was 5.4 which meant 72.5% classified the response as 5 or over and 22.5% as 3 or under.

32 victims had contacted the **Office of Fair Trading** and were reasonably satisfied. The mean response was 4.5 which meant 50% classified the response as 5 or over and 27.5% as 3 or lower.

29 victims had contacted **their own solicitor** and were reasonably satisfied. The mean response was 4.2 which meant 51.7% classified the quality of the response as 5 or over and 41.4% as 3 or lower.

23 victims had contacted **Citizens Advice** and were reasonably satisfied. The mean response was 4.2, which meant 52.2% classified the response as 5 or over and 26.1% as 3 or lower.

⁴ The negative view of the FSA was not picked up in the face-to-face interviews. However, Participant 2 from Focus Group 1 offered a rationale of why this might be so as he had reported the boiler room fraud to the FSA in the first instance and had been referred to the police some 6 weeks later, because they did not have jurisdiction. This may reflect a wider experience of investment and boiler room fraud victims.

Support once reported

22 victims contacted **Consumer Direct** and were very satisfied. The mean response was 5.5 which meant 72.7% classified the response as 5 or over and 27.3% as 3 or lower.

21 victims contacted **Victim Support** but were less satisfied with the response. The mean response was 3.1 which meant 33.3% classified the response as 5 or over and nearly a half as 3 or lower.

20 victims contacted the **Crown Prosecution Service** and were very satisfied. The mean response was 5.5 which meant 65%, or nearly two-thirds classified the response as 5 or over and 30% as 3 or lower.

50 victims contacted **various other agencies** and were reasonably satisfied. The median response was 4.4 which meant 48% classified the response as 5 or over and about the same 46%, as 3 or lower.

432 valued **return of (part of) their monies lost** as of high importance with 65.0% giving a rating of 5 or more.

352 victims valued **interest from an investigative body** as of high importance, with 58.2% giving a rating of 5 or more.

159 victims valued **generic leaflets about fraud** as of moderate importance with 48.4% giving a rating of 5 or more.

Smaller numbers of victims (under 70 in each case) mentioned other types of response and in general valued them less highly with under a half giving ratings of 5 or more. (e.g. referral to CIFAS, Victim Support or to a credit reference agency; counselling, support or help with giving evidence in court.)

8.5

The type of response also varied. Telephone interviewed victims who had contacted an organisation were asked how they rated the value of particular types of response, with 1 being of low importance and 7 of high importance (Table 19).

555 victims valued **written correspondence** highly with 68.5% giving a rating of 5 or more.

547 victims valued **Information on progress in the investigation of the fraud** of average importance with 50.1% giving a rating of 5 or more.

489 valued **help in rectifying their situation** as of high importance with 60.9% giving a response of 5 or more.

452 valued a **telephone call** as of very high importance with 74.1% giving a rating of 5 or more.

Support once reported

Table 19
Value attached to different types of response

Type of response	Number of responses	% valuing response as 3 or less	% valuing response as 5 or more
Written correspondence	555	22.2%	68.5%
Information on progress of fraud	547	40.2%	50.1%
Help in rectifying the situation	489	30.2%	60.9%
A telephone call	452	19.5%	74.1%
Return of (part of) monies lost	432	31.7%	65.0%
Interest from an investigative body	352	35.2%	58.2%
Generic leaflets on fraud	159	35.8%	48.4%
Referral to CIFAS	67	43.3%	44.8%
Referral to Victim Support	66	59.0%	27.3%
Referral to a credit reference agency	58	51.7%	34.5%
Counselling support	47	74.4%	23.4%
Support in giving evidence in court	30	43.3%	50.0%

8.6

Victims interviewed face-to-face, were able to go into their feelings in more detail.

Support once reported

Those victims who receive no further information or support

8.7

After reporting their fraud to the police and giving a statement, some victims did not receive any further information concerning their case or advice on further support. This could qualify as a breach of the Victims' Code of Practice. The following extracts from victims illustrate this experience.

“Not even a phone call from any of the police to say, “Would you like our Victim Support to contact you?” ...at least talk you through things as they've got so much experience in this sort of thing... it might help people to come to terms with what's happened. But as far as they're aware it's just like, their money's gone, what do we do now? You know, there was no like advice or anything.”

Louise, sister of Roger an investment fraud victim

“The local police took a statement and, they obviously passed it onto the fraud squad in London and they then contacted us. They came and saw us, and I feel it was fully investigated on our part. How far they are taking it now we don't know, but hopefully to a successful conclusion. Now I'm not hoping we're going to get our money back because I know we're not going to get our money back, it's highly unlikely.”

Doug, boiler room fraud victim

“I think they initially sent me a letter and then I got a phone call to arrange for this police officer, I can't remember her name but she was, she said by the time it comes to court she will probably be retired so [laughter] that's how long it takes to bring things to court but anyway, lot of investigations to do. She rang me, we've made an arrangement for her to come here, interview me and we went through everything I could remember from the time this firm contacted me, who they were, odd names I could give her and that, rough time scales of how things went, loads and loads of statements she took, paperwork, signed all these, and off she went...I would be contacted in due course, when they knew something, I would know something sort of thing so, you know, I wait and see if I live long enough.”

Reg boiler room victim

Support once reported

Some victims receive information, but too late

8.8

Some victims complained that they did not receive information and advice in a timely way. One victim of identity fraud who worked in the City was told by a friend to register with CIFAS. He was very disappointed when his bank gave the same advice two weeks later:

“(Experience of CIFAS) Absolutely positive, very good. I rang up immediately, told them the situation, they sent me the form, I filled it in, I gave them some information which nobody else could possibly know about and then what happens two weeks later? My bank rings me up: ‘we think it may be a good idea if we registered some information with a firm called CIFAS.’”

David, identity fraud victim

8.9

Clearly with a crime such as identity fraud, speedy resolution is of the essence and this illustrates the need in some cases for a much faster response to victims. The same victim was also concerned that he hadn't been properly informed on what further crimes might be perpetrated against him, as the fraudster had used a fake passport in his name.

“In the case of my passport, nobody has been able to tell me what sort of things might be happening to it. I mean what do I need to be looking for. I mean, yes we've talked about the dusky lady saying she's Mrs #### in two years time. What else could happen... I don't know what else they might be used for. But I don't like the idea that there's somebody out there wandering round saying his name is David... and doing things which I might not approve of.”

David, identity fraud victim

Some victims receive excellent support

8.10

There were many examples of victims who received excellent support from some of the agencies involved. This is especially the case where the police are investigating a case and it is going to court. Also, in some cases investigative bodies actually rely heavily on the victims to help coordinate the investigation.

Support once reported

“The police basically told us how things were progressing, and kept us informed. From the first couple of months after the fraud they were arresting people and seizing the funds. We produced a ton of stuff for evidence support for him, that he could use to do the arrests. Yes. From a police investigation side of life, it was top class... Again, because we were still closely involved with the case, it was in their best interest to keep us up to speed because we provided the information that allowed the prosecution to happen in the first place. I don't know if it's what the general victim of fraud would get. Because we didn't really get support, it was just more we need you to do this and this is why we need you to do it, and this is when it's going to become relevant.”

Tom, victim of bogus holiday fraud

“Yes. In fact that's an important point. We were making all the pace early on. In the middle ground we were doing all the work. In the latter stages they fell back on us and depended on us...”

Mike, multiple fraud victim

Some victims did receive timely advice on what to do to prevent further victimisation.

“Yes, change my phone number or else get a stop put on nuisance calls. Which I tried to do, which has worked up to a point. But then they seem to have slipped again now, because I'm still getting calls about my kitchen or my windows or my doors or something like that.”

Hilda, victim of lottery fraud

8.11

For victims who actually go to court, the small amount of evidence from this research would suggest they received excellent support, as the following extract reveals.

“There's witness support in the courts now, and nice people and it was comforting, but boy did some of our witnesses need it. I was first on you see so I got first slot so I wasn't kept waiting, but some people were kept waiting in the witness room for days. One poor guy, was kept waiting three days, was put up in the, witness box to speak, they examined him for about five minutes and then the judge said “I'm sorry, I've really got to rush off now”, so sent him home.”

Mike, multiple fraud victim

Impact of fraud on the victims, partners and relatives

9.1

Having explored the experiences of victims upon reporting their fraud, it would be useful to examine the actual impact of fraud on their lives. The research revealed a wide range of consequences for the victims themselves, but also for partners and relatives. The following section will examine some of these. Those interviewed by telephone were asked to list the possible effects of fraud on them or their partners. Their views are summarised in Table 20.

Table 20

**Victims' views of possible impact of fraud:
1= no effect, 7 = severe effect**

Possible effects of fraud	Numbers	Mean	% claiming low effect, ie 3 or under	% claiming high effect, ie 5 or higher
Financial loss	665	3.9	48.6%	45.0%
Worse personal credit rating	466	1.8	84.5%	11.4%
Loss of home	410	1.3	95.4%	4.0%
Loss of employment	406	1.2	96.8%	2.5%
Loss of pension	433	1.6	88.9%	10.0%
Caused mental health problems	499	1.5	90.8%	7.4%
Caused physical health problems	536	1.8	85.9%	10.8%
Caused feelings of suicide	487	1.2	96.3%	2.3%
Led to suicide attempt(s)	471	1.1	98.3%	1.7%
Caused feelings of stress	681	4.0	44.3%	44.3%
Caused feelings of anger	729	5.2	21.9%	68.4%
Caused psychological/emotional feelings	622	3.4	53.9%	36.7%
Caused problems in relationships with partner or family	548	2.1	79.6%	17.2%
Caused problems in relationships with friends	519	1.6	87.7%	9.1%

9.2

Victims' views of the impact of the fraud varied considerably, undoubtedly because of the particular fraud they had suffered. Just under a half (45%) rated financial loss as of high importance (rating 5 or over) and few (11.4%) felt that their credit rating had suffered. In a similar way 4.0% rated loss of home as an important impact, 2.5% rated loss of employment as important and 10% rated loss of pension as important.

7.4% rated suffering from depression or mental disorder as important and 10.8% mentioned a physical health problem resulting from the fraud. Occurrences of suicide or the expression of suicidal tendencies were not common amongst the majority of victims with this study, with 2.3% expressing feelings of suicide and 1.7% attempts at suicide.

Impact of fraud on the victims, partners and relatives

9.3

Much higher percentages of victims rated feelings of stress (44.3%) or anger (68.4%) as most common. 36.7% mentioned experiencing psychological/emotional feelings, loss of trust, etc. A smaller, but important percentage of victims mentioned problems with their partners and family because of the fraud (17.2%), or problems with friends (9.1%). Some extracts from the face-to-face interviews will now be used to expand on these statistics.

Low or little impact for some

9.4

This low impact for some victims was also reflected in the face-to-face interviews. Often the impact bore little relation to the actual loss suffered. Some victims who lost quite substantial amounts were not overly concerned.

“No I don't care if anybody knows about it, but I was an idiot, it was my fault, nobody else was affected apart from my wife and I so why tell anybody? But...but as I say the impact on our lives, of that, is miniscule compared with what this stupid government's cost us, and is going to cost us for the rest of our lives (Doug boiler room fraud victim) (£1 to £10k loss).

“I wasn't too worried about the money because to me it was just the Tessa and the ISA that I'd been using, and it was the timing that the rights of the rest of the family what they could expect later. I didn't think that I'd robbed them of anything, although probably some of them might have thought so, but they've never said anything. When they rang me up and I knew that they knew about it, I told them there was

nothing to worry about. I wasn't bothered, so why should they be? That was my attitude towards it I'm afraid.”

Hilda, lottery fraud victim

“In the end I put it down to sort of experience and just forgot about it. It was only a small sum. It was £1,400 that was all.”

Giles, boiler room fraud victim

“Yeah, nobody was interested. So I said to my friends...‘you have to move on’, I said, ‘it's not the end of the world, it's only money’, you can still get the money, I said, ‘it's only three thousand’, I just blocked (it out of) my head now! And that's my ISA!”

Doreen, pyramid fraud victim

9.5

For identity fraud this solicited different attitudes amongst some respondents as they would be unlikely to incur any financial loss.

“The extent of the problems it's caused me, you know, isn't that great. It's just, because it was resolved so quickly, so the only really... the only real sort of lasting impact is having to go through so many hoops, for my legitimate banking and all those sorts of things. But that's just there. I don't think there's any real impact to this other than it constantly being on your mind, you know, about where stuff is...”

Nathan, identity fraud victim

Impact of fraud on the victims, partners and relatives

9.6

One victim speculated that they were not concerned about becoming an identity fraud victim.

“All the credit card companies and everybody else saying ‘oh you get somebody and they pinch your identity, you won’t be able to get this, and you won’t be able to get that, erm, you know you won’t be able to get a mortgage’, I said ‘I don’t want a mortgage, I don’t want this, I don’t want that’ so that doesn’t bother me. If somebody pinches my identity it’s fraud; as long as I am not out of pocket by it, you know, if the credit card companies are out of pocket by it because somebody has taken money out off my credit card and it’s fraud, I get the money back. It doesn’t bother me. They want to call themselves ... I mean you know take a building society for loads of money, it don’t concern me, if they come to me for the money I’ll say ‘it’s nothing to do with me, I’m not paying it’, you know [laughter].”

Reg, boiler room fraud victim

Financial impact

9.7

The range of losses of the victims interviewed face-to-face ranged from a few thousand to several million pounds. The following extracts from interviews reveal how they comprehended the financial impact.

“Well, I was very upset over it, because it was my savings. You know, all my savings practically...”

Jane, investment fraud victim

“Oh it was awful, because we’d got a bank loan out to pay for this holiday and I then thought well what am I doing, because I’m now paying for something that I’ve not had.”

Lorraine, bogus holiday fraud victim

“You have to be realistic and the money... I’m not going to get the money back. I’d love for you to turn round to me tonight and say ‘don’t worry, we can help you out, we’ll get five grand sent to you tomorrow, don’t worry, but that’s not going to happen. You know, once you’ve lost the money, it’s gone and you have to be realistic and say that’s the end of it, the money has gone.”

Brian, bogus tipster victim

“How it’s affected us is that we can’t do things we would have done, we haven’t had a holiday, it’ll be two years now since we had a holiday which that money would have paid for.”

Doug, boiler room fraud victim

“We found within the first month we couldn’t pay ourselves. Just wasn’t enough money in the company to actually pay ourselves. Yeah. In the end I had to sort of, I’d made a directors’ fund for the company, I had to sacrifice that basically to pay us, and that was my pension fund. So my pension went on that. As a result we’ve managed to live for three years until we’ve managed to get the company back into a tiny profit and we managed to pay ourselves from that point on. We just did it by the skin of our teeth.”

Mike, multiple fraud victim

Impact of fraud on the victims, partners and relatives

“That was our inheritance from his father and it was kind of for us, it was a lot more devastating ‘cause my husband’s cousin’s quite wealthy, so he could not afford to lose it, but it didn’t change his lifestyle. But for us, it did change our life because obviously that money was supposed to give us our future you know, it was supposed to give us our retirement and you know, all the rest of it.”

Val, pyramid scam victim

9.8

One identity fraud victim also highlighted that although he got all his money back, he still experienced some secondary financial impact.

“Of course what I didn’t realise was that when my accounts were hit, they closed everything down and all those prepayments, forward payments were cancelled and now I’m being sent bills by people saying ‘oh we’ve now added interest’ and I’d of course forgotten that they hadn’t been paid. So yes, it’s cost me that.”

David, identity fraud victim

9.9

Relatives and partners of victims of fraud may not only lose what they might have inherited, but also have to fund aspects of their lifestyle because all their money has gone.

“He wanted a new television. He wanted a new bed. He wanted a new telephone, anything and I’ve ended up buying most of his clothes for him now because all he’s got is a pension and – and that’s it... I don’t mind buying things like that but, you know. I mean, we can afford to buy him a television and that but that’s not the point. I mean, I’m 64 and I still work full-time. I mean, Tony’s only 47 because he’s my second husband, he’s 15 years younger. So it isn’t that we can’t afford to buy him the things but the annoying thing is that he had all of this money and he’s given it to people he doesn’t even know.”

Margaret, niece and daughter-in-law of chronic scam victims

Bankruptcy

9.10

Such is the financial impact for some that victims or their companies are bankrupted. As the following victim explains.

“Yes, the big financial loss was the perpetrating the fraud for about six, seven million and we had to pay back two million of that. The company didn’t have it, so the company was bankrupted. The company which had a tangible worth of six to seven million all of a sudden had a worth of nothing.”

Tom, victim of bogus holiday fraud

Impact of fraud on the victims, partners and relatives

Loss of employment

9.11

Such was the devastation to some companies as a result of the fraud that employees lost their jobs.

“When it happened it was a shock, and it’s one of those things that the impact of it isn’t immediately obvious. It took a few weeks for us to realise that the business was going to get wound down. And then that has the element ‘okay so I’m going to lose my job, so I’ve to find something else, I’ve got bills to pay’. I can’t be more specific than that really. I was angry.”

James, victim of bogus holidays

9.12

There is also the potential for the secondary consequences of a fraud to hurt a victim, something which will be developed further later. One victim had been accused – and subsequently cleared – of downloading child pornography after his identity had been stolen, and was concerned that he could never return to teaching if he had wanted to.

“I used to be a teacher, in a secondary school, and I’ve worked with children a lot in my life, and I’m not thinking of going back to that, but if ever I, if it were the case that I wanted to go back to that, this would loom large on me as a great cloud of anxiety about whether the potential employers knew about it and what their reaction would be if they find out. Now as I say it’s academic because I’m not planning to do anything of the sort. But it would be a worry to me.”

Harold, identity fraud victim

Physical health

9.13

Victims rarely reported an impact on their physical health. Two of the victims admitted to developing skin conditions due to the worry caused by the fraud or its secondary impacts.

“But if you want to see class A psoriasis which I didn’t have before... and if there is, any relationship as they say, there is between stress and psoriasis.”

Peter, small business victim

“I have started suffering from a rather mild skin problem called urticaria which was just when this had gone on for six months. I just went all red, red rash, right down the front of my body and down my legs, itchy rash, it’s called urticaria. And I was given some medicine for it, pills and it knocked it out. There’ve been a few reoccurrences, not so severe as that first onslaught, but it’s never happened before and, I think it’s a symptom of the awful level of anxiety that I now live on.”

Harold, identity fraud victim

Impact of fraud on the victims, partners and relatives

Mental Health

9.14

There were a few victims who also admitted that the fraud had had an impact upon their mental health.

“Oh it was a passion. And because I am... a compulsive obsessive person by nature, that's why it consumed me personally over the last 12 months. I'm on antidepressants, sleeping tablets, tranquillizers.”

Barry, long firm fraud victim

“There have been sort of bouts of, depression, that were... I could go inside myself and, feel sorry for myself... more so in the earlier stages when it first happened to me, when I realised that my money was, in jeopardy...”

Barry, long firm fraud victim

“I would say with me, yes. I've been mentally to the brink a couple of times. Yeah. So... I've always thought I'm pretty strong but, you know, it's when you have to carry the baggage of your own family - that's difficult.”

Mike, multiple fraud victim

and stress to loss of esteem or sleep. Some of these conditions will now be considered.

Anger

9.16

Anger was a very common emotion expressed by the victims.

“I know I was really upset, and I mean I was so angry that they could have done something to, not just to me and my kids, but to... they pinpointed families, they knew what resorts to go for to get... to get families to go in for it. And it just made me feel sick, how people could do that to others, you know. I've never said a bad word against anyone, then all of a sudden we'd got this and the effect it had on my kids, just made me... I wanted to punch them. I wanted to be in that court room, good job I didn't go really.”

Lorraine, bogus holiday fraud victim

“I still think about it, yeah. I end up just getting irritated and, you know, angry about it really.”

Nathan, identity fraud victim

Psychological impacts

9.15

The most common impact upon victims related to psychological conditions, ranging from anger

Impact of fraud on the victims, partners and relatives

“The anger that somebody has actually done it and they’ve gone to long lengths to actually do it to me through trust. That I think is the thing that has really got to me.”

Archie, investment fraud victim

“I was very angry to start with, because like I said previous it was...you put your heart and soul into a company, working long hours, there’s a lot more expected of you as a founder or a builder of the company, than just an employee. You don’t just turn up for work, sit down and then as soon as five o’clock hits, you just leave and then you leave everything behind at work. When you’re actually trying to build something, more substantial than that you take the stuff home with you. And for that to be yanked from underneath you, yes I was very very angry. But my anger is offset by the fact that the guys have been prosecuted, they’ve all gone to jail.”

James, victim of bogus holidays fraud

9.17

Several victims expressed a desire to hurt the perpetrators, as the following extracts reveal.

“Oh aye, I was... I wasn’t right pleased, if I’d have got to him I’d have... he... he’d have wanted hospital treatment [laughs]”

Fred, lottery fraud victim

“I got very uptight about it and lose me temper very quick and I was going round with a sore head, annoyed at everybody ‘cause I’d been conned, especially when the realisation that you are being conned hits you. You know, you’re wild and I really wanted to get hold of this and just batter him, I really did.”

Brian, bogus tipster victim

“No. If I could have caught the blokes [laughter] I might have, might have done something, if I knew who they were and where they were, you know, I might have made them really sorry.”

Reg, boiler room victim

9.18

For Doreen a pyramid fraud victim the feelings were just hatred.

“I was full of frustration... when I realised it was a fraud, I just hated those people but, because I don’t see them anyway, they’re not my work colleagues so, I can forget them, I can forget about it.”

Doreen, pyramid fraud victim

Impact of fraud on the victims, partners and relatives

9.19

For another victim there was a desire to confront the fraudster. They had also been offered the services of 'debt collectors'.

“I sometimes even felt like going and, to the works where he is, and meeting him face-to-face. I have even had people say to me give me this guy's name and address and we'll go and get your money for you. I said no, I'm not getting involved in anything like that... we'll go and get your money for you on a contingent basis, and I've thought no i'm not into that kind of thing so I wouldn't stoop to them sort of levels.”

Barry, long firm fraud victim

Stress

9.20

Stress is a very difficult condition to define and deal with. Without embarking upon some of those debates, some victims simply claimed the whole experience had given them stress.

“Well it's an added stress and I'm sure I've got a few more grey hairs over it, but [laughs], I've not been to the doctor for anything no.”

Becky, small business victim of card not present fraud

9.21

For one victim it was simply dealing with the aftermath of the fraud.

“It was very stressful. We had thousands of merchants that all of a sudden could potentially lose all their processing, which if we'd just turned off everything, turned off the service a lot of companies could have possibly went bankrupt and started looking for a new business. I had a very long period of months where I was getting no income, I couldn't go out and get another job, because I was still winding down the company and getting all the merchants moved to different processors. And basically the responsibility wasn't just I quit and walk out, sort of thing. It would have a significant impact on a lot of people, a lot more people. If we didn't stress getting that done, thinking about what... we going to do next. And by the end of it down to pennies literally. I was about two weeks away from begging a flight off my parents and going home and finding a job back in Canada.”

Tom, victim of bogus holiday fraud

Impact of fraud on the victims, partners and relatives

Loss of esteem/shame

9.22

A number of victims expressed a mixture of emotions that included loss of esteem, embarrassment and shame. Brian, below states how his self-esteem dropped when he realised he was a victim.

“That I was stupid enough to get involved with it. My self-esteem dropped like a stone, after me building it all the way up there and getting back to normal and you know, getting me life sorted out, after the drink and everything else that had gone on in the previous years, getting back to a step... and then falling for this sucker punch. That was terrible, yeah. My self-esteem dropped no end. It took me a while to get that back.”

Brian, bogus tipster victim

9.23

For Archie, an investment fraud victim, there was a mixture of emotions of which embarrassment was a major issue.

“But it’s a real anger, sadness, embarrassment. Yeah, I mean, there’s a category of emotions in there and I’ve had most of them. The question is to sense and start harnessing them and deciding which ones are going to be helpful and which ones are going to be detrimental, and getting angry with myself was detrimental, that wasn’t going anywhere. So we had to knock that one on the head. And the embarrassment of not being able to communicate and say, ‘Hey, guess what happened to me.’ You know, you just don’t do it. It’s been a real mixed bag of emotions.”

Archie, investment fraud victim

9.24

Similarly for Val, there was a feeling of ‘how stupid’ she had been.

“I think we both felt at the time that oh what a waste, you know, we’ve thrown all that money away and plus the fact that you know, you kind of think to yourself well how stupid could I be, to pour it into something like this and then not really you know, kind of think to yourself well, what an idiot. Why did I do that.”

Val, pyramid investment victim

Impact of fraud on the victims, partners and relatives

Upset

9.25

Some victims were simply upset, as the following quotes from victims show.

“I mean it did, it knocked me for six didn't it, absolutely knocked me for six. Because I think for days I was just walking around crying... But yes I was just...I am just...the thing is I know it's three years ago and I am still as angry and still sick feeling as I did, as the first day I did it. When we did the TV show, I mean I don't know how many takes we had to do that, because I got very emotional again.”

Lorraine, bogus holiday fraud victim

“I used to... well, getting upset in the night myself, you know, and think about all my money I've lost [laughs] and I won't get it back. And that's the main thing really.”

Jane, investment fraud victim

“But I just felt dreadful because I knew that they were losing their life savings and I'd done everything that I could possibly think of to stop it and I couldn't stop it, there was nothing that I could do, nobody could get through to him at all. And he had a perfect right to withdraw his money, I had a power of attorney, we drew a power of attorney...”

Lisa, daughter of scam victim

“It flattened me. I went into myself. Didn't want to discuss it. That was for a period of time when I was fairly focused on it – but focused inwardly as well too, and then the defence mechanisms kick in. Didn't want to get involved with the family with it at all.”

Archie, investment fraud victim

9.26

The upset can manifest itself in a number of ways. One victim, close to tears, told the researchers how the impact of the fraud hit him when his son offered to buy the mother's Christmas present.

“Yeah. It's, it's when your son says to you... 11 year old son says to you, “don't worry dad, I'll buy mum's Christmas present this year”. I mean...”

Steve, multiple fraud victim

Loss of sleep

9.27

One victim complained the fraud had left him with quite a few sleepless nights.

“Oh, it's driven me to distraction. I've certainly lost... If I'm honest with you, although I seem a reasonably confident individual, I've lost a hell of a lot of sleep over it. Forty, fifty nights I've woken up at half past three in the morning worrying about the bloody thing, and knowing very well that when I properly awake the next morning I will deal with it with a letter or something.”

David, identity fraud victim

Impact of fraud on the victims, partners and relatives

Suicide

9.28

None of the interviewees had contemplated or attempted suicide. However there have been examples of fraud victims so devastated by the fraud that they have committed suicide. The extract below illustrates how devastating the impact can be.

William Foxtan aged 65 lost his family's entire life savings as a result of the Madoff Ponzi fraud. His son reported that he was extremely low and in February 2009 he shot himself in a park in Southampton (Timesonline, 2009).

Relationships

9.29

The impact of fraud can also damage relationships between partners and within families. This can happen in a number of ways:

- **The financial impact causes stresses in relationships.**
- **One partner keeps the loss secret and eventually has to reveal it.**
- **Family members become distressed as a relative squanders life savings on scams and attempts to stop them result in strains.**

9.30

There were examples of these discussed by the interviewees. Doreen lost £3,000 but hasn't told her husband for fear of the consequences. She also alluded to other friends who had fallen for the scam who hadn't told partners.

“Some of them also my friends, also their husbands, they didn't tell their husbands! [laughs] Because it will be a marital problem, you know, you know the consequences you do think there is always the consequences, you're always just thinking, not now, maybe one day but not now... I have to be careful, because, you know the reason why people get split, one of the reasons is money.”

Steve, multiple fraud victim

9.31

Another victim was so ashamed of the fraud, she hadn't told her seriously ill husband who she was caring for.

“No, I haven't. I was so ashamed I suppose... of the fact that I'd done it, that I didn't want anyone to know. And so I have in fact told one friend, that's all... and I was so ashamed of the fact that I'd been so stupid.”

Christine, Nigerian scam victim

Impact of fraud on the victims, partners and relatives

9.32

The greatest devastation in relationships was in families where there was a chronic scam victim. The consequences of the fraud often led to members of the family falling out. Some of the extracts from interviews below demonstrate this impact. The first example reveals the impact from the victim's perspective.

“Yes, so I didn't tell them. But one daughter still lives in Darlington, who doesn't speak to me anymore for some reason, I don't know why. But she'd seen the news and she told them in Kent, so I didn't have to tell them, she went and told them. She would enjoy doing that I think. I didn't actually tell anybody except Peter, because Peter was taking me to the building society.”

Hilda, lottery fraud victim

“Well my wife has suffered more than me, she's been worried to death from time to time and I've always said, as I've already told you that, I wasn't worried, I'm probably not, explaining myself fully. I wasn't worried to the amount of money that I was sending, although, it's surprising how it adds up and then you start and get worried but, my main concern was relative to my daughter and my son in trying to get them some money to, help them over this difficult period.”

Arthur, chronic scam victim

9.33

There was also a major impact upon relatives of chronic scam victims, as the following extracts reveal.

“But that day after I blew up outside the bungalow, because like I say I nearly smashed the window to get attention, and she was stood the other side of it. And she came out like a shot and came back to sort of reality. And I absolutely flipped, and she started laughing at me. She said 'I know it's funny isn't it'. And I mean I really did flip, and then she said a bit later to my sister, 'I think ##### fell out with me.' You know, as if it had only just started to sink in. And I made my mind up then them letters wasn't going to that door, so I stopped the postman. I mean I maybe could have got arrested, but I said them letters aren't going through that door. He said 'well if you've got identification, you know, I can let you collect it.' It's alright saying money isn't important,... you know, you've got this almost like a hatred for your own mother for a short period of time. And you say money is not important, but if you discovered she'd spent twice as much as you thought she had, you'd hate her even more. So money does come into it doesn't it. And it's not money, it's you know my father's money...”

John, son of chronic scam victim

Impact of fraud on the victims, partners and relatives

“... and has asked him, begged him, pleaded with him not to send any money, but he’s just... he’s even driven her to cash points to make her withdraw money because he couldn’t get enough out in a day to get cash from the bank. She’s just turned into a complete nervous wreck, she’s sort of, you know, old, nervous issues, I’ve alerted their GP and he has a community mental health nurse visiting them. I wondered whether my dad... had got some form of dementia because I couldn’t understand how he could (not) have the suspicions that this is not right, investigate it...”

Lisa, daughter of chronic scam victim

Change of behaviour

9.34

Telephone interviewees were asked whether the fraud had changed their behaviour in any way and around three quarters (75%) said that it had. Table 21 summarises these different changes that were mentioned by victims. About a quarter of victims reported no change in behaviour at all, probably reflecting the small scale of their fraud experiences.

Table 21
Change in victims' behaviour as a result of the fraud

Type of change reported	Number	%
No change reported	190	25.5%
A lot more cautious with regard to investments/purchases generally	164	22.0%
A lot more careful in response to approach to invest, especially by phone	111	14.9%
More careful of using credit card, especially on-line	102	13.7%
Specific preventative action taken to avoid future fraud	97	13.0%
Behavioural change such as frequent anger, loss of trust, addiction to scam mails, agoraphobia, rudeness	86	11.5%
Increased awareness of fraud context and greater security	28	3.8%
Loss of money has meant living more frugally (usually in retirement)	8	1.1%
Total changes reported by victims	586	
Total victims reporting changes in behaviour	555	74.5%
Total number of telephone interviews	745	

Impact of fraud on the victims, partners and relatives

9.35

Around three quarters of victims said their behaviour had changed, although many reporting changes spoke only in general terms. 164 (22.0% of victims) said they were a lot more cautious generally in taking any financial decisions since the fraud. 111 (14.9%) said they were a lot more cautious about responding to investment proposals, especially those made by cold callers on the phone. 102 (13.7%) said they were much more careful about making purchases using their credit card, especially via the internet. 86 (11.5%) victims reported changes in physical behaviour of various types, ranging from anger at anyone offering financial advice, loss of trust, agoraphobia, or rudeness to people who had become addicted to scam mail or e-mail scams and had to be watched carefully by their partners. A small number of victims, 28 or 3.8%, reported general better awareness of fraud issues. Very few victims reported that the money they had lost still caused them distress and reduced their standard of living, access to holidays, etc. However, these 8 victims (1.1%) were often very angry about their situation and spoke in forceful ways about their misfortune and their inability to get any redress.

9.36

An important number of victims, 97 or 13.0%, reported specific preventative action as a result of their fraud experience. Such actions are detailed in Table 22.

Table 22
Specific preventative action taken by victims as a result of their fraud

Type of action	Number
Be more careful with security of cards, cheque books, passwords, account numbers, etc	18
Checks account balance/credit status regularly, using internet	16
Stopped using credit card	11
Registered on CIFAS/identity fraud protection company	10
Avoid specific retailers, banks, etc	8
Delete junk e-mails,bin/shred junk letters	8
Reduce credit card limit	4
Only deal with registered PSA members or established companies	4
Use credit card instead of debit card (because of limit on card)	3
Changes passwords more frequently	2
Stopped buying shares, etc at all	2
Refuses to answer land line	2
Destroys/locks away unused cards	2
Do not send cheques through the post	2
Gets several quotes for any service wanted	1
Use a credit card instead of cheques	1
Warned others to be more wary	1
Partner controls cheque book	1
Banned cold calling	1

Impact of fraud on the victims, partners and relatives

9.37

Improved security (18 responses) was regarded as important, as was more frequent checking of account status (16). 11 victims had stopped using their credit card entirely. 10 had registered on CIFAS, etc. 8 avoided the particular retailers or financial institutions that they felt had caused or aggravated the fraud. 8 shredded all junk mail or deleted all e-mails offering financial assistance. Only one person mentioned that he had banned cold calling, despite this clearly being a worrying feature of investment frauds. More extreme actions, mentioned by one or two victims, included stopping answering the landline at all or handing the cheque book over to their partner.

9.38

More details can be added to these statistics by considering the face-to-face interviews, which show the same pattern of changes in behaviour, both negative and positive, due to the victims' experience of fraud.

9.39

For example, Harold, the identity fraud victim falsely accused of downloading child pornography, had changed significantly as a result of his experience. Indeed, when he met the interviewer for this research he refused to reveal his name and had gone to quite significant lengths to conceal his identity, something he did regularly.

“It’s certainly altered my life and personality irrevocably, because I’m no longer the completely open, frank person, naïve person that I was lucky enough to be for the first, 55 years of my life, I’m quite a different person now. I’m much more cagey as witnessed by my insistence on being anonymous...”

Harold, identity fraud victim

9.40

Roger is an example of a victim who actively changed their behaviour so as to reduce the chance of future victimisation.. He now considers the risks related to a range of possible frauds, such as identity fraud.

“Because, I mean, as far as I’m concerned, it’s made you a lot more aware, vigilant and wary. I don’t really divulge a lot of my details unless it’s absolutely necessary to people of... like, you know, a bank or something.”

Roger, investment fraud victim

9.41

There were also examples where victims were simply much more aware of the potential risks in the area where they were defrauded, as extracts from Nathan's and Val's interviews reveal.

“If anything it’s just made me more wary. I mean, in terms of the stuff that we get in all our correspondence and everything, we never put anything even in the, in the bin that’s even got our names and addresses on. You know, we’ll either shred all of that stuff or keep it, you know. But this kind of thing does make me a bit more wary about, you know, what sort of services we register for and things like that. And when we’re filling in applications, checking the small print to just see about when companies can sell your information to other people and things like that. And trying our best to not let that happen.”

Nathan, identity fraud victim

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“I would be extremely, extremely wary ever to get involved in anything unless it was black and white to be honest with you. I think it has made us both very cautious. A bit sad in a way ‘cause I don’t know, we’ve always been quite open people and kind of you know, let people into our home and be very kind of you know, helpful to people if you like ‘cause I’m quite an outgoing person and so is my husband and I think it made us feel both a bit kind of like, I was kind of cheated on us through the... we felt cheated, you know.”

Val, pyramid investment victim

Fear of violence or other action

9.42

Some fraudsters will use threats of violence or other intimidation when the scam looks like it might end. In the interviews for this research there were a couple of victims who feared the consequences of no longer participating.

“I can’t tell anyone because they might report me to these people, oh, she went to there, she went to there, you know, and, I kept quiet, it’s only between me and my friend who knows this, nothing else, I can’t say it to anyone because I don’t want to be, you know, I don’t know what will they do to me, because I blow the whistle already.”

Doreen, pyramid scam victim

“Anyway... I refused to send him any money and, refused, I told him that I shouldn’t be giving his couriers, if they turned up, any money. Whereupon he threatened, and it’s the only one that’s ever, apart from the last one, he, sort of, made threats to me. But this particular one threatened that he would... his couriers wouldn’t be very happy about what I’d decided and, the inference was they would come and, do my wife an injury, not me. I went to the police and, reported that...”

Arthur, chronic scam victim

Impact of fraud on the victims, partners and relatives

9.43

Another common threat used by fraudsters against victims is to raise the prospect of legal action or actually use lawyers.

“...what they did to us is they took us to the solicitor because they said we were harassing them and I had a letter from the solicitor that I was, accused of harassment and if you do this again to this person, you know, consequences, they said.”

Doreen, pyramid scam victim

9.44

Many victims could be described as vulnerable, and fraudsters often play on their fears. Doreen, who was originally from the Philippines, described how many of the other Filipino victims were here on working visas and it had been raised by the fraudsters that if they went to the police, their participation in the pyramid scheme could compromise their visa.

9.45

One of the potential consequences of identity type frauds is that the fraudster might use personal details to commit other crimes. One of the most devastating impacts discovered in this research was of one credit card fraud victim, who several years after the fraud was woken early one morning by a group of police detectives and arrested on suspicion of downloading child pornography. In full glare of his neighbours he was led away to a police station with his computer seized as well. Just over six months later he was written to by the police to be told his bail was cancelled and he could have his computer back. However, as a result of the arrest and accusation there has been a huge impact on his reputation and how many perceive him.

“And then another person in the street who said, um, ‘on well, there are those who talk about no smoke without fire’. You know these sort of comments add up and someone else, more recently who I had regarded as a friend, but I’ve - I won’t see him again, um, although I’ve known him for 25 years, um, he made a flippant comment about ‘well there must have been something’, um, I rang him up about that later and gave him a thorough, not a talking to, but a very mildly expressed explanation and said ‘look you don’t seem to understand, these are the facts’ and I told him what had happened and he said I was being flippant. I was just being flippant.”

Harold, identity fraud victim

“I mean like a woman for example whose husband was an old friend of mine and they had three children, I know them all, I met them in Clapham at a private view in a house, and I noticed certain caginess and as I went up to greet them all I noticed the mother moving her children away from me like that. I didn’t - I didn’t really sort of want to believe consciously that I was believing my own eyes. I just thought well she’s being sort of funny or something.”

Harold, identity fraud victim

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9.46

There was also a fear of such secondary impacts by another identity fraud victim. He had been told that false passports are often used for 'sham' marriages and he feared the day that a woman would turn up at his door claiming to be his wife. More generally, he was very concerned someone was impersonating him.

“And it drives you mad. Do you know one of the worst things about it is? What you worried about Mr ####, you've got your money back! In other words, you're not a victim. We the bank, you are the victim. It's not like that! I mean somebody out there is pretending to be me. I'm sorry, that upsets me, you know!...I've worked hard to build up my reputation, to build up my business, to... I've worked hard with the reputation of the firms I run here, the charity that I run here and I'm very bothered that there's someone out there who is running around, pretending to me.”

David, identity fraud victim

Celebrity

9.47

Some victims had also found themselves in the media spotlight. For some this had produced sympathy, for others derision and for most embarrassment, as the following extracts show.

“If we walked into Tesco's to go shopping we would go at nine or ten o'clock at night, because it was quieter, because if went out during the day all I saw was people looking at us. People were constantly looking at us, come up to us and saying 'I'm sorry to hear about it' and bits and pieces, and Happy Birthday, and 'it's a shame.'”

Lorraine, bogus holiday fraud victim

“I was embarrassed by it, especially when as I say it was before I was troubled with the cancer, and I was doing my shopping in a large superstore. And people were stopping me and saying 'Oh what an idiot you've been.' How on earth did you make such a fool of yourself? And I just had to tell them it was very easy.”

Hilda, lottery fraud victim

Impact of fraud on the victims, partners and relatives

9.48

Another victim of fraud who was on the audit committee of his housing association, who had agreed to go to Cheltenham to publicise bogus tipsters, had to withdraw after he was told what might happen.

“ He said ‘because if you do do it, he said ‘we would have to ask you to stand down from the audit panel. How could I have somebody that’s so stupid’ you know, the way he was looking at it was like you’ve been awfully silly, now bury it and get rid of it and forget, ‘cause you’re not going to get any of the money back’ which of course, I’m not going to get any of the money back, that’s gone. ”

Brian, victim of bogus tipster scam

What victims want

10.1

The victims were asked in the interviews what they actually wanted in terms of support and advice. Their responses covered the full range of needs, from no help at all to extensive support. Some of these needs will now be explored. The analysis will also offer some of the views from the focus groups. Before this is done, however, it would be useful to reveal the quantitative data from the telephone survey.

10.2

Victims were asked based upon their experiences what they felt would be the most important types of support that should be provided to fraud victims. Their responses are summarised in Table 23.

- **83% of victims felt that a sympathetic response was very important (a response of 5 or more). 63% felt that having someone to listen to their experiences was very important.**
- **An overwhelming percentage of victims, around 90%, believed that a single point of contact and a single official place where they could obtain information were both very important (a response of 5 or more) with over 50% giving the top response of 7.**
- **Similarly over 90% of victims placed great importance (a response of 5 or more) on getting their money back (91.7% gave the top rating of 7); getting their case investigated (77.0% gave this the top rating); hearing progress on their case (57.3% gave this the top rating) and the fraudster being found guilty; tougher penalties for fraudsters or the fraudster being dealt with deportation, asset seizure or being forbidden to trade (around 80% gave each the top importance rating).**
- **Lower importance was given to other types of support, with significant percentages of victims giving them ratings of 3 or less. Types of support mentioned as referred to in Table 23: getting support to get over the fraud; support in giving evidence in court; face-to-face help from Victim Support; names of other victims to develop mutual support; getting advice on not being a victim again; receiving general information on scams.**

What victims want

Table 23
What victims wanted as a response to their experience of fraud

Characteristic of response	Numbers	% giving a response of 3 or less	% giving a response of 5 or less	% giving a response of the maximum of 7
A sympathetic and understanding response	687	9.0%	83.0%	Less than 50%
Having someone to listen to my experiences	674	25.2%	63.0%	Less than 50%
A single point of contact	682	4.3%	91.2%	55.1%
A single point to secure information	671	9.0%	86.1%	50.5%
Getting your money back	685	1.0%	96.8%	91.7%
Getting your case investigated	691	2.9%	94.2%	77%
Hearing progress on your case	689	4.5%	92.1%	57.3%
Fraudster being found guilty	693	1.9%	97.0%	81.5%
Tougher penalties for fraudsters	675	1.8%	95.0%	78.7%
Fraudster being dealt with in another way	665	4.5%	91.3%	71.6%
Getting support to get over the fraud	624	32.0%	58.0%	Less than 50%
Support in giving evidence in court	564	10.6%	83.7%	Less than 50%
Face-to-face help from victim support	593	38.6%	48.6%	Less than 50%
Names of other victims to develop mutual support	652	46.8%	40.6%	Less than 50%
Getting advice on not being a victim again	682	11.1%	81.2%	Less than 50%
Receiving general information on scams etc.	686	9.9%	83.8%	Less than 50%

10.3

Victims were also asked what would have been their preferred form of communication regarding their fraud (Table 24). Most (over 500 victims) wanted written reports, particularly regarding the process of the fraud investigation, prosecution and restitution. Over 400 mentioned they would like a telephone call on the progress of the investigation, return of money lost, or general help in rectifying their situation, with 352 mentioning the need for interest from an investigative body. A much smaller number (159 respondents) suggested the need for generic leaflets. Specific actions of a more preventative kind were much less frequently mentioned, such as a referral to an anti-fraud agency or counselling support.

What victims want

Table 24
Type of response victims would wish for

Type of response	Number of responses	% valuing response as 3 or less	% valuing response as 5 or more
Written correspondence	555	22.2%	68.5%
Information on progress of fraud	547	40.2%	50.1%
Help in rectifying the situation	489	30.2%	60.9%
A telephone call	452	19.5%	74.1%
Return of (part of) monies lost	432	31.7%	65.0%
Interest from an investigative body	352	35.2%	58.2%
Generic leaflets	159	35.8%	48.4%
Referral to CIFAS	67	43.3%	44.8%
Referral to Victim Support	66	59.0%	27.3%
Referral to a credit reference agency	58	51.7%	34.5%
Counselling support	47	74.4%	23.4%
Help from Victim Support	44	61.4%	29.5%
Support in giving evidence in court	30	43.3%	50.0%

10.4

Victims were also asked their preferred type of contact with official bodies. (Table 25) There was an overall preference for traditional methods eg. in person (11%), telephone (45%), post (15%) rather than methods such as websites (1%) or e-mails (15%).

Table 25
Preferred method of contact with official bodies

Method of contact	Number	%
In person	85	11.4%
Telephone	335	45%
E-mail	112	15%
Website	6	0.8%
Post	155	20.8%
Other	3	0.5%
No preference	49	6.6%
Total number of telephone interviews	745	

10.5

Telephone interviewed victims were also asked what would have been the most important thing that the authorities could have done to help them in their fraud experiences (Table 26). Their responses varied from complex demands for improvements to the system for detecting fraud, to comments such as 'get our money back'.

10.6

There was a large group of 271 (a quarter of victims) who had nothing to say regarding this. 77 respondents could not think of anything. 61 respondents praised the authorities for their actions, mainly those who had been informed by different agencies that they were victims of a fraud before realizing it themselves. 56 respondents felt the authorities could have done nothing, mostly because they felt themselves to be to blame, e.g. over a stupid investment or lack of security.

What victims want

10.7

The next most important request was for a routine update of what was going on in the investigation/prosecution of their case (154 victims or 21%). This was mainly by victims who felt they had been given little or no information in the fraud they had suffered. A slightly smaller number of victims (137 or 18.4%) felt that the action of different authorities had been lacking because existing procedures were deficient.

10.8

The need for greater speed was often remarked upon. 73 victims, nearly 10%, pressed for a faster response of the authorities, mainly because of their experience of the fraudster having made off with their money before any investigation was concluded. A further 73 victims wanted a better response in terms of getting their money back. 46 victims (6%) admitted to being somewhat ignorant about fraud and wanted more accessible information about the work of modern fraudsters and what fraud authorities now existed.

10.9

26 victims felt the single most important thing was advice on how they and others could prevent similar frauds in the future. Only 6 victims called for better powers to prosecute fraudsters, including longer sentences.

Table 26

Victims' assessment of most important thing which the authorities could have done to help them in their experience of fraud.

Method of contact	Number	%
None stated/ could not think of anything	77	10.3%
Authorities did well (often solving the fraud before victim realised it)	61	8.2%
Authorities could have done absolutely nothing (often because victim took the blame)	56	7.5%
Provide updates, preferably regular ones, on the investigation of the fraud, and more detail about how the fraud occurred	154	20.7%
Devise better anti-fraud procedures and regulation (this was most often directed at FSA, but also suggested better co-operation between English agencies and with foreign police forces)	137	18.4%
Faster speed of response and investigation	73	9.8%
Action on getting money back	73	9.8%
Better education, with more accessible information on fraud and who to contact if you feel you have suffered a particular fraud	46	6.2%
Catch and prosecute criminals	41	5.50%
Advice on future preventative behaviour	21	2.80%
More powers to prosecute fraudsters	6	0.80%
Total number of telephone interviews	745	

10.10

The qualitative interviews and focus groups provided greater insight on some of the needs of victims of fraud, and indeed on cases where victims had no such needs.

What victims want

No needs

10.11

There were some victims interviewed who had no desire for any information or any specific help. One victim stated he had no desire for any information, other than an update on whether the fraudster had been caught and convicted.

“No I haven’t been kept informed on the progress but, I don’t really expect to be. I’m not, it doesn’t bother me, they will, when they’ve got something to tell me presumably they will ring, or send me a letter and tell me. I don’t need to be kept updated whether they are you know chasing this bloke or chasing that bloke, all I want to see is the outcome [laughter] you know.”

Reg, boiler room fraud victim

10.12

Other victims were more specific on the type of support they felt they didn’t need. A number of victims were very specific in stating that they did not need any help from Victim Support.

“I wasn’t in a position where I was so distraught I need counselling or anything like that. I can handle my emotions reasonably well, so that’s where I had to recognise what was giving me grief and deal with it.”

Archie, victim of investment fraud

“We didn’t want any victim recovery or trauma counselling or anything.”

Steve, multiple fraud victim

To forget

10.13

For one victim interviewed the desire was simply to forget what had happened. The wife of one victim had become very anxious when the interviewer arrived at their door to talk about something they had wanted to forget.

“No it’s gone now, but this hasn’t helped. I was absolutely fine about it, but the phone call, this to me is just bringing it all back and I’d really had to forget about it because it did cause me a lot of stress.”

Mildred, wife of investment fraud victim

Information

10.14

One of the most common needs of victims is information. This starts with simply understanding where to go in the first instance, what to do once a fraud has occurred and alerts on emerging scams. As the following reveals, this victim did not know where to go to report the fraud.

“No. I wouldn’t know where to go. I just wouldn’t know where to go.”

Archie, investment fraud victim

What victims want

10.15

For other victims the priority was securing information to help prevent further victimisation.

“Um, but I'd like to actually know as well, you know, where, you know, all the places my information is available and the ones that are optional so that I can take them off.”

Nathan, identity fraud victim

10.16

One identity victim also offered insights on how this might be undertaken using a needs based assessment, from a very early stage.

“So information is terribly important. I mean, even I suppose if maybe you could be sent some sort of a interactive thing on your computer saying we understand you've been the victim of a fraud, answer the quick sort of dot in a circle questions which will allow us to assess the sort of fraud that you've been exposed to and we will in reply, send you a list of relevant notes which you may find useful and helpful to you. I mean there are lots of FAQs, aren't there, when you've been defrauded.”

David, identity fraud victim

10.17

Another victim thought a central website with basic information about fraud, the procedures for dealing with it, as well as support would be useful.

“(the police officer), obviously he was good as gold. But because there isn't really anything, if you go on the internet and look, no one

actually says to you this is how a fraud case goes or this is you know, this is the procedure. The other thing was it was like you know, should we take legal advice, shouldn't we take legal advice? When we did, it was so massively expensive, would we actually get... So I think it was all those kind of things that we kind of felt we didn't have any advice on if you like.”

Val, investment fraud victim

10.18

Other victims thought a leaflet would be acceptable and some thought someone to advise them what to do would be useful, as the extract from this interview shows.

“I would've liked to have been told to which police station it had been reported. I would have liked to have been told what the crime number was. I would have liked to have somebody appointed by the bank to tell me exactly what has happened and what was going to happen with my account and I would have liked to have been advised by someone. I mean I asked the bank for advice as to whether or not I should close all my accounts or not and they couldn't tell me that! They didn't have any advice... And it would have been nice to have somebody at least send you a leaflet saying that you know, if this happens to you, you must be concerned about the following things, you will be advised to do the following things.”

David, investment fraud victim

What victims want

Recommendation 1

Consideration should be given to establishing a website for those who suspect they are victims of fraud. This website should, for each type of fraud, set out:

- a. who they should report the fraud to and on reporting, a needs-based assessment should also be undertaken which triggers certain levels of support for victims
- b. what support is available and how to access this support
- c. what to do to prevent further victimisation.

Because of the large number of older fraud victims who are less familiar with the Internet, appropriate paper-based resources should also be created.

10.19

Some victims just wanted updates on their case.

“Just basically an update really. Either by telephone or by letter explaining what’s been going on and sort of... so at least you know that it’s still being pursued...”

Roger, investment fraud

“I think they could have informed me of what they were doing about it, with the addresses that I gave them. I couldn’t have given them any more information than I did actually, what they did want was the actual cheques that I’d sent. But they’re returned to the bank aren’t they. The bank wouldn’t give them the cheques, but they gave them Photostats of the cheques. I think that satisfied them at the time.”

Hilda, victim of lottery fraud

10.20

In expressing this view, some also suggested that they wanted only positive news and if there were no real developments, they did not wish to be contacted.

“Well the point is, I have to take the police at their own word that they are investigating it and, when anything actually, when people have been accused and have been found guilty of, perhaps we would then be informed of the result of it. But I think I’ve just left it really in the hands of the police that they are dealing with it, and, if there isn’t really anything much to report, why bother to contact us.”

Heather, boiler room fraud victim

10.21

Even when a case went to court and there was a successful prosecution, some victims also felt they needed further information, particularly relating to any potential compensation.

“But then ultimately maybe also we would like to know, are we ever going to get any of our money back and there seems to be a very grey area when it comes to the end of it. It seems to be well, there you go, you know, he’s been arrested, he’s been charged, he’s in prison, and now it seems to be there’s a bit of a void there. Well, we haven’t really had an contact with anybody now for about eight or nine weeks, ten weeks...”

Val, investment fraud victim

What victims want

10.22

Some victims thought it would be useful to communicate current fraud threats to those most at risk. This view was expressed in one of the focus groups.

“For I would like this to be in the paper and in the tele...well the information drive, so that people will be aware of self awareness, public awareness, because this is a scam, people are trying to get money from you in a way ...Should be, yeah, anything that has, err, disseminate to all people who are, you know, big, or probably a, might be a victim in the future...”

Doreen, pyramid fraud victim

“There may be other scams coming up which you don't know, not just financial, it could be anything. Yes, it would help because that would stop further scams, you know, being created and also stop people from sending their own hard earned money to these scams. ”

Participant 7, Focus Group 2

10.23

Some of the victims in the focus group felt meeting other victims in person or via the internet may also be better in informing victims of future scams, rather than 'official' sources. This is something that has been experimented with in the USA with some success (Aziz, et al 2000). As the extracts below shows.

“The reason is that, why I said yes is because the other people, the victims would actually inform how he was, been defrauded and how it could be stopped and this would actually spread the word that there are other victims that are being defrauded and how we can stop it. ”

Participant 7, Focus Group 2

“In my case not in person to person, you know, meeting like this, a common something (chat room) where we could share that yes... ”

Participant 6, Focus Group 2

What victims want

10.24

In the infrastructure report we highlighted the need to consider a means to show the safety of a website for securing information (Button et al 2009b). Some felt this was a good idea, but such was the experience of fraud for one victim in the focus groups that whatever is put in place would not help.

“Personally it... it wouldn't help me because having gone through the experiences that I've had, I really just don't trust anybody at any level at all... It had all the right icons and logos and things on it and... but, no, I personally wouldn't trust [laughs] anybody now, I've got so... cynical, sceptical about things that I wouldn't, certainly wouldn't do anything for me.”

Participant 1, Focus Group 1

To know what happened

10.25

A source of information that deserves a category, in its own right, is for the victim to understand what happened.

“The only missing bit for me was who it was that instigated this in the first place, how they got my details. I'd like to actually know how they got the details. If that's even possible...”

Nathan, identity fraud victim

“Because, you know, it is important for me to know what happened. In exactly the same way, but to a far less extent, I can totally... I was a soldier for twenty years, I experienced the death of comrades etc and it's one of these situations where unless you've been in it yourself, you don't understand. But I totally understand why it's so important for the families of soldiers who've been killed to know exactly how it happened.”

David, identity fraud victim

What victims want

Case investigated

10.26

For any person not acquainted with fraud, this might seem a strange need. However, most frauds are simply not investigated either by the law enforcement or commercial agency concerned. Those victims in this category had a simple need, to have the case investigated.

“...then Trading Standards said they couldn't do anything because they didn't have enough resources. So he said, well I've given you evidence that I've been the victim of the scam, you're telling me somebody else has and you're not going to do anything about it. So then he had a loss of confidence in Trading Standards, what's the point in talking to them, they can't do anything, they won't do anything.”

Lisa, daughter of chronic scam victim

“Of course, I would like them to take my details and I'll tell them to speak these people or I'll mention the names of the people and the place where they are holding the meeting, because they always hold it permanently there, and do something to stop them because I thought they can, I don't know how to explain it in English, I thought because there are, enforcement they can stop things, bad things, going on, you know, they can give, what do you call that... I'm not very good in law in English law but they can, they have the power, I mean. They have the power to stop it because in this country the police have the power to stop things, to stop bad things...”

Doreen, pyramid fraud victim

“So the police are pretty powerless, couldn't really do anything, which is horrendous. I mean this guy had actually paid in a cheque. You would have thought when I notified that he went into the bank and said right this is fraudulent and they said oh well we've got a copy of him actually paying in a cheque here last week, and they must have CCTV, they must be able to go and do something about it, but no they had nothing, and the police didn't. The police reviewed the crime but so far there is not enough evidence to continue further enquiries. Not enough evidence. I've got correspondence here with you know paper and papers and papers, we've got proof that they've been into the bank and paid the cheques in. I don't know what more they need really, anyway.”

Dean, identity fraud victim

10.27

Some of the small businesses interviewed were particularly aggrieved about this, because they were wrongly perceived to have the resources at their disposal to commission their own investigation. As one former director of a small company outlined.

“There's no organisation that deals with companies that are victims of fraud. What I am saying is the law treats a British business a big corporate with deep pockets. And 95% of British businesses they're small to medium enterprises and just can't afford to do that. I think if the government is serious about tackling fraud, then they need to be serious about supporting business in dealing with it.”

Tom, victim of bogus holiday fraud

What victims want

10.28

Two other directors interviewed went further and sought not only the case be investigated, but done so properly. They had had a difficult experience in dealing with the Serious Fraud Office.

“It is about efficiency and effectiveness and getting the job done... and being sensible, and doing things in the right order, and not being lethargic and lazy and incompetent and useless and a typical government organisation. This is about getting on and doing your job and doing it properly.”

Steve, multiple fraud victim

“For instance, when we said we’ve got a hard disk drive here we need copied, we reported it to the police in, late June, the SFO took on the case in September. They didn’t come and copy the hard disk drives until November the 4th .”

Mike, multiple fraud victim

Recommendation 2

Information should be published to manage expectations of fraud victims. This should, for example, make clear the extent to which cases are likely to be investigated.

Recommendation 3

Specialist arrangements and information sources on what to do when fraud is discovered, are necessary for small businesses. To produce this may require the setting up of a fraud sub-group, involving all relevant agencies and the FSB.

Restitution

10.29

Not surprisingly, many victims interviewed face-to-face, highlighted a common need, which was to get their money back. Except in the case of identity fraud, this is a rare occurrence. In the focus group with lottery scam victims, however, there was some debate over what constituted a deserving victim. Some felt that there were some victims who were so reckless they didn’t deserve any restitution. The debate illustrated that if any scheme is established the criteria to establish who is entitled to receive monies will need careful consideration. One member of the focus group also felt any monies would be better spent on investigations.

“Or in my case, this fund, I don’t think the victim should be compensated because it’s his foolishness, there it should be invested in investigations and, realising the, culprits.”

Participant 6, Focus Group 2

What victims want

10.30

There was a particular problem for those victims who owned companies and were seeking restitution. Two directors had to fund a large proportion of the investigation into the fraud themselves. Upon hearing the guilty verdict, were told compensation would not be possible.

“No sense whatsoever. Complete disinterest. And, he sidled up to, to us just as the, the verdicts were going to be announced and says, we've got a bit of a problem, and it turned out that they'd framed the indictment such that we weren't able to get compensation from the, from the judge... Right at the end. And this was after four years of work.”

Steve, victim of multiple frauds

10.31

Two other directors also set out some of the problems businesses face when seeking to secure restitution.

“Again we put in various different elements in a claim, and we did get out of it some money. It was about one tenth of what we were actually asking for. A fraud is a fraud, it's upsetting of course. But I think my only frustration on the whole process is because we're under the shroud of the company umbrella and we're treated as a corporate entity rather than a young business sort of thing. And they're just basically saying 'go pay your lawyer's.’”

Tom, victim of bogus holiday fraud

Recommendation 4

The financial loss suffered by fraud victims, should be recognised and compensated as happens with other serious crimes. A fund to offer some of the most deserving cases some compensation should be considered, together with the appropriate delivery mechanism.

Recommendation 5

Whether or not any compensation authority is set up, an annual report should be produced by the National Fraud Authority on the situation of fraud victims, detailing improvements made to their position.

What victims want

Tougher sentences

10.32

A number of victims thought sentences for convicted fraudsters were too light and should be tougher. This response was also reflected in the focus groups where many participants wanted much tougher penalties. The following extracts reveal views upon this.

“If the police do catch somebody and have got evidence that this chap has been doing it, they want to put him in prison for life, because otherwise if they put him in prison for two years, he could be out after one anyway, they’ll say ‘Oh this is fine, we’ll carry on.’”

Doug, boiler room fraud victim

“I think it’s appalling that it’s not taken more... I genuinely think that fraud, credit card fraud, this sort of fraud is actually every bit as serious as burglary or you know, violent crime or whatever. It’s very insidious and I just don’t think we take it seriously and I think sentences should be much longer. I mean and what’s the deterrent for doing it?”

David, identity fraud victim

10.33

One of the focus group participants went further.

“Well, we could bring back the stocks, couldn’t we. I think it should be regarded as a very serious crime, it has a dreadful effect on people, I know from myself and I’m sure plenty of other people as well, but, it should be, I’d give them ten years hard labour, because I think that the damage that they do to families as well. It’s simply dreadful...”

Participant 4, Focus Group 2

10.34

Although not all the victims subscribed to this view, as Doreen was to state.

“Yeah, that’s all really, I don’t like prison, because they’re not really criminals, isn’t it? [Laughs] Sorry, that’s what I think, my own opinion, they’re not criminals, they haven’t committed very deep crime...”

Doreen, pyramid fraud victim

What victims want

Confront fraudsters

10.35

Restorative justice has become popular in many jurisdictions for a range of crimes. One relative of a victim said that they would like to confront the fraudster.

“I would like to have been able to confront the person who was doing it, you know. Or even just let them see what they're doing to people you know. Because they're a long long way away, they're just receiving money, they don't see you know how they're upsetting a family you know.”

John, son of chronic scam victim

10.36

This was also raised in the focus groups and resulted in strong and clearly divided opinions. Some were very opposed to the idea.

“It wouldn't make me feel better, just I don't feel better because I tread on a cockroach. No, I would say it's a pointless exercise.”

Participant 1, Focus Group 2

“Well in my case I wouldn't. I would want the authorities to deal with it because, there is no fun in meeting, I mean no satisfaction for me meeting the man, or the person. Let the authority deal with them.”

Participant 7, Focus Group 2

10.37

While others relished the idea, particularly if it was done in a safe location. As the responses below show.

“Oh, I would love it.”

Participant 4, Focus Group 2

“Yes so would I, I would go to town. Yes, provided they had already put them in prison, I would want to know where I was going to meet them, I think that's probably the dangerous part of it.”

Participant 2, Focus Group 2

Recommendation 6

Further research should be conducted on the punishments fraudsters receive with a view to considering their effectiveness and to making further recommendations.

What victims want

Victim support

10.38

None of the victims interviewed had experience of Victim Support and many were not offered this service. As illustrated above, for some victims this was not something they would have wanted anyway. However the following extract reveals how Victim Support might have been of use to one victim.

“I mean to be honest with you, we didn’t think about going to Victim Support or to actually get anybody to help us ‘cause I suppose I think with fraud you feel such a bloody idiot. I think that’s probably the only way I can describe it; is you feel like, well they’re just going to look at me and think well how stupid are you for handing over your money and that’s exactly how we both felt about the whole thing. And like I say, finding anything to help you with that, really, there isn’t very much. I mean... I suppose really in a way, we were very fortunate that we had a police officer that was very helpful. But I have been told, I think that his boss told me when he rang me asking about you, he said to me ‘we were lucky when you know, some frauds have got a hundred and fifty, two hundred people in it’, he said ‘they’re lucky if they get any contact’, he said ‘so you know, you’re fortunate you had a phone number you could pick up and ring and talk to somebody.’”

Val, investment fraud victim

10.39

For some victims, support networks based upon family and friends were very important in getting them through their experience.

“Well we’re, we’re fortunate, both of us, because we’ve both got very strong families, but, you know, the strain on the family’s just been unbelievable, so, you know, just saving money all the time. In fact the peripheral victims possibly suffer even worse because if you’re fighting the crime you develop the determination to fight it, investigate, do what you’ve got to do and so on, whereas your wife back home is just sitting there, feeling helpless...”

Mike, multiple fraud victim

10.40

In one case, because many of the victims were Filipino one of the victims had assumed an informal counselling role.

“Yeah, yeah, this is the only person I told you that I... and then there’s another one now, this is the one I trust. Now, what I’m doing now is, I try to give support for those people, I can’t give counselling to them, to those people who are affected, who will do it, no one, because the other one who felt ill, the one she has a disabled child, I told her to don’t, think about it any more.”

Doreen, pyramid fraud victim

What victims want

Recommendation 7

Relevant agencies should develop a tailored package of support for fraud victims and this should be publicised on reporting. Some of the areas which would need to be considered would be financial management, anger management and relationship support.

Consideration should also be given to extending the Victims Code of Practice to all bodies receiving reports from fraud victims. This should include providing an update on any investigations that may take place and offering guidance on receiving further support.

Family/partner needs

10.41

The relatives and partners of victims of fraud have a whole series of specific needs when it comes to protecting or influencing their loved one. For example, relatives of chronic scam victims expressed their frustration in trying to gain support from postal operators.

“But it’s that something needs to be in place I think at a Post Office that if they see that then somehow or other that’s got to be stopped until somebody could give consent that they want it or something. Do you know what I mean? I don’t know whether that...it’s alright saying the law says this, but they change the law for everything else that suits them, don’t they sometimes. Do you know what I mean? The police can get hold of something can’t they if it’s drugs, but because there’s a letter in the post, even though everybody knows that that’s asking for money and it’s going to take money out of an innocent’s person pocket, they can’t do anything about it. So why is that allowed to

happen, I don’t understand. The Post Office have had to make a bigger cubby hole to accommodate that mail of an old person, you think there’s something wrong here?”

Claire, daughter-in-law of chronic scam victim

“So that’s what I was pressing for. I also feel very strongly that Royal Mail should not, should not be delivering...”

Lisa, daughter of chronic scam victim

“I can’t understand why nothing is done about all this scam mail. I can’t understand. I mean, I’ve got proof of addresses, where it’s all going to and I can’t understand why nothing can’t be done. There are so many old people that are sending their life savings to these people and I don’t understand why it can’t be stopped.”

Margaret, niece and daughter-in-law of chronic scam victims

10.42

Some relatives and partners felt frustrated by legal processes and would have liked a special legal procedure to deal with scam cases. They felt that the actual victim would never voluntarily agree to giving away power of attorney or other responsibilities to another party.

“I should have been able to go to a court with, you know, evidence of what I, know... what I’d got and get an injunction to freeze their assets.”

Lisa, daughter of chronic scam victim

What victims want

10.43

This was further illustrated by one relative who tried to get an aunt to phone a helpline.

“There’s been a helpline that I rang but they gave me a number to stop the – the scam mail post which I gave to my auntie who refuses to ring it.”

Margaret, niece and daughter-in-law of chronic scam victims

10.44

The same relative also thought there should be exceptions to the confidentiality principle in certain situations.

“I think there should be, exceptions to the confidentiality principle, in these circumstances to allow doctors and the Trading Standards and the social services and everybody to share information and to work together to protect the vulnerable person that is the scam victim. I don’t think it should be done without a court order, I don’t think it’s something that, you know... I think a court should look and hear the court or, you know, see written submissions or something.”

Lisa, daughter of chronic scam victim

10.45

The impact on relationships discussed earlier also highlighted the need to support partners in these often difficult situations.

Recommendation 8

Further research should be considered into whether the law relating to chronic scam victims should be reformed to enable relatives and partners caring for them to have greater scope for intervention.

Special needs of victims of fraud

10.46

The interviews also revealed some special needs of victims of fraud. For one small business interviewed the rules relating to card-not-present needed to be changed. This has been highlighted in a recent Federation of Small Businesses (2009) report. Essentially if a business delivers goods ordered from a client to an address different from the card holder’s, but secures all appropriate data (i.e. name, card number, expiry date, security number etc) and the cardholder then claims it is a fraud, the business is liable for the loss. One small business interviewee suggested if all details have been received the loss shouldn’t fall on the retailer.

“It’s like I’ve said in the magazines in the past is that, realistically we shouldn’t be sending items out to any other address apart from the home address. But that would mean that everybody at work who’s ordered something online and online being the biggest probably retail spend these days, you know, you can’t send it all the time to home because they’re not going to be in. So it’s a very tricky answer to that, I don’t know what could happen, but I think maybe it shouldn’t be passed back onto the retailer, because we take all the information that the banks request and, it’s not our fault when it goes wrong but we lose out.”

Becky, small business victim of card not present

What victims want

10.47

Another victim felt it was unfair that financial institutions didn't offer the same protections across credit, debit cards and cheques. In this case if the victim had used a credit card, rather than cheque she would have secured her money back.

“The banks, they need to actually get some sort of customer service there, customer care I would say rather than customer service. And that there should be something that we can do to protect ourselves when we've paid by cheques, that's got to be looked into. Because it's not fair people losing their money like that .”

Lorraine, bogus holiday fraud victim

Susceptible victims

10.48

Some victims are in such a state of mind that even when they are told that what they are responding to is a scam, they still fail to believe it and change their behaviour. This type of victim has very special needs and these type of victims would seem to require very specialist and extensive help to stop them falling for the frauds again.

“Well I suppose I will but I should chuck them in the bin like but I keep thinking it'll come off and it doesn't [laughs].”

Fred, lottery fraud victim

And when an alternative of the national lottery was suggested...

“I can't get two numbers on that. I had two numbers last night again and that's me done, I have a couple of quid on... on a lottery and like, but that's something we do do.

“The bank was very helpful, I spoke to ### and said, surely, you know, why haven't your branch noticed this unusual activity on the account, why haven't they raised it as an issue, and they phoned the branch whilst I was there and 'oh Mr ###, yes, we know all about Mr ###. Yes, we know he's involved in scams, we've been trying... we've told him, we keep telling him, he just won't take any notice of us'. You know, they knew him straightaway as soon as the phone call went through, yes, you know, he's always in here taking money out of his account.”

Lisa, daughter of chronic scam victim

“(The trading standards officer), he just looked at them, oh that's a scam and that's a scam and I didn't necessarily agree with him, that it was a scam.”

Arthur, chronic scam victim

Recommendation 9

Multi-agency teams from the Royal Mail, telephone companies, trading standards, social services, health authorities, OFT, the police and any other relevant body should be considered on a regional basis to co-ordinate strategies to prevent further victimisation of chronic scam victims.

Conclusion

11.1

The research has demonstrated the diverse range of frauds being committed and the equally diverse range of victims affected. It shows how susceptible many of us are to potential fraud, despite our age, gender, education and socio-economic status. This should help to begin to dispel the myth that only the very stupid or the very greedy become victims of fraud. The response of victims when discovering they had become a victim of fraud was similar to that of victims of other crimes; this included feelings of self-blame, embarrassment, denial, anger and confusion.

11.2

Reasons for not reporting were also similar to that of other crimes: fear of not being believed or not being taken seriously; thinking the crime is not serious enough to report; thinking the police won't be able to do anything about it. However, for victims of fraud there are practical challenges around knowing who to report to, how to get further information about what to do next and who else to contact. One way of meeting these challenges is to have more sharing of information about what it is like to be a victim.

Recommendation 10

In seeking to advise those at risk of becoming victims of fraud, bodies should consider using past victims or those from similar demographic groups to get the message over.

11.3

As with all types of crime, evidence was found of varying levels of implicit victim blaming, from the police to the judiciary, from friends and family to the media, and members of the public. The influential concept of the 'ideal, totally innocent victim' was employed by some officials in some agencies and affected how they responded to the victims. Those considered 'totally blameless' received a better response and service than those considered to have been culpable for their own victimisation. It would be interesting to find out more about the factors which influenced decisions on which victims were considered to be deserving or non-deserving.

11.4

As with other forms of victimisation, greater emphasis is being placed on individuals to protect themselves from becoming victims of crime, and are therefore being encouraged to employ their own prevention strategies. This is also starting to happen with regards to fraud, in particular, ways to protect yourself from identity theft and debit and credit card frauds. Greater awareness-raising of potential types of fraud and education on prevention strategies could help to reduce incidences of fraud.

11.5

The research emphasises the need to protect more vulnerable people in society, particularly the elderly who have a higher risk of becoming chronic scam victims. Some changes in legislation may be necessary here.

Conclusion

11.6

The impact of fraud upon victims is very similar to that of other crimes. It can be financial, emotional, psychological, or lead to loss of trust or confidence. Changes in behaviour can sometimes be detrimental to the well-being of the victim and sometimes disproportionate to the level of seriousness of the crime. Similarities can be found with Zehr's (1990) patterns of reaction and what needs to be done to assist victims in achieving a full recovery.

11.7

Researching what victims want revealed a diverse range of needs depending on a range of factors, but common to most victims was a need to be treated with courtesy and respect, to be kept up to date with timely and accurate information, provided by agencies who have the required specialist knowledge and some victim awareness training. The majority of victims want to have their case investigated and to receive some form of restitution or compensation, in recognition of the harm they have suffered. In reality, very few fraud victims have access to this and there could be a need for some mechanism, to be set up to look into why this is the case.

Recommendation 11

A new panel should be set up to consider each year a small number of recently closed fraud cases. This panel would have access to all papers and make recommendations as to whether procedures need to be changed to improve the situation of fraud victims. This panel could be set up as a pilot in London, and, if successful, rolled out regionally. It would have an independent chair and include interest groups, as well as representatives of fraud agencies.

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The authors would like to thank Dean Blackburn for his help in conducting interviews and focus groups with victims.

Appendices

Appendix 1. Face-to-face interview questions

Fraud Victim Questionnaire

Victim profile:

Gender

Age

Employment status at time of fraud –

Employed, Self-employed, Unemployed, Student, Houseperson, Retired, Student

Annual income –

under £15,000; 15,000 - 30,000; 31,000 - 50,000; over 50,000

The Fraud

Was the fraud directed towards you personally or towards a member of your family?

What type of fraud did you experience?

When did you first become aware of the fraud?

Did you lose any money as a result of this fraud?

- a. Yes, I paid over money to a person
- b. I provided some goods or a service but didn't get paid for them
- c. Some money left my bank or other account
- d. I lost some money in other ways, please state

Did you know the person who defrauded you?

If yes, what was your relationship with them?

How soon after you discovered the fraud, did you tell someone?

Who did you tell?

Did you report it to the police or any other authority?

How did you know who to report it to?

What were your reasons for reporting it?

If you did not report it, what were your reasons for not doing so?

Have you experienced a fraud before?

Was this a similar fraud? If No, what type was it?

Do you know anyone who was defrauded in a similar fashion to you around the same time?

Reporting the fraud

If you did report it, what response did you expect to get?

- a. Some refund of money lost
- b. Some sanction towards the person committing the fraud
- c. Support from an agency whose job it was to cope with victims of fraud
- d. No real response

Were you satisfied with the response you received?

Please give more details?

Were you given any advice on how to resolve the situation? If Yes, what advice were you given?

Were you offered any support?

If Yes, what support were you offered?

If you were not, what type of support would you have liked?

Were you told of any other organisations that could offer you support?

Did you seek out any organisations that could offer you support or advice?

Did you work together with any others who had been similarly defrauded?

The impact of the fraud

How did the experience affect you?

Financially – loss of money, home, pension, unable to get credit.

Employment – have to take time off work, lose your job, go part time.

Health – symptoms of stress, depression.

Psychological/emotional – vulnerable, violated, angry, frightened, wary, loss of trust.

Appendices

Appendix 1. Face-to-face interview questions

Fraud Victim Questionnaire (continued)

Relationships.

How long did it take you to rectify the situation?

Criminal Justice response

Was someone arrested for the fraud?
Or otherwise dealt with?

Were they charged? If Yes, what was the charge?

Did you make a Victim Personal Statement?

Were you kept informed of the progress of the case?

Did the case go to court?

Were you required as a witness?

Were you offered any special measures?

Was the person convicted?

What was the sentence?

How could your experience have been made better.

If anything, what could have been done to make your experience better?

Could more support have been offered?

What types of support would you have liked?

Appendix 2. Telephone interview questions

Can you confirm you are... ?

The National Fraud Authority and the Association of Chief Police Officers have commissioned the University of Portsmouth and Accent to research into the services available to victims of fraud.

- a. You were recently written to make you aware of this research because you have reported a fraud to an official body...or
- b. You recently volunteered to be contacted regarding your experience

I wonder if you could spare a few minutes to answer some questions?

Fraud Victim Questionnaire

1. Which of the following best describes you?

- Individual victim of fraud
- Partner of a victim of fraud
- Relative of a victim of fraud
- Small business victim of fraud
- Other (Please state).

If a relative or partner of a victim of fraud please answer based upon your experience

Victim profile

2. Are you male or female?

3. What is your age?

- Under 20
- 21-30
- 31-40
- 41-50
- 51-60
- Over 60.

Appendices

Appendix 2. Telephone interview questions

Fraud Victim Questionnaire (continued)

4. What race do you consider yourself?
 - White
 - Black
 - Asian (Indian Sub-continent)
 - Asian (Far East)
 - Mixed
 - Other.

5. What region do you live in?
 - North of England
 - Yorkshire and Humberside
 - North West
 - East Midlands
 - West Midlands
 - East Anglia
 - Greater London
 - South East
 - South West
 - Wales.

6. What was your employment status at time of fraud?
 - Employed
 - Self-employed
 - Unemployed
 - Student
 - Retired
 - In Education or training.

7. If employed or when last employed, what would you regard as your employment status?
 - Non-manual: professional
 - Non-manual: employers and managers
 - Non-manual: intermediate and junior non-manual
 - Manual: skilled manual and own account non-professional
 - Manual: semi-skilled manual and personal service
 - Manual: unskilled
 - Other.

8. What was your level of education achieved?
 - No qualifications
 - GCSE/O levels or equivalent
 - GCSE/A levels or equivalent
 - Degree or equivalent
 - Postgraduate degree or equivalent.

9. What was your annual income at the time of the fraud?
 - under £10,000 (or £200 a week)
 - 10,000 - 15,000 (or 200-300 a week)
 - 15,000 - 30,000 (or 300-600 a week)
 - 31,000 - 50,000 (or 600-1000 a week)
 - over 50,000 (or 1000+ a week).

10. What was your household situation at the time of the fraud?
 - Live alone
 - Married or live with partner
 - Live with family
 - Live with friends.

The fraud

11. Please identify type of fraud you experienced?
 - Identity fraud
 - Boiler Room (share sale) fraud
 - Investment fraud
 - Lottery scam
 - Pyramid/chain letter scam
 - African advanced fee fraud
 - Other, please specify.

Appendices

Appendix 2. Telephone interview questions

Fraud Victim Questionnaire (continued)

12. Which of the following best describes your situation?

- The case was investigated resulting in a court case where I had to give evidence in court
- The case was investigated resulting in a court case but I did not have to give evidence in court
- The case was investigated but did not result in a court case
- The case was not investigated
- Other (please specify)
- Don't know
- Not yet known.

13. What was the range of your financial loss?

- Under £100
- £100-1000
- £1000-£10,000
- £10,000-£50,000
- £50,000-£100,000
- £100,000-£1 million
- Over £1 million.

14. Have you been a victim of this type of fraud before?

15. Have you been a victim of another type of fraud before and if so what type?

- Identity fraud
- Boiler Room (share sale) fraud
- Investment fraud
- Lottery scam
- Pyramid/chain letter scam
- African advanced fee fraud
- Other, please specify.

16. Which of the following best describes your situation?

- When I realised I was a victim of fraud I reported to an official organisation (such as police, Consumer Direct, bank, credit reference agency etc)
- When I realised I was a victim of fraud I attempted to report it to an official organisation, but was told it was not possible
- When I realised I was a victim of fraud I did nothing but was contacted by an official organisation who knew of my case
- I did not realise I was a victim of fraud, but was contacted by an official organisation
- When I realised I was a victim of fraud I decided not to report it
- Other (please specify).

Those answering questions 5 to 16 should go on to question 17. Those answering questions 1 to 4 to question 16 should go straight to question 18.

17. If you did not report it or attempt to report it what were your reasons for not doing so? (You can identify more than one)

- It was too small a loss
- Wanted to forget about it
- Wouldn't be able to get the money back so wrote it off
- Couldn't think who to report it to
- Didn't think any agency would be interested
- Too embarrassed
- Were scared the fraudster might find out and would confront me
- I tried to report it but was told it was not possible.

Please go to question 19.

Appendices

Appendix 2. Telephone interview questions

Fraud Victim Questionnaire (continued)

Reporting the fraud

18. Could you indicate the quality of the response on a scale (where 1 is very poor and 7 is very good)

Please read all and indicate 1 to 7 where there is a rating by the respondent, or leave row blank if no response

Organisation	Quality of response (1=very poor 7=very good)
City of London Police	
Police (Other)	
Consumer Direct	
Office of Fair Trading	
Trading standards at local authority	
Citizens Advice	
Help the Aged/Age Concern	
Financial Services Authority	
Federation of Small Businesses	
Fraud Advisory Panel	
Bank	
CIFAS	
Credit Reference Agency (Experian, Equifax)	
My solicitor	
Crown Prosecution Service	
Serious Fraud Office	
Victim Support	
Other	

19. Once you had contact with an official body, could you indicate the value of the contact on a scale of 1 to 7 (where 1 is very poor and 7 very good).

Please read all and leave blank if no response

Type of contact	Quality of response (1=very poor 7=very good)
Written correspondence	
Generic leaflets for fraud victims	
A telephone call	
Help in rectifying your situation	
A referral to CIFAS	
A referral to a credit reference agency	
Counselling support	
Interest from an investigative body in your fraud	
Information regarding the progress of the investigation of your fraud	
Support in giving evidence in court	
Return of (part of) monies lost	
Referral to Victim Support	
Help from Victim Support	

Appendices

Appendix 2. Telephone interview questions

Fraud Victim Questionnaire (continued)

Reporting the fraud

20. Drawing upon your experience of being a fraud victim could you rate what are the most important elements of support that should be provided to those who have experienced a fraud such as you experienced. Rate these on a scale of 1 to 7 (where 1 is not very important and 7 is very important)?

Characteristic of response	Importance (1=not very important 7=very important)
A sympathetic and understanding response	
Having someone to listen to my experience	
A single point of contact	
A single place to secure information or help which is clearly authorised by the Government to do so	
Getting your money back	
Getting your case investigated	
Hearing progress on your case	
Fraudster being found guilty in criminal court	
Tougher penalties for fraudsters	
Fraudster being dealt with in another way (eg. deported: banned from trading: assets taken away)	
Getting support to get over the fraud	
Support in giving evidence in court	
Face-to-face help from Victim Support	
The names of other victims to contact so we can develop mutual support	
Getting advice on not becoming a victim again	
Receiving general information on the latest scams and frauds and progress in investigatng them	

21. Thinking about your experience of fraud what would be your preferred method of contact with an official body dealing with a case such as yours?

- In person
- Telephone
- Email
- Website.

22. Thinking about your experience what is the single most important thing that could have been done to help (Open question)?

23. I am now going to read you a list of some of the possible effects the fraud may have had upon you. On a scale of 1 to 7 (where 1 is no effect and 7 a severe effect) could you rate the following...

Possible effects of fraud	Rating (1=no effect 7=severe effect)
Financial loss	
Worse personal credit rating	
Loss of home	
Loss of employment	
Loss of pension	
Caused mental health problems diagnosed by a doctor (depression)	
Caused physical health problems	
Caused feelings of suicide	
Led to attempts at suicide	
Caused feelings of stress	
Caused feelings of anger	
Caused psychological/emotional – vulnerable, violated, angry, frightened, wary, loss of trust	
Caused problems in relationships with partner or family	
Caused problems in relationships with friends	

24. Has the fraud changed your behaviour in any way and if so how (Open Question)?

Appendices

Appendix 3. Focus Group questions

Focus Group questions

Some victims of fraud are unsure where to report the fraud.

Do you think clearer information on where different types of fraud would help? How could this be presented?

There are lots of websites offering advice on fraud.

How do you determine they are safe?
What would help in determining safety?
Would a logo designating safety help?

Thinking back to your experience of fraud...

What information would you have liked to have received when you realised you were a victim and how would you have liked to have received it?

Some victims claim those persons they dealt with were unsympathetic.

Is this your experience and if so what can be done to improve the response?

Many victims want regular updates on their case.

Based upon your experience how could this be achieved?

Some victims wish to receive detailed information on how their fraud occurred.

Would you have liked this and how could it have been organised?

If there is no information on your case would you like to receive information on the investigation of comparable cases?

Do you think there should be a fund for those victims who are unable to get their money back? If so who should be entitled and who should fund it?

What would you think about having been given the opportunity to confront the fraudster?

Some victims do not tell partners/relatives.

Do you think there should be special support for these and if so what?

Some victims want additional help from bodies such as Victim Support.

What help do you think they could offer?

Would you find useful the opportunity to meet other victims of fraud either in-person or on the web?

Do you think the punishment for fraudsters fits the crime and if not what could be done to address this area?

Many victims want additional information on scams as they develop.

Given the large amounts of information we generally receive how could this be achieved and safely?

Is there any other information you would have liked to have received to prevent you from becoming a victim again?

Drawing upon your experience is there any other support you would have liked to have received?



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