



**National Fraud
Authority**

Achievements April - September 2010



Highlights

Over the past 6 months the National Fraud Authority (NFA), working with the counter fraud community, has made significant steps forward in the delivery of the National Fraud Strategy.

In a survey conducted in September 2010*, the majority of its key partners stated that NFA is making a difference and continuing to improve effectiveness in the fight against fraud. NFA is widely acknowledged as the strategic lead for fraud, providing direction for and co-ordinating the counter fraud community's response. Its partners recognise the value of its work in the 9 key areas of agreed strategic priority and the good results now being delivered. This document outlines the key areas of progress and achievements.

“NFA has begun to make its presence and voice heard across the counter fraud community, to good effect”

Over the past 6 months, NFA has been instrumental in:

Encouraging individuals and small businesses to report fraud centrally

- Establishing Action Fraud as the primary place to report fraud in the UK, as noted by the media
- Capturing 4,000 crime reports from individuals, with a total loss of £71million. The median loss per report is £500
- Providing practical fraud prevention advice to 109,000 individuals and small businesses via the call centre and website

Increasing public awareness of fraud

- Increasing the level of media coverage about fraud to drive up awareness of the importance of reporting it and facilitating self protection and prevention behaviours
- Issuing fraud prevention alerts to warn individuals of specific threats and providing prevention guidance to small businesses

Providing fraud victims with improved, more comprehensive support and preventing re-victimisation

- Through Victim Support and other partners, providing access to emotional, practical and financial support services for victims contacting Action Fraud
- Training the staff and volunteers who aid and assist fraud victims

- Preventing re-victimisation: 79% of people contacting Action Fraud state they feel better able to protect themselves against fraud as a result of the advice they have received, with an estimated fraud loss saving of £1million per annum

Improving information sharing between and within public and private sectors

- Overcoming 20 specific common barriers to information sharing and sharing the solutions across the counter fraud community to great effect
- Driving focus on 8 of the most significant challenges to data access

Improving the nation's knowledge of the size and nature of the fraud problem to ensure effective prioritisation

- With partners, quantifying the link between fraud and organised crime: at least £9billion per annum, representing 30% of the total fraud loss
- Contributing to the assessment of future fraud threats, especially from emerging technologies

Raising awareness and co-ordinating activity to tackle public sector fraud

- Unveiling a 15 project action plan to help combat fraud across government and save up to £6billion over 3 years, broadly endorsed by Cabinet Office and HM Treasury
- With Cabinet Office, promoting greater transparency and reduction of fraud in public procurement
- Supporting local authority pilots to tackle single person discount and housing tenancy frauds

Improving the UK's response to ID crime

- Estimating the cost of ID fraud to the UK: £2.7billion per annum
- Preparing a strategic threat assessment of the scale of the harm and impact of ID crime
- Developing an action plan to respond to the identified threats

Helping strengthen the UK's counter fraud enforcement performance

- Developing a comprehensive assessment of the performance of the counter fraud community across the spectrum of investigation, prosecution, sentencing and recovery
- Highlighting areas of weakness and making the case for change

“NFA is becoming established in its own right and the projects are starting to deliver benefits”

NFA is working to improve information sharing between public and private sector bodies, to prevent and detect more fraud

NFA established an Information Sharing Taskforce of 25 public and private sector organisations to identify, analyse and work together to remove significant barriers to information sharing for fraud prevention purposes.

There is emerging evidence of progress in data sharing arrangements. NFA's discussions with one Taskforce member have prompted work with London local authorities, with the potential to save £200m in social housing tenancy fraud loss.

Since April, the Taskforce has identified 8 areas of key significance to focus on and created working groups to address each one. The areas include improving the ability to use mail redirection data to counter fraud, Local Authority access to deceased data, verification of foreign identity documents and options for closer working, data sharing and data matching between the public and private sectors. The business cases for taking action to overcome barriers have been created for 6 of the 8 areas and these will be used to seek to drive actions. The Taskforce aims to resolve at least 4 significant data sharing barriers in these areas by end March 2011.

The Taskforce has also resolved 20 smaller information sharing barriers covering a range of issues raised by members of the counter fraud community. In July, NFA published these in an online report, *Information Sharing Progress Update*. This practical guide highlights numerous websites that provide possible solutions to a variety of the more common information sharing issues.

Also in July 2010, the NFA published a report on *Data Sharing for the Prevention of Fraud under Section 68 of the Serious Crime Act 2007*, which looks at the use being made of the new provision for public bodies to share data with specific anti-fraud organisations (SAFOs). The report finds that there has been a slow start to data sharing, but there is good evidence of contact and ongoing product development that

should produce results for the fraud prevention capabilities of both public and private sectors. The report has been well received and Taskforce working groups are looking now at the potential to use section 68 to help implement solutions in some of the 8 priority areas. Both reports are available to view and download on the NFA website:

www.attorneygeneral.gov.uk/nfa/WhatAreWeSaying/Pages/our-reports.aspx

Improving the nation's knowledge and understanding of the size and nature of the fraud problem, to ensure action against fraud is effectively prioritised

Measurement is a crucial tool in improving the nation's knowledge of the scale and nature of the fraud threat. It also helps NFA and its partners identify areas of significant loss and galvanise support for action to address them.

The *NFA Annual Fraud Indicator* has been widely recognised as the most current and definitive assessment of fraud loss in the UK.

In a survey of members of the counter fraud community, 72% felt there had been an increase in awareness of the size and breakdown of fraud following the publication of the first NFA Annual Fraud Indicator.

NFA will be publishing its second *Annual Fraud Indicator* in January 2011 and is working now with partners in industry and the public sector to improve the quality and accuracy of reporting in a number of key areas. These include fraud loss suffered by individuals, small businesses and charities and new measures of procurement and grant fraud in the public sector.

Since April, NFA has produced interim fraud estimates to support its ongoing programmes of activity, including a new estimate of the cost of ID fraud to the UK: £2.7billion per annum.

"The annual figure for fraud loss has proved very useful in raising awareness of how serious fraud is"

Prioritising fraud in the response to organised crime

To support the work of the National Security Council's Senior Officials Group on Organised Crime, NFA worked with partners in the enforcement community to produce a review of the links between fraud and organised crime, including an estimate of fraud losses linked to serious and organised crime groups. NFA estimates that, of £30.5 billion annual total fraud loss, at least £9 billion is the result of organised crime group activity.

These findings have been used to inform the Home Office strategic response to serious organised crime. The NFA chairs the Cyber Crime Expert Working Group looking at threats to individuals and business. It has also seconded a member of staff to the Home Office Strategic Centre for Organised Crime to ensure that fraud is appropriately prioritised in the new strategies and structures being developed to strengthen the response to organised crime.

NFA has provided advice to Home Office on the role which the proposed National Crime Agency could play in fighting economic crime.

In its role as Chair of the Non Fiscal Fraud Organised Crime Programme Board, NFA worked with partners across the public and private sectors to assess future fraud threats, especially from emerging technologies and produced a Horizon Scanning Report. NFA also worked with Cabinet Office colleagues to prepare a report for the Joint Intelligence Committee on fraud risks, which again helped ensure that fraud and its links to wider organised crime and national security threats is being considered at the highest level.

“NFA is successful in keeping up and increasing the profile of fraud in the organised crime debate”

Tackling fraud in the public sector

In the Annual Fraud Indicator (January 2010), NFA estimated public sector fraud at £17.6 billion, however this was known to be an under-estimate. Following a top-down calculation, taking into account both known and unknown fraud losses against public sector expenditure and revenue, NFA estimates that fraud losses in the public sector are closer to £25 billion per year. NFA assesses that up to £6 billion could be saved over the next 3 years if the public sector takes action and places strong focus on prevention /disruption activity.

NFA has developed and prioritised 15 different initiatives to help central and local government cut key fraud risks and deliver these savings. The NFA action plan draws on lessons learned from the private sector and places greater emphasis on prevention and better use of information such as that held by credit reference agencies.

HM Treasury and the Cabinet Office are broadly supportive of the plans. In late September, HM Treasury co-hosted, with NFA, an event for more than 90 senior officials, to discuss the cross-government approach that is required and highlight existing best practice.

The Managing Director of Public Services & Growth at HM Treasury opened the event and set out the challenge facing departments. He highlighted the significant benefits that fraud prevention can bring to safeguarding public money and reducing expenditure.

Delegates heard about the growing importance of the use of data analytics, increasing co-operation across Government on information sharing and working with the private sector to improve data matching. Speakers from HM Revenue and Customs (HMRC), Department for Work and Pensions (DWP), National Audit Office (NAO) and the Ministry of Defence (MOD) shared their experience in combating fraud, and urged counter fraud practitioners to challenge the established wisdom ‘that policy says no’.

NFA prepared a handbook for delegates featuring a selection of fraud prevention techniques and successful case studies from across Government and the private sector. This is available to download from the NFA website: www.attorneygeneral.gov.uk/nfa/WhatAreWeSaying/Pages/event-fraud-in-the-public-sector.aspx

The event was extremely well received by all attendees and NFA is now pressing ahead in a phased manner with the projects.

Use of information assets to verify ID	Fraud intelligence sharing	Data analytics
Procurement fraud	Grant awards	Staff and insider-enabled fraud
Accommodation addresses	Non-criminal sanctions and asset recovery	Housing tenancy and council tax fraud
Managing access to online public services	Fraud measurement	Fraud policy development
Regional partnerships	Verification of circumstances	ID crime

Fig 1: NFA projects to tackle fraud in the public sector

Early progress

Procurement fraud

Total procurement spend in the public sector is around £220billion*. The private sector estimates it experiences fraud loss of between 2 - 5%. Clearly the scale of fraud across government is potentially very significant.

NFA has been working with the Cabinet Office to promote greater transparency in public procurement and, in recent revisions to government procurement guidance, has highlighted the impact this can have on disrupting, deterring and preventing fraudulent activity.

In September, NFA led a workshop highlighting best practice in combating procurement fraud to a cross Government audience. The Cabinet

Office's Efficiency and Reform Group highlighted the government's transparency agenda as a means for disrupting and preventing fraud as well as government procurement guidance containing fraud prevention measures. The Chair of the Construction Sector Transparency (CoST) initiative presented the outcome of a pilot to bring greater transparency to public service construction projects and the Environment Agency, which had piloted CoST on a number of projects, highlighted the positive outcomes to its procurement process.

NFA will now lead a cross-government scoping study to understand the nature and scale of procurement fraud affecting the public purse. A working group will meet in October with representation from all major government departments, local authorities and the NHS. The scoping study will identify specific interventions which need to be made to disrupt, deter and prevent procurement and contractor fraud. NFA will seek departments and local authorities to pilot these interventions once the scoping study is complete (February 2011).

Council tax single person discount (SPD), and housing tenancy fraud

The Audit Commission estimates that housing tenancy fraudsters are occupying at least 50,000 council and housing association properties worth more than £2billion. Queues for homes have increased by more than 50%.

NFA has made good, quick, progress in facilitating and advising on new approaches to tackle SPD and housing tenancy frauds:

- NFA has established 3 Local Authority 'pathfinders' working on data matching and the use of credit reference agencies (CRAs) to specifically tackle SPD and housing tenancy fraud.
- In September, NFA held workshops for 30 local authorities and registered social landlords to exchange information and good practice.
- NFA has begun negotiations to develop a framework contract for councils, which would facilitate their use of CRAs.
- CIPFA and NFA finalised a good practice checklist to help local authorities with gateway checks for both SPD and housing tenancy. This was launched on 14th October at the CIPFA annual conference.

*Office of Government Commerce

Insider fraud

NFA is undertaking a scoping study to produce a greater understanding of the current threat, estimated losses and solutions available to deter employee-enabled fraud, including firm recommendations for action. This will be completed by December 2010.

As part of this work, in September, NFA led a workshop of more than 30 representatives across government, at which the Centre for Protection of National Infrastructure shared insider threat information and private sector organisations shared their experiences and best practice solutions.

“There has been a step change in the last 6 months identifying & bringing Government attention to how large public sector losses can be addressed by the private sector”

Improving the nation’s response to identity (ID) crime

75% of the public are concerned about the impact of identity (ID) crime and 38% have been a victim. ICM poll for Lloyds TSB, 2009

In the past 6 months, the NFA has led cross government work to increase understanding of the threat and impact of ID crime and identify high impact areas for enforcement:

- At the Home Office’s request, NFA chaired a time-limited Taskforce to co-ordinate existing work in response to ID crime
- Commissioned by the Taskforce, NFA and the NFIB have together prepared a wide-ranging strategic threat assessment of the scale of harm and the impact of ID crime on the UK. This will be delivered to a new Identity Crime Strategic Implementation Board, chaired by the Home Office, in October 2010
- An action plan will be created under guidance of the Identity Crime Strategic Implementation Board to respond to the identified threats
- NFA has also produced a new estimate of the cost of ID fraud to the UK - £2.7billion per annum - on which future pragmatic solutions to improve public protection and reduce losses to the private and public sectors can be based.

NFA is also producing a good practice guide to ID authentication and verification for small and medium sized businesses who have no experience in this area. This easy to follow guide will provide a step-by-step process and set of guidelines on how to authenticate and/or verify the identity of customers.

Bringing the counter fraud community together to tackle the most harmful fraud threats

“NFA has added significant value by firmly establishing mechanisms that encourage joint stakeholder ownership of fraud problems and shared responsibility for a better, collective response”

Over the past year and more, NFA has acted as a catalyst, bringing together different public and private sector members of the counter fraud community to understand, take responsibility for and jointly address some of the most harmful fraud types and enablers.

Collaborative work to combat mortgage fraud, mass marketing fraud and accommodation addresses is particularly well developed. Having brought together the most relevant bodies affected by these harms and devised action plans to tackle them, the NFA now chairs working groups whose members are taking forward activities to detect and disrupt fraudsters, with significant success.

Mortgage fraud

The size, complexity and fragmentation of the mortgage landscape provide wide opportunity for perpetrating fraud. The NFA and Metropolitan Police Service (MPS) formed the Mortgage Fraud Forum in 2009 to help prioritise and overcome barriers to more effective counter-fraud action. The Forum’s members include mortgage lenders, enforcement agencies and representatives of professional associations. The Forum has established itself as a co-operative community with a co-ordinated collective response and the means and will to continuously develop and deliver it. It helped save over £130million in fraud loss last year.

Since April, the NFA-led Forum has placed increased emphasis on information sharing and communications across and between lenders, relevant professional bodies and Land Registry. Activity includes:

- Working with the lending industry and legal professionals to map the end-to-end mortgage and conveyancing processes and identify opportunities for fraud intelligence sharing that can be implemented
- Gaining agreement to develop a web space to profile case studies and share best practice. This will have both a public-facing element and a restricted access area where the mortgage fraud prevention community can share information
- Both these initiatives will ensure the community is more aware of and has more accurate and timely information about fraud threats and trends, and can put in place better deterrents and counter measures

“NFA is effective at keeping fraud up the agenda, joining up and facilitating the work of others”

Mass marketing fraud (MMF)

One in 15 people fall victim to mass marketing fraud

The NFA-led Mass Marketing Fraud Forum, whose members include the Serious Organised Crime Agency (SOCA), City of London Police, Office of Fair Trading (OFT), MPS and Serious Fraud Office (SFO), has made tangible progress in disrupting fraudsters who con victims into parting with money on the promise of large rewards, or by exploiting their vulnerabilities. Highlights of the past 6 months include:

- MPS and SOCA are testing new protocols with postal service providers to allow enforcement agencies to request revocation of bulk mailing licences ('PPIs') and to identify and seize MMF mail consignments
- Using information from MPS and SOCA's newly established networks of MMF repeat victims and mail recipients and

from its own 'Scamnesty' activity, the OFT has submitted PPI Licence revocation requests to postal service providers for investigation

- The Forum is working with selected telecoms providers to stop fraudsters using re-direct numbers, which hide their true location and give the illusion of a UK domicile

The Forum has also focussed on developing the enforcement response to MMF:

- The National Fraud Intelligence Bureau (NFIB) has taken intelligence from SOCA's West African initiatives to inform domestic operational activity
- NFIB intelligence, captured via Action Fraud, has been transmitted to Europol
- City of London Police and other forces executed multiple warrants across the UK, resulting in 11 arrests for offences involving share sale fraud; advance fee fraud, money laundering and lottery fraud.

Over the course of just one month, 11 repeat victims received over 2,000 items of MMF mail.

Most MMF originates overseas and the UK counter fraud community works closely with international counterparts on disruption initiatives. NFA participates in the Mass Marketing Fraud International Working Group, which co-ordinates law enforcement efforts worldwide.

On 1st June, the NFA and members of the counter fraud community participated in an international 'day of action' promoting awareness of MMF. 10 different operational activities linked to this and enforcement officers made a series of arrests. The activity generated significant national broadcast coverage including *The One Show*, *Sky News*, *GMTV* and *London Tonight* boosting online fraud reports to Action Fraud by over 200%.

A Crimewatch feature on romance fraud, which highlighted the activities of SOCA tracking down a fraudster in Ghana was seen by around 4 million people. The Action Fraud website experienced a 250% increase in visitors immediately after the programme was aired. As a result, Crimewatch now features Action Fraud as the contact centre for any fraud related crime.

Accommodation addresses

Accommodation addresses, including mail forwarding addresses and serviced and virtual offices, are a key enabler for many types of fraudulent activity.

The NFA and City of London Police are leading an initiative to tackle the criminal abuse of accommodation addresses, reducing fraudsters' access to such addresses and promoting intelligence sharing. Partners in the project include the OFT, HMRC, DWP, Westminster City Trading Standards, SOCA and MPS. In the past 6 months the project has gathered pace significantly. Highlights include:

- SOCA and OFT working together to create a list of 7,000 suspected accommodation addresses. This is now hosted as a database by the OFT, for use by numerous organisations to detect and prevent fraud. SOCA is already using it to plan a specific campaign to disrupt fraudsters and appropriate legal gateways have been identified to allow private sector access to the list, which would help identify suspect claim and applications
- Twelve addresses, linked to mass marketing fraud, have been subject to regulatory visits by the City of London Police in tandem with Trading Standards across the Square Mile, Westminster and Camden

Encouraging individuals and small businesses to report fraud

Action Fraud, the national fraud reporting centre delivered by NFA, provides victims of fraud and the more vulnerable members of society with advice, guidance and a central means of reporting fraud. Action Fraud is available online and by telephone.



www.actionfraud.org.uk

Call volumes and the number of online visitors have risen dramatically, while customer satisfaction with the service has been maintained, consistently high, at over 90%.

109,000 people called Action Fraud or visited the website in the past 6 months

Since April, almost 24,000 people have called Action Fraud.

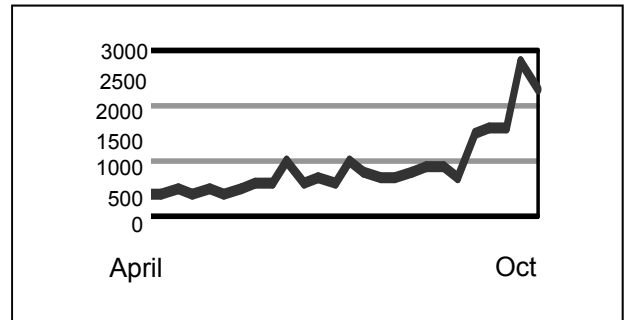


Fig 2: Action Fraud call volumes, April - September 2010

Action Fraud's online presence is particularly successful. Since April, 86,000 members of the public have visited the website for advice or to report their fraud case. Work conducted in-house on the Action Fraud website has improved its rankings on search engine Google so it appears on the front page in a search for "fraud" or "report fraud".

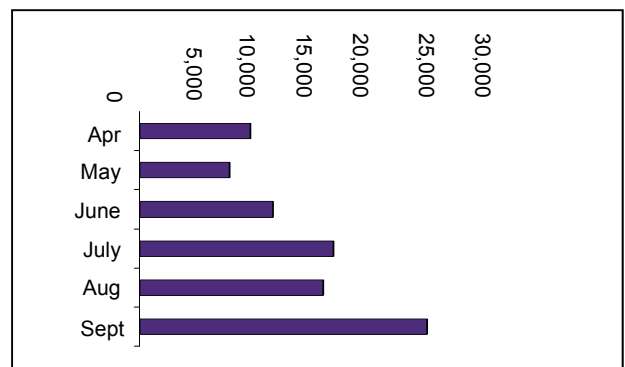


Fig 3: Visitors to the Action Fraud website, April - September 2010

Action Fraud receives reports from every region in the UK, relating to many different types of fraud. Action Fraud passes all confirmed crime reports to the National Fraud Intelligence Bureau (NFIB). Since April, Action Fraud has submitted 4,000 crime reports, with total fraud losses of almost £71million. The median loss is £500 but a quarter of all victims lost more than £2,000 each.

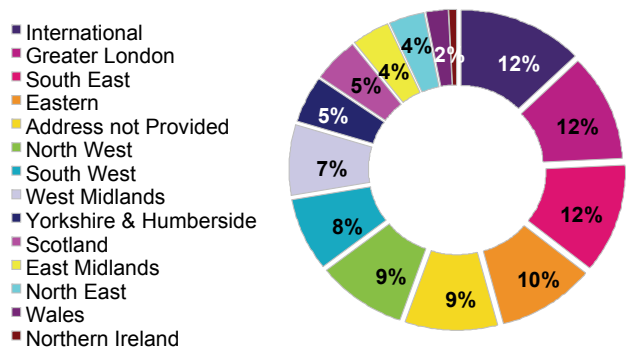
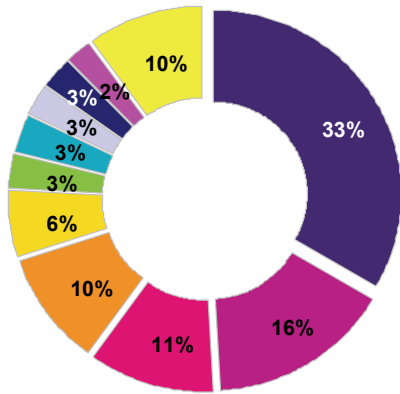


Fig 4: Action Fraud reports by region, April - September 2010



- Online Shopping and Auctions
- Other Advance Fee Frauds
- Application Fraud (excluding Mortgages)
- Other Consumer Non Investment Fraud
- Dating Scam
- Cheque, Plastic Card and Online Bank Accounts (not PSP)
- Share sales or Boiler Room Fraud
- Counterfeit Cashiers Cheques
- Rental Fraud
- Door to Door Sales and Bogus Tradesmen
- Other

Fig 5: Action Fraud reports by fraud type, April - September 2010

Although the number of Action Fraud reports are a small percentage of the total data NFIB is analysing, it is significant. Action Fraud is capturing data and intelligence that was not previously reported. This contributes to the national pattern of fraud, providing a more detailed picture of how it is committed, linking previously unconnected crimes, victims and suspects and uncovering significant losses that help build compelling evidence for intelligence packages and investigative activities. A number of cases are being investigated by City of London Police and regional forces.

“The NFA’s work with consumers via Action Fraud has the potential to be a very useful resource, in terms of the value it provides to the public and potential cost savings and intelligence for enforcement”

To maximise efficiency, NFA has organised a direct transfer of phone calls between Action Fraud, Consumer Direct and Crimestoppers and is expanding use of the Action Fraud online reporting tool to organisations wishing to report fraud on behalf of their own customers. A private sector financial services company began piloting the online reporting tool in September. Many industry, charity and police partners and organisations have placed the Action Fraud logo and link on their websites, directing fraud victims to the service.

NFA continues to work in close partnership with City of London Police and the NFIB to ensure police forces are kept aware of developments to the service. NFA and NFIB ran an operational briefing in July attended by over 80 force representatives from 43 forces. Feedback was universally positive.

“The contact at Action Fraud this morning was excellent. It does take a while to get it all recorded on the phone, but the AF person was very clear, efficient and helpful. I dialled just after nine this morning...it was picked up right away.” Customer

Case Study

In early September 2010, Action Fraud began receiving reports from people concerned they had fallen victim to a loan repayment scam. Consumers began to tell their story on online forums, advising more victims to contact Action Fraud. Within a month, Action Fraud had received more than 3,500 contacts relating to one company, with volumes at times exceeding 700 per day. To ensure Action Fraud could respond to its customers as quickly and effectively as possible, it drafted in additional staff and increased the capacity of the contact centre. Action Fraud passed all crime reports to the NFIB which studied the intelligence and referred the case to City of London Police, the lead force on fraud.

At time of writing, this case is live. Action Fraud is monitoring the situation closely and working with City of London Police to respond to the changing situation in a dynamic manner. As the situation develops, NFA is issuing updates and alerts via Action Fraud’s website, Twitter feed and Facebook page.

National Fraud Intelligence Bureau (NFIB)

The National Fraud Intelligence Bureau (NFIB), run by City of London Police, is establishing itself as one of the most advanced police intelligence systems in the world.

Since becoming operational in June, the NFIB has analysed almost 2million reports of frauds and is identifying new criminal networks on a daily basis. Major data providers for the Bureau include Action Fraud, CIFAS, UK Payments, Royal Mail and the OFT.

NFIB analysts are using this information to produce intelligence packages for UK police forces to form the basis of fraud investigations.

In August, the first NFIB-led operation saw the City of London Police break up a major ticketing fraud exploiting sporting and musical events, with officers making 4 arrests.

The police activity came after the NFIB studied more than 250 consumer complaints passed on by Trading Standards and Action Fraud. Victims are estimated to have lost a total of £40,000 on non-existent tickets.

Since this investigation NFIB intelligence has assisted police on a number of operations, and is also tracking more than 150 organised crime groups.

At the same time the NFIB, in conjunction with Action Fraud, is producing fraud alerts designed to raise awareness of patterns in offending and to help individuals and the public and private sector become more resistant to fraud. The first alerts focused on holiday lettings fraud, rental fraud and a PC cleaning scam, generating print and broadcast media.

Increasing awareness of fraud

Among members of the public

In its first 6 months of operation, 8% of the total UK population became aware of Action Fraud as the place to report fraud and seek advice and guidance on fraud prevention.

NFA is responding quickly to intelligence received by Action Fraud and moving prevention activity onto the front foot. By monitoring the different types and locations of frauds reported to Action Fraud and specific peaks in reporting volumes, NFA can create relevant and timely activities to warn consumers about emerging frauds and help them protect themselves.

NFA has issued email alerts covering timeshare fraud, loan repayment fraud and identity theft and has also launched a regular e-bulletin for members of the public who have contacted the Action Fraud service. This short email includes general protection advice and alerts to help prevent re-victimisation.

Action Fraud launched profiles on Facebook and Twitter in August. After one month, Action Fraud's Facebook page had 200 fans and its Twitter profile had over 300 followers. These profiles had encouraged over 700 people to click through to the Action Fraud website, for more information and advice.

NFA has devised and implemented in-house a series of self protection - themed media campaigns to keep fraud issues in the media and drive up public awareness. These have included mortgage fraud, promoting the international mass marketing fraud day of action, the perils of romance fraud and '15,000 callers to Action Fraud'. All resulted in extensive coverage and directly related increases in traffic to the Action Fraud service. The NFA media team is now approached regularly by media for input into news stories.

To help reinforce existing counter fraud community efforts and concentrate limited communications resources for maximum effectiveness with the public, NFA has linked with private and public sector partners to promote awareness of specific fraud types, including 'cash for crash' (motor insurance fraud) and card payment fraud. NFA is currently working with Get Safe Online to support its awareness week in November and, with a number of partners, is supporting National ID Fraud Prevention Week in October.

Viewer, listener and readership figures indicate that media coverage featuring the NFA and Action Fraud has reached over 67million people. Coverage was the advertising equivalent of over £2million (excluding online coverage).

To support the launch of Action Fraud, NFA produced fraud prevention literature and public information leaflets and distributed themes to members of the public via locations used by the most vulnerable, including GPs surgeries and pharmacies, as well as via partners. NFA also provided information to MPs to pass on to constituents concerned about fraud.

The amount of fraud reporting in the national and online media has risen over the past 6 months. Action Fraud's share of coverage in newsprint and broadcast media has also increased.

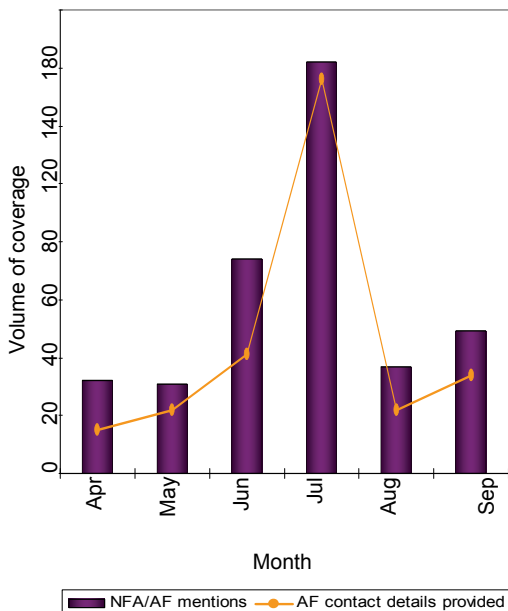


Fig 6: Volume of NFA and Action Fraud media coverage April - September 2010

Among businesses

The cost of fraud to small businesses (SMEs) averages £800 per year, ranging between £500 and £50,000, but many SMEs do not take adequate steps to protect themselves. Federation of Small Businesses 2009

Since April, NFA has worked with the Federation of Small Businesses, Fraud Advisory Panel, local chambers of commerce and regional fraud forums to provide practical guidance and advice leaflets to businesses in the North West and South West regions. These have been widely distributed and SMEs report that they are very useful and are ordering additional copies.

NFA is also conducting a survey with legal firm RSM Tenon to identify the current fraud threats experienced by SMEs. The findings will inform future fraud prevention activities and bolster awareness campaigns in the media.

To support fraud prevention awareness in larger businesses, NFA has drafted articles and secured media coverage in industry publications including those read by the mortgage and banking industries and the public sector.

NFA has also had discussions with a number of private sector organisations to identify specific fraud types they have in common and work to find a cross-industry solution to address them.

A NFA-devised campaign to counter the threat of 'money mules' is being discussed with the banking industry, with a view to running a pilot in January 2011.

Enhancing the support and advice available to fraud victims

The NFA continues to work with Victim Support and a range of other partners to radically improve the support available to individuals and SME victims of fraud.

NFA ran 18 workshops across England and Wales to train delegates from Victim Support, Citizens Advice and Local Authority Trading Standards to respond to the needs of fraud victims. These were very well received with over 93% of attendees finding them useful. NFA is now working alongside Croydon Council and the London Fraud Forum to replicate the workshops across the 32 London Boroughs. The first of these, for 8 South London boroughs, will take place in November.

All victims of fraud calling Action Fraud are now offered direct access to emotional support provided by Victim Support, supported by a network of local organisations able to provide practical and financial advice such as debt counselling and credit repair. Where required, specialist support can also be made available to particularly vulnerable victims, such as the elderly or those with learning difficulties.

79% of people contacting Action Fraud state they now feel better able to protect themselves against fraud as a result of the advice they have received from Action Fraud. Based on the number of fraud crimes and median financial losses reported to Action Fraud and the known rate of re-victimisation, this increase in public awareness and fraud preparedness would indicate a saving of £1million in fraud against individuals over the full year period.

NFA is also developing an online learning tool to help a further 600 of Victim Support's care managers and over 6,000 volunteers recognise the specific and different needs of fraud victims and provide them with appropriate support. This cost-effective training tool will be launched in December 2010.

Helping strengthen the nation's counter fraud enforcement performance

The Counter Fraud Strategy Forum

The Counter Fraud Strategy Forum was established in January 2010, to strengthen the strategic oversight of counter fraud activity. Chaired by the NFA, the group comprises senior officers from leading Government counter fraud organisations and reports regularly to the Attorney General. It also works closely with the Counter Fraud Operations Board, chaired by the SFO.

The NFA Secretariat supports the Forum, providing quarterly management information reports on national counter fraud activity and leading evidence based policy initiatives to support improved operational performance. For the Forum, NFA is working with partners to:

- Report on the challenges posed by fraud investigations. In July, the NFA and City of London Police, the lead force for fraud, conducted a data gathering exercise among police forces on a range of fraud enforcement issues. Follow up work, aimed at improving the effectiveness of the counter fraud landscape, is now in train with the ACPO National Fraud Working Group
- Examine how civil litigation can be used as a primary response in fraud cases for example where a criminal justice response is not feasible to help ensure that more fraudsters are punished.
- Develop a high level framework to assess the effectiveness of various fraud prevention and disruption initiatives to help build the case for more investment in these types of interventions
- Analyse the strengths and weaknesses in fraud prosecutions
- Provide significant inputs to work on the proposed Economic Crime Agency

Boosting fraud investigation, training and accreditation

To boost fraud investigation resources and effectiveness, the NFA is consulting with two industries - mortgage and insurance – to assess the costs, benefits and feasibility of setting dedicated law enforcement units funded by

those industry sectors. NFAs work is now proceeding to a more detailed development of requirements that can then lead to a full business case.

Privately funded investigations already show significant returns on private sector investment. The Dedicated Cheque and Plastic Card Unit (DCPCU), the unique bank sponsored police squad, estimates it prevents card and cheque fraud losses of £3.5million per month (£340million since 2002).

NFA is also working with the Home Office and other stakeholders to agree and disseminate good practice guidelines for private funding contributions to police fraud investigations.

NFA aims to help improve the quality of fraud investigation and formalise the core set of skills and knowledge needed to prepare cases in readiness for smooth transfer to the police. Following an initial scoping study, NFA and its partners in the training marketplace are developing a common 'core curriculum' for accredited fraud investigation training as well as reviewing governance arrangements to oversee and manage this.

Following an in-depth analysis of the views of the key players in the sector, NFA and the London and regional fraud forums organised a seminar on training standards for fraud investigation in July, attended by more than 50 representatives of public and private sector organisations. NFA and its partners have now developed a core curriculum setting out the basic skills and knowledge that fraud investigators should have. Among other things, this is aimed at enabling more effective transfer of cases from private sector investigators to public sector law enforcement. Discussions on the governance arrangements for owning and maintaining the curriculum and accrediting courses that meet the curriculum requirements are being progressed with the Counter Fraud Professional Accreditation Board.

The core curriculum will enhance the quality of training courses by defining, standardising and establishing the content which produces the best outcomes.

Partners

This report reflects the successes of the whole counter fraud community. NFA wishes to thank all its partners for their continued efforts to fight fraud in the UK and for their support and involvement in the activities highlighted in this report.

Action Against Business Crime
Age UK
Allianz
American Embassy
Argent Associates
Association of British Insurers
Association of Certified Fraud Examiners
Association of Chief Police Officers
Attorney General's Office
Audit Commission
Audit Scotland
Aviva
Barclays
BBC
Birmingham Chamber of Commerce
Birmingham City Council
Bond Solon
Brighton and Hove Council
British Bankers' Association
British Chambers of Commerce
British Retail Consortium
BSkyB
BSS
BT
Building Societies Association
Cabinet Office
Callcredit
Capita
Card Watch
Centrica
CDMS Transactis
Centre for Protection of National Infrastructure
Charity Commission
Chartered Institute of Public Finance and Accountancy
Chartered Institute of Housing
CIFAS (The UK's Fraud Prevention Service)
Citizens Advice Bureau
City of London Police
Companies House
Confederation of British Industry
Construction Sector Transparency Initiative
Consumer Direct
Control Risks Group Ltd
Co-operative Financial Services
Counter Fraud Professional Accreditation Board
Council for Licensed Conveyancers
Council of Mortgage Lenders
Crown Prosecution Service
Cumbria Constabulary

Data Discoveries Managed Analytics
Dedicated Cheque and Plastic Crime Unit
Deloitte
Department for Business, Innovation and Skills
Department for Communities and Local Government
Department for Education
Department for Environment Food and Rural Affairs
Department for Transport
Department for Work and Pensions
Department of Health
Detica
Driver and Vehicle Licensing Agency
East of England Fraud Forum
Efficiency Reform Group
Energy Retail Association
Environment Agency
Equifax
Ernst & Young
Eurojust
Europol
Experian
Federation Against Copyright Theft
Federation of Small Businesses
Fellowes
Finance and Leasing Association
Financial Fraud Action UK
Financial Services Authority
FIN-NET
Fraud Advisory Panel
FTSE
GB Group
Get Safe Online
Grant Thornton
HBOS
HM Revenue and Customs
HM Treasury
Home Office
HSBC
IBM
Identity and Passport Service
Identity Fraud Communications Awareness Group
Information Commissioner's Office
Institute of Chartered Accountants of England and Wales
Institute of Directors
Insurance Fraud Bureau
Insurance Fraud Investigators Group
Intellectual Property Office
Interpol
Jobcentre Plus
KPMG
Kroll
Land Registry
The Law Society of England and Wales
Legal Services Commission
Lloyds Banking Group
Local Authority Investigations Officers Group
Local Authority Trading Standards Services
Local Government Association
London Borough of Brent
London Borough of Ealing

London Fraud Forum
London Public Sector Counter Fraud Partnership
MacIntrye Hudson LLP
Midlands Fraud Forum
Ministry of Defence
Ministry of Justice
Metropolitan Police Service
National Anti Fraud Network
National Audit Office
Nationwide Building Society
NHS Counter Fraud and Security Management Service
National Health Service
Counter Fraud Unit Northern Ireland
National Hunter
National Policing Improvement Agency
National Savings and Investments
North East Fraud Forum
North West Fraud Forum
Office for Criminal Justice Reform
Office for National Statistics
Office of Fair Trading
OFSTED
PAR Services
Police Central E-Crime Unit
PricewaterhouseCoopers
Reckon LLP
Royal Bank of Scotland
Royal Borough of Kensington and Chelsea
Royal Institution of Chartered Surveyors
Royal Mail
RSM Tenon
Rushmoor Borough Council
Santander Group
SAS
Security Industry Authority
SERCO
Serious Fraud Office
Serious Organised Crime Agency
Skills for Justice
Smith and Williamson
Solicitors Regulation Authority
South East Fraud Forum
South West Fraud Forum
Student Loans Company
Synectics Solutions
Teceris
Teesside University
Telecommunications UK Fraud Forum
Think Jessica
Tobacco Manufacturers Association
Transport for London
UK Border Agency
UK Cards Association
UK Payments Administration
University of Portsmouth
US Department of Justice
Victim Support
Visa Europe
Voice UK
Westminster City Trading Standards
Worcester Fraud Forum
Zurich



National Fraud Authority



National Fraud Authority
PO Box 64170
London WC1A 9BP
Tel: 020 3356 1000

Email: nfacontact@attorneygeneral.gsi.gov.uk

Website: www.attorneygeneral.gov.uk/nfa



www.actionfraud.org.uk

Call 0300 123 2040