

## Fighting Fraud Together Quarterly Update – April 2013

In October 2011, the **National Fraud Authority (NFA)** published *Fighting Fraud Together (FFT)* the national strategic plan to reduce fraud. FFT is a shared enterprise on behalf of all sectors; public, private, voluntary and law enforcement - to improve our collective response to fraud and the damage it causes to individuals and the economy. FFT set out a new approach with the ambition that:

*“By 2015 our country will be demonstrably more resilient to and less damaged by fraud”.*

This will be achieved through the delivery of three strategic objectives:

- i) **AWARENESS;**
- ii) **PREVENTION;** and
- iii) **ENFORCEMENT.**

Work is ongoing in each of these areas to improve our shared response to existing and emerging threats.

### Awareness:

On **7<sup>th</sup> March**, the NFA launched a small and medium enterprise (SME) *digital awareness campaign*, designed to target a particular section of the SME community. Businesses in this segment are recognisable by having suffered fraud before and that despite trying, struggle to protect themselves from further fraud. The NFA worked closely with digital developers and government biddable media buyers to design the campaign. Animations appeared on a number of websites that SMEs are likely to visit and appeared on any *Google Display Network* that included content about small businesses. Once users clicked on the banner, they were directed through to the SME Toolkit on the **Action Fraud** website. This toolkit contains information on current fraud issues affecting SMEs, threats and ways to self-protect. Content is regularly reviewed by expert partners, including the **Federation of Small Businesses**, the **Fraud Advisory Panel** and **Financial Fraud Action UK**. The campaign was highly successful and generated *20,461* visitors to the SME toolkit and resources.

The online consumer-facing campaign was timed to coordinate with the roll out of Action Fraud to police forces in England and Wales, which ran through February and March 2013. Online is a key ‘point of service’ for Action Fraud as fraud often occurs in this arena and therefore is the ideal channel to engage and encourage victims of fraud and internet crime to report and get prevention advice from Action Fraud.

Activity involved search network advertising on Google and other search engines, to drive traffic directly to the Action Fraud website and online reporting. This enabled people searching for keywords related to “scams”, “cons”, “hacking”, “viruses”, etc to be presented with a text ad explaining Action Fraud and taking them straight to the website when they clicked on it.

The second strand of campaign activity involved interactive digital advertising, including ads on YouTube, as well as regional newspaper websites and online shopping sites. These ads were eye-catching and designed to raise awareness of Action Fraud and drive traffic to the website and reporting tool. In total, this online advertising activity increased traffic to the Action Fraud website by 30% during the campaign period.

The awareness boost from all forces going live with Action Fraud and the supporting online ad and paid for search optimisation campaign which recently concluded has produced a significant increase in traffic to the Action Fraud website over March. Over 189,000 unique visitors came to the site with approximately 66,000 generated from the advertising campaign. Over 224,000 total visitors came to the site during this period with over 66,000 generated from the advertising campaign compared to almost 23,000 total visits from advertising in February, showing an increase in campaign visits of 35% in March.

Summary figures for March:

- 15,446 fraud and cyber enabled fraud crimes (up 27% from February);
- 2,125 computer misuse crimes (up 76% from February);
- 16,436 attempted scams/ virus attacks (up 39% from February).

In February **Financial Fraud Action (FFA UK)** launched a national money mules awareness campaign following consumer research undertaken towards the end of 2012 to understand the nation's experiences and awareness of money muling and the fact that money laundering is illegal, carrying with it a prison sentence of up to ten years. The research included specific coverage of the student community and individuals that have recently entered the UK to work or study, groups frequently targeted for money mule recruitment by criminals. A national press release and supporting campaign collateral (leaflets and web banners) was issued to the media on 26 February, with further releases aimed at student publications and publications aimed at recent entrants to the UK.

The campaign received significant coverage across daily, regional and consumer media. The issue was also covered by national news channels, including interviews with the Head of the Dedicated Cheque and Plastic Crime Unit, Dave Carter. There was also coverage on a host of national and local radio stations including BBC Radio 4 and BBC 5 Live. FFA UK also engaged HM Revenue and Customs to distribute 120,000 copies of the campaign leaflets to new entrants to the UK at its 29 enquiry centres, as well as working with the National Association of Student Money Advisors who promoted the campaign amongst the student community.

**Telecommunications United Kingdom Fraud Forum Ltd (TUFF)** is working closely with the **Federation of Communication Services** to raise the awareness of telecommunication service resellers to the risk of installing and operating private telephone exchanges which are increasingly being used by "hackers" to commit fraud, causing small and medium businesses to be presented with large bills for calls that the business has not made. These bills often run into many thousands of pounds, which to small businesses can have a major impact on their finances and future.

The telecommunication industry is working together with FFA UK to develop security messages for young people to raise their awareness on the use of mobile phones to conduct financial transactions. Increasingly smart phones have both the "touch and go" technology as well as the functionality to enable applications to be downloaded to transact financial transactions, whether it is paying for a journey home or buying a cup of coffee. This increased functionality changes the risk of owning and using mobiles devices and it is important that young people are made aware of the safe and secure way to use devices in this changing environment. This joint project fits closely with the existing "OutofYourHands" telecom industry project that has been running now for a number of years to increase awareness of mobile phone ownership amongst 7 to 16 year olds. More details can be obtained via the dedicated web platform at [www.outofyourhands.com](http://www.outofyourhands.com)

## Prevention:

The **Charity Commission** for England and Wales and **Cabinet Office** Fraud Error and Debt Team have been working jointly to address the fraud risk from Government funding of charities for delivery of services. An agreed set of fraud risk indicators, enhanced risk based pre grant due diligence and post grant monitoring tools have been developed. The Commission is reviewing its levels of trustee due diligence as the front line trip wire defence against insider fraud.

Following introductions to *Get Safe Online* through the NFA Fraud Awareness Steering Group, the **Charity Commission, The Office of the Scottish Charity Regulator and Charity Commission Northern Ireland** are collaborating to develop and deliver guidance for both trustees and the donating public to improve their resilience against cyber crime. The Guidance is on target to be launched at the Voluntary Sector Fraud Stakeholder Meeting of 28 May.

The NFA and a range of counter-fraud partners are working to improve sharing of *fraud and economic crime intelligence* across industry and sector boundaries through:

- Supporting the build of the Economic Crime Component of the National Crime Agency Intelligence Hub (ECCIH);
- Working with key public and private sector partners to develop industry and sector intelligence sharing capabilities that will link together with the ECCIH; and
- Identifying and engaging with a number of emerging industries to assess the need for and viability of putting in place industry-level fraud intelligence sharing capabilities.

The Cabinet Office Fraud Error and Debt Taskforce has given a mandate to carry out a pilot which will support the development of the economic case for the Counter Fraud Checking Service (CFCS). At the moment, there are a number of high level assumptions made about the potential benefits the CFCS could generate but further work needs to be carried out in order to establish a robust economic case. We will be piloting the exchange of known fraud or black data, as well as further research on benefit profiles and costs. We are in the process of finalising the data sharing agreements for the first stage of the pilot which will be up and running shortly.

Under the Fighting Fraud Locally programme the **NFA** has completed three Guidance Manuals on best practice in Local Authorities together with templates and expert advice covering:

- Fraud recovery and use of POCA
- Case building
- Fraud Risk Assessment practices

The first *Fighting Fraud Locally* Regional Hub has started in Huntingdonshire and Cambridgeshire. Initially focussing on housing tenancy fraud across three Councils and three housing associations, it will share data, match and create a data warehouse and will expand to cover all areas of fraud later in the year. **The Department for Communities and Local Government** have allocated £9.5m to 62 councils to crackdown on social housing fraud under the Prevention of Social Housing Fraud Act 2013 which makes sub-letting a criminal offence. The new Act will come into force in the summer.

The NFA will also shortly be starting a project on Business Rates fraud with the **Chamber of Commerce** and SMEs. The Business Rates pool is £24bn and from April Local Authorities are allowed to keep savings for fraud in this area.

Owing to Identity Crime being a key enabler to fraud the NFA has worked closely with the **Home Office** Identity Security Team to draft the ID Crime Strategy 2013-2016. The strategy is now in final draft and current work now is focused on strategic and tactical delivery.

#### Enforcement:

The National Fraud Capability programme is a **City of London Police (CoLP)** led project with the aim of implementing an enhanced, co-ordinated national policing response to economic crime in order to meet Home Office strategic objectives to reduce and prevent economic crime and strengthen the operational response to serious and organised crime. It will do this by introducing 2 Regional Intelligence Officers (RIOs) and a Regional Fraud Team (RFT) into each of the 10 ACPO regions of the UK, delivering efficiencies through a regional approach. 16 RIOs are in position, have now received "Know Fraud" Training and are producing operational outputs. Preparations for RFT recruitment, training and implementation are in their final stages..

Strategic documents for the national fraud capability programme are at various stages of consultation and approval. These include a full Standard Operating Guidance for all aspects of the regionalisation project; a case allocation criteria proposal; and operating guidelines for a national co-ordination office. A pilot programme of regional case allocation is in progress using the case allocation criteria proposal, assessing the number of fraud crimes that would be disseminated to a RFT.

Following on from the publication of its review of the existing channels available to fraud victims to get their money back, the **Fraud Advisory Panel** is developing a set of recommendations for how civil justice processes might better meet the needs of individual and smaller business victims, along with proposals for a pilot scheme to refer suitable cases from the criminal justice system for civil action and redress.

**R3**, the trade body for business recovery professionals, are leading a project focused on increasing awareness of insolvency as a tool to tackle fraud and to demonstrate the appropriate circumstances for its use, particularly in cases that would otherwise not have been taken forward. The project will attempt to demonstrate the efficacy of insolvency as a tool to secure recompense for fraud victims and to disrupt fraudulent enterprises.

#### **Fighting Fraud Together partners:**

Association of British Insurers  
Association of Chief Police Officers  
Attorney General's Office  
British Banking Association  
British Chamber of Commerce  
British Retail Consortium  
Building Societies Association  
Cabinet Office  
Charity Commission  
Charity Finance Directors Group  
CIFAS  
Citizens Advice Bureau  
City of London Police  
Communities and Local Government  
Council of Mortgage Lenders  
Crown Prosecution Service  
Department for Business, Innovation and Skills  
Department for Work and Pensions  
Federation of Small Businesses  
Fraud Advisory Panel  
Financial Fraud Action UK

Fighting Fraud Locally Strategic Board  
Financial Services Authority  
HM Revenue and Customs  
HM Treasury  
Home Office  
Insurance Fraud Bureau  
Land Registry  
Law Society  
Metropolitan Police  
Ministry of Justice  
National Council for Voluntary Organisations  
National Fraud Authority  
Royal Institution of Chartered Surveyors  
Serious Fraud Office  
Serious Organised Crime Agency  
Solicitors Regulation Authority  
Telecommunications UK Fraud Forum  
The UK Cards Association  
Victim Support