



## Joint Fraud Taskforce – Oversight Board Minutes

Date 11.09.2017

### Attendees

- The Rt Hon Amber Rudd MP - Home Secretary
- The Rt Hon Ben Wallace MP - Security Minister
- Stephen Barclay MP - Economic Secretary to the Treasury
- Chris Sweeney - CEO, Vanquis
- David Lowe - CAO. Personal & Business Banking Services, RBS
- Julia Dunn - Chief Risk Officer, Nationwide
- Iain Laing - Chief Risk Officer, TSB
- Javier San Felix - Deputy CEO, Santander
- Mark Barnett - MasterCard UK & Ireland President
- Brian Dilley - Chair FFA UK / Lloyds Banking group
- Matt Hammerstein - Head of Products and Propositions, Barclays
- Paul Wood - Head of Fraud Risk, Financial Crime Threat Mitigation, HSBC.
- Ian Dyson - Commissioner, City of London Police
- Matthew Horne - Deputy Director, National Crime Agency
- Martyn Underhill - Dorset Police and Crime Commissioner
- Stephen Rodhouse - Deputy Assistant Commissioner Metropolitan Police
- Tom Hurd - Director General, OSCT
- Richard Riley - Director, Serious and Organised Crime, OSCT
- Owen Rowland - Head of CFIP, OSCT
- Peter Wilson - Head of RICU, OSCT
- Neal Barcoe - Head of Fraud and Corruption, SCOC, OSCT
- Simon Dukes - CEO, Cifas
- Megan Butler - Executive Director, FCA
- Mark Castle - Chief Executive, Victim Support
- Lord Toby Harris - Chair Trading Standards
- Tom Ironside - Director of Business and Regulation, British Retail Consortium
- Stephen Jones - CEO, UK Finance

## **Home Secretary Welcome and Opening Comments**

The Home Secretary opened the meeting and thanked everyone for attending.

## **Joint Fraud Taskforce Progress**

1. Richard Riley (RR), Director Serious and Organised Crime, OSCT set out the priorities and objectives of the Taskforce, and provided an overview of the progress since the previous Oversight Board. Highlights included:
  - The additional funding for 'Take Five' and the joint work of FFA UK and RICU to develop the 2<sup>nd</sup> phase of the campaign, which is due to go-live in October 2017.
  - The production of lesson plans to deliver anti-fraud and identity fraud education to 11-18 year olds in schools.
  - The continued rollout of the Banking Protocol across regions and forces.
  - The continued development of the Money Mules and Repatriation of Funds scheme to allow for the freezing and repatriation of fraudulent losses.
  - Work to improve the police response to fraud including the announcement of a HMIC Thematic Inspection on fraud.
2. Martyn Underhill (MU) PCC for Dorset welcomed the Thematic Inspection into fraud and raised the issue of including fraud in the Strategic Policing Requirement commenting that fraud is a crime not confined to force area and the force response was not consistent. Commissioner Ian Dyson (ID) commented that previously a paper outlining roles and responsibilities for fraud had been approved by National Chiefs Council and a second paper about tasking and coordination for fraud response was due to go to Chiefs Council shortly.
3. RR also highlighted the Public Accounts Committee hearing in October 2017 and advised on the progress being made against the recommendations contained within the National Audit Office report of Online Fraud.

## **Card Not Present (CNP)**

4. Mark Barnett (MB), President of MasterCard UK and Ireland, presented the CNP paper to attendees.
5. MB began by setting out the work MasterCard had undertaken to engage a considerable number of organisations within industry to begin this work. He then set out the three areas which will form the CNP project: the implementation of the secure authentication aspect of the Payment Services Directive 2 (PSD2), which will significantly impact the way payments are authenticated online i.e. tokenisation; interventions to close loopholes fraudsters exploit within the mail order and telephone channels; and, the introduction of dynamic data.

6. MB advised that there was still a need to identify and agree adequate metrics to measure the impact of this work and committed to provide the Home Secretary with a more detailed proposal on metrics before the end of October.

**Action 170911\_01: Mark Barnett to provide detailed proposal on CNP metrics before the end of October 2017**

7. There was a consensus that until the technical specifications of the PSD2 Regulatory Technical Standards were known, it would be unwise to develop a system.

8. It was also agreed that thought should be given to identifying unintended consequences of changes to the way payments are made, especially through mail order and telephone channels.

9. BD commented that 'use cases' should be considered for people who may struggle with new authentication proposals. This is a key point for the feasibility and viability of any technical solution.

10. ID commented that the courier companies may have a significant role to play in this work and RR advised that JFT will expand its membership to include sectors where they have a role to play in tackling an issue being discussed. MB also drew attention to a series of tactical initiatives currently underway to address CNP.

**Action 170911\_02: Home Office to engage with relevant partners, including online retailers and couriers and feedback findings into management board discussions.**

11. To close, the Home Secretary reaffirmed the Government's commitment to tackle this threat, and asked for regular updates. The Home Secretary was clear that the threat from CNP fraud had the potential to undermine the UK's financial system and that our response needed to be ambitious, but also founded in concrete aims and actions and delivered at pace.

**Action 170911\_03: CNP to provide Home Office officials with monthly updates on the progress.**

**Improving the Response to Victims of Fraud**

12. Neal Barcoe (NB), Head of Fraud and Corruption, presented the Victims paper.

13. NB outlined work that was already in train to deliver a better response to victims of fraud. The work included:

- Public Available Standard (PAS) aimed at raising standards across organisations to protect customers from frauds and scams launching in October 2017.
- Phase 2 of the Take Five campaign focussing on older couples.
- Continued rollout of Banking Protocol. By July there had been 763 calls to law enforcement with £5.3 million prevented from being handed over to fraudsters and 58 arrests.
- Opt in fraud prevention measures for customer accounts.
- Developing a multi-agency response to victims of fraud.

14. NB outlined further opportunities to deliver an enhanced response which included:

- Engaging with Project Bloom (pensions fraud)
- The Office of Public Guardian to support adults who lack capacity
- Piloting volunteer schemes to support older victims of cyber/telephone enabled financial abuse.

15. Simon Dukes, CEO of Cifas, commented that while it was right to focus on older customers we should not forget that vulnerability and susceptibility to fraud spans all ages and that younger people were increasingly at risk of falling victim to fraud - 89% of identity crime victims are under 65.

16. Mark Castle, CEO of Victim Support, commented that confidence in industry and policing needed to be maintained. Victims need to feel that when they report a crime it is acknowledged and there is a resolution. This needs simplified reporting, enhanced data sharing, and a joined up national and local approach.

17. Brian Dilley (BD) Chair of FFA UK and Lloyds Banking group representative commented on the issue of communicating to customers who have been told not to trust unsolicited contact from their bank. BD outlined an early stage idea that FFA UK was exploring for a central reporting telephone number e.g. 555 that victims of fraud/scams could contact. At its simplest the number could be a triaging facility directing victims to the appropriate agency and at its most ambitious it could sit in front of enhanced data sharing/analytics which would take in all reporting and provide standardised reporting and a collective intelligence picture across fraud and money laundering leading to improved co-ordinated activity for victims, law enforcement and industry.

#### **Action 170911\_04: FAA UK to explore victim services number**

18. David Lowe, RBS outlined work to place protection on special accounts, educate teams on different fraud types, improve data analytics, profiling and implement a 'Friends Against Scams' initiative. DL outlined some of the challenges around defining customers as vulnerable when they did not recognise themselves as vulnerable. It was acknowledged

that in scenarios where the victim was technically an organisation the original target (member of the public) should be identified and given adequate support.

19. Stephen Jones, CEO of UK Finance, commented that a fraud lens should be applied to new legislation, citing GDPR as an example where there may be unintended fraud consequences.

20. It was agreed that companies need to do more to protect personal information and that more should be done to ensure that companies employing strong data protection should be more widely acknowledged and given the platform to share best practice.

#### **Action 170911\_05: Home Office to feed into Policy considerations including the rollout of the forthcoming General Data Protection Regulation**

21. Mark Hammersmith, Head of Barclays Products and Propositions, commented that public messaging needed to break the mind-set that “it won’t happen to me” and focus on how fraud can affect wider social fabric and family/communities.

22. MU commented that judicial outcomes needed reviewing to avoid a ‘what’s the point’ attitude to reporting. MU also asked why unsolicited calls which lead to many scams cannot be banned outright.

#### **Action 170911\_06: Home Office to discuss with BEIS**

23. RR commented that previous Government efforts to focus on one simple mass campaign to the public (such as the seatbelt campaign) would not be as effective in today’s multimedia environment, and also reminded attendees that previous campaigns around car safety worked because of the financial penalty of not complying. RR also advised that there was work ongoing to look at the way fraud is recorded in the counting rules and work to have trusted people providing advice to elderly or vulnerable people i.e. fire protection officers.

24. Julia Dunn Chief Risk Officer at Nationwide advised that customers can opt out of services such as contactless payments, mobile and online banking and that limits can be put on the amount new payees can receive from an account. This was especially relevant in issues around multiple accounts being set up to facilitate money laundering through mule accounts.

25. Stephen Barclay Economic Secretary to the Treasury commented on the advances in Fintech and how it can help support this work.

**Any Other Business and Close**

26. The Home Secretary brought the meeting to a close. She is to write to those who couldn't attend the meeting setting out the key actions.

**Action 170911\_07: Home Secretary to contact all JFT partners setting out what was discussed and the key actions.**

**Action 170911\_08 Home Secretary to invite online retailers and teclos to join the joint Fraud Taskforce**

27. The Home Secretary asked for the next Oversight Board to be held in 6 months.

**Action 170911-09: Home Office to arrange next oversight Board in 6 months' time.**