



Home Office

# **Asset recovery statistical bulletin 2012/13 – 2017/18**

Criminal Finances Team, Home Office

Research Report 18/18

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# Summary

This bulletin presents the latest data on the recovery of criminal assets using Proceeds of Crime Act Powers (POCA). It shows that:

- In the year ending 31 March 2018, £185m of criminal proceeds were confiscated, representing an 8% increase compared with the year ending 31 March 2013 (£171m).
- Cash forfeiture has remained relatively stable over the same period, averaging around £40m a year for the past 5 years.
- Recipients of Asset Recovery Incentivisation Scheme (ARIS) monies typically allocate the largest portion to investing in future asset recovery work. In the year ending 31 March 2017, the latest period for which data is currently available, the proportion of ARIS money invested in this way accounted for 94% of available funds.
- In the year ending 31 March 2018, £30m was paid in compensation to victims from the proceeds of confiscation.<sup>1</sup>

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<sup>1</sup> The total amount of monies paid to the victims of crime is beyond the scope of this report.

# About this release

The majority of these statistics are drawn from a live operational database, the Joint Asset Recovery Database (JAR),<sup>2</sup> which is managed by NCA. JARD entries are provided by law enforcement agencies, including the police, the Crown Prosecution Service (CPS), the Serious Fraud Office (SFO) and local authorities. As a result, the data are subject to change on a daily basis as cases proceed and new cases are added and resolved. The data for the year ending 31 March 2018 presented in this release was extracted from JARD on 16 August 2018. Data for previous years is unchanged.

JARD covers England, Wales and Northern Ireland, while Scotland has an independent asset recovery system which is not included as part of this release. Further details relating to JARD can be found in [Annex 1: Methods and data quality](#).

While there is a wide range of legislation relating to the power to seize criminal assets, such as the [Misuse of Drugs Act 1971](#) and the [Modern Slavery Act 2015](#), these fall outside the scope of this report and, in many cases, data on the use of these powers is not held centrally. Nor does this release contain data relating to priority orders. Using certain criteria, priority order status can be applied to confiscation orders by CPS, Her Majesty's Courts and Tribunals Service (HMCTS) or SFO. Data relating to priority orders is not collected centrally but is subject to regular scrutiny by a senior, multi-agency forum.

The data relating to use of proceeds of crime was collected by the Home Office. This does not provide a full picture of the use of ARIS funds as some contributors to ARIS (such as local authorities) pool payments and cannot specify the final use of these funds.<sup>3</sup>

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<sup>2</sup> Please see Annex 1: Methods and data quality for further information on JARD.

<sup>3</sup> It should be noted that the final use of ARIS funds is entirely decided by the receiving agency. This is considered to be a key part of incentivisation.

# 1. Introduction

## 1.1 Background

In response to [recommendations](#) made by the Public Accounts Committee (PAC) in July 2016 to improve information on the performance of government in relation to the confiscation of criminal assets, the Home Office committed to publishing an annual report on asset recovery statistics. This is the second annual publication; the first can be accessed via the following link: [Asset Recovery Statistical Bulletin 2011/12 - 2016/17](#). The commitment to publish the amount that can realistically be collected from the nominal total value of uncollected confiscation orders is already published in the [HMCTS Trust Statement 2017 to 2018](#).

This release provides data on:

- collection rates;
- use of Asset Recovery Incentivisation Scheme (ARIS) funds;
- compensation to victims from confiscation orders;
- unexplained wealth orders (UWOs); and
- compliance orders.

## 1.2 Asset recovery legislation

The government's overarching aim is to cut crime. Asset recovery powers should be used in such a way as to contribute to the reduction of crime. Specifically, asset recovery powers can contribute by:

- disrupting criminal networks and the further funding of crime;
- depriving people of their proceeds of crime;
- removing criminal role models in society;
- deterring people from becoming involved in crime.

A number of operational bodies across the criminal justice system are responsible for investigating, prosecuting and enforcing asset recovery. The Home Office has responsibility for leading the government's asset recovery policy and in ensuring transparent and effective performance measurement.

Asset recovery principally takes place using the [Proceeds of Crime Act 2002](#) which provides the following asset recovery powers:

- Criminal proceedings which require a conviction:
  - **Criminal confiscation:** the confiscation of the proceeds of crime following a criminal conviction. It takes place following conviction but will be started prior to sentencing.
- Civil proceedings which do not require a conviction:
  - **Cash forfeiture:** refers to the powers to seize and forfeit cash which is either the proceeds of crime or is intended to fund criminal activities. This is done through a civil process, which requires that there be reasonable grounds to suspect that the cash is the proceeds of crime.
  - **Civil recovery:** a system for confiscating the proceeds of crime, where a criminal conviction through the civil courts is not possible. It requires that, on the balance of probabilities, the asset in question is the result of criminal activity.
  - **Taxation:** this power resides with the National Crime Agency (NCA), and allows it to access revenue powers to tax income of which NCA has reasonable grounds to suspect are the proceeds of crime.

Statistics on the collection of civil recovery and taxation are published by NCA in its [Annual Report and Accounts](#). Following the expansion of these powers to HM Revenue and Customs (HMRC) and the Financial Conduct Authority (FCA) in the [Criminal Finances Act 2017](#), these figures may be included in future editions of this publication.

There were also two new powers of forfeiture introduced by the 2017 Act which commenced earlier this year. These powers are forfeiture of certain personal (or moveable) property, and forfeiture of money held in bank and building society accounts. Figures relating to these may be included in future editions of this publication.

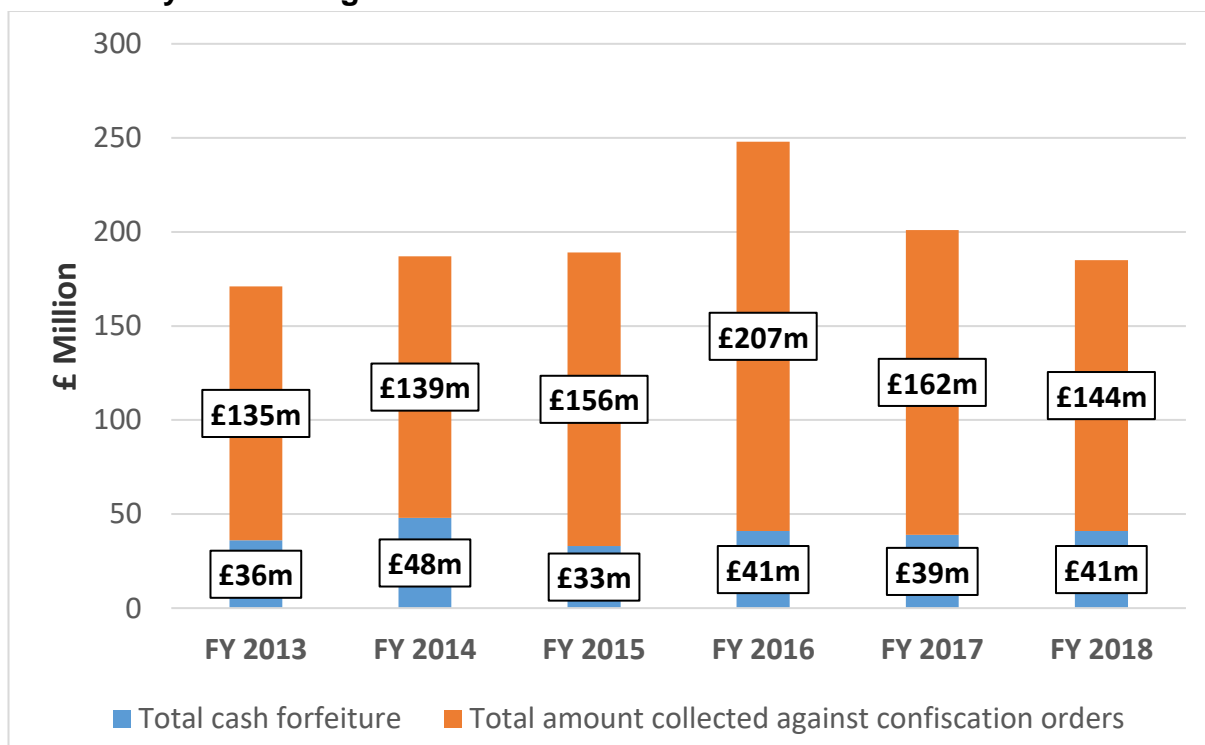
## 2. Amount collected: confiscation orders and cash forfeiture

Figure 1 outlines the total value of proceeds of crime collected each financial year since year ending 31 March 2013 using confiscation and cash forfeiture powers.

In the year ending 31 March 2018, £185m of the proceeds of crime were collected, representing an overall 8% increase compared to 5 years earlier (£171m), but a decrease since the peaks in years ending 31 March 2016 (£247m) and 2017 (£201m). This increase in the total amount of money collected between years ending 31 March 2012 and 2018 is driven by a rise in the amount collected from confiscation receipts. The large increase in the year ending 31 March 2016 is most likely due to several unusually large confiscation orders being paid and settled within the same reporting year and does not represent a long-term trend.

Assets collected from confiscation orders in the year ending 31 March 2018 accounted for the majority (78%) of the total value collected, a slightly lower proportion compared with years ending 31 March 2017 (81%) and 2016 (84%). The decline in receipts since the year ending 31 March 2016 may reflect the reduction in the number of orders being made. By comparison, the amount collected from cash forfeitures remained relatively stable during this 5-year period, averaging around £40m.

**Figure 1: Amount of money collected from cash forfeiture and confiscation orders, financial years ending 31 March 2013 to 2018**



Source: JARD data collected on 16 August 2018.

[Link to data](#)

### 3. Use of recovered criminal assets

Assets recovered under the mechanisms in the [Proceeds of Crime Act 2002](#) are distributed to operational agencies (such as the local police force, HM Court Service and CPS) under ARIS. Broadly, ARIS divides recovered assets between operational agencies and the Home Office on a 50/50 basis. While the Home Office portion of ARIS is earmarked as part of its core budget, operational partners may use these funds as they see fit.

ARIS does not reflect the total amount of money recovered from criminals, however, as some recovered monies are used to pay compensation to victims or to pay receivers' fees.



## 4. Use of Asset Recovery Incentivisation Scheme funds

Table 1 shows how operational partners used ARIS funds for the years ending 31 March 2013 to 2017. Figures for the year ending 31 March 2018 are not yet available and will be included in next year's publication. These figures only account for monies and projects where the Home Office have received a return from the law enforcement partner and does not reflect all the ARIS monies that have been distributed in a given year. 'Miscellaneous' captures the money that does not fall within the other three categories.

Law enforcement agencies were allocated the largest amount of monies received from ARIS to fund future asset recovery work<sup>4</sup> – £56m in the year ending 31 March 2017, representing 94% of available funds.

**Table 1: Use of ARIS funds, years ending 31 March 2013 to 2017**

Year ending 31 March	Asset recovery work	Crime reduction projects	Community projects	Miscellaneous	Total
2013	£44.5m	£2.1m	£1.4m	n/a	£47.9m
2014	£71.8m	£4.3m	£1.8m	£2.0m	£79.8m
2015	£70.4m	£6.3m	£1.9m	£4.5m	£83.0m
2016	£72.9m	£3.0m	£1.5m	£5.5m	£83.0m
2017	£56.0m	£2.0m	£1.5m	£0.1m	£59.6m

Source: Home Office collated ARIS monitoring forms from all ARIS recipients.

[Link to data](#)

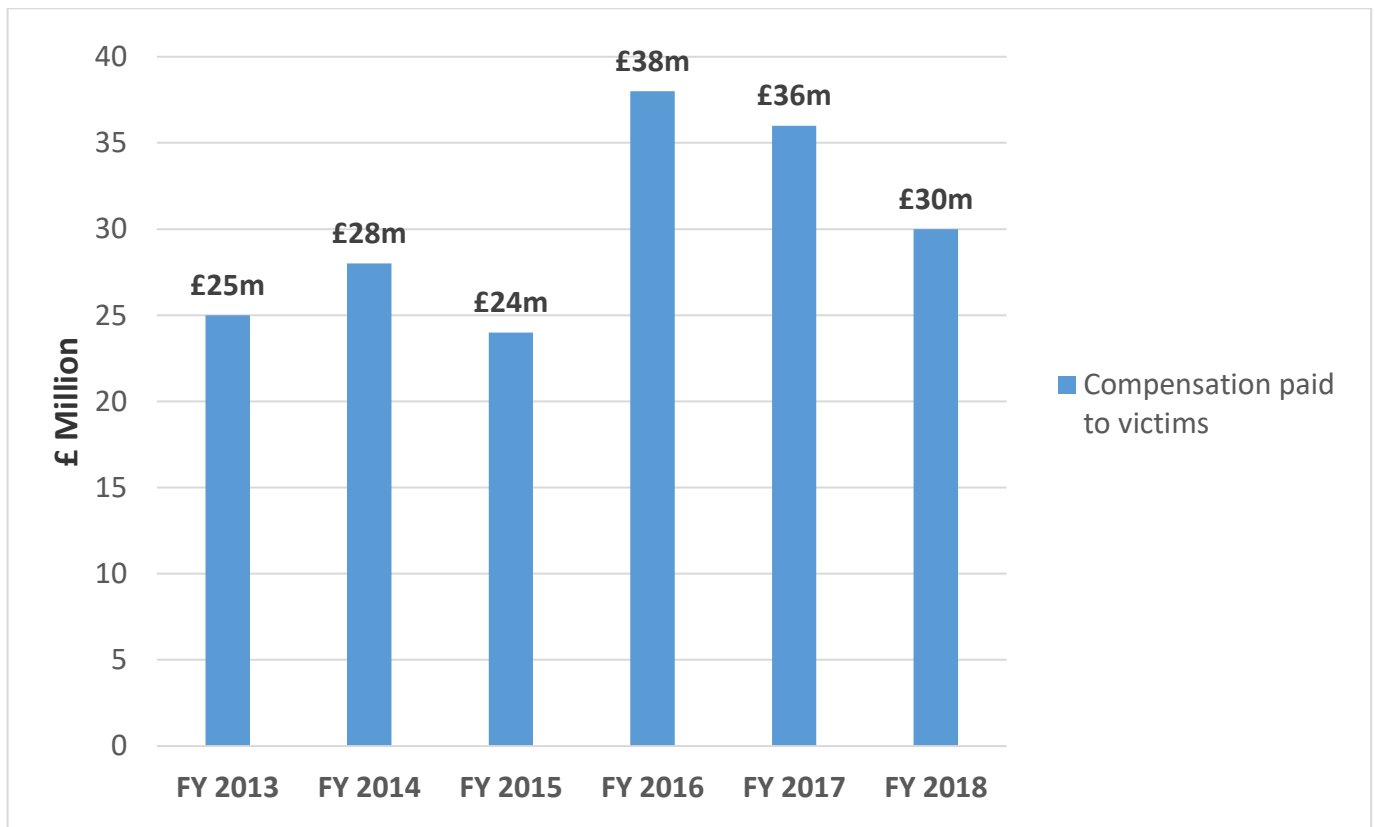
<sup>4</sup> Such as funding Financial Investigator posts or Forensic Accountants.

## 5. Compensation to victims

In addition to making a confiscation order, a court may also order the offender to pay compensation to the victim of the crime. Victims always take priority<sup>5</sup> if both a compensation order and confiscation order are in place against the subject and they are unable to pay both; any monies collected will be directed to the victims in the first instance.

Figure 2 shows monies allocated to victims in such cases.<sup>6</sup>

**Figure 2: Compensation paid to victims from confiscation orders, financial years ending 31 March 2013 to 2018**



Source: JARD data<sup>7</sup>

[Link to data](#)

For the year ending 31 March 2018, £30m of the proceeds of crime were paid in compensation to victims. This continues a decline from the year ending 31 March 2016 and may reflect reduced receipts from confiscation orders and therefore the amount available for compensation.

<sup>5</sup> As set out under Section 13 of the [Proceeds of Crime Act 2002](#).

<sup>6</sup> These statistics only show the money collected through confiscation orders. There is currently no central database which collects data on all the compensation paid to victims. Furthermore, the volume of victims being paid cannot be ascertained from JARD as several victims can be covered under one compensation order.

<sup>7</sup> Data collected 15 June 2017 for years ending 31 March 2013 to 2017, collected monthly by HMCTS for year ending 31 March 2018 total.

# Appendix 1: Methods and data quality

This document provides data from years ending 31 March to 2013 to 2018 on asset recovery performance. The Home Office publishes this data on an annual basis, this report being the second edition. Data from years ending 31 March 2013 to 2017 is the same as in the previous release.

JARD is a live operational database managed by the NCA, providing central information relating to the seizure of the proceeds of crime. It is funded through ARIS, where a £5m 'top slice' is taken from the total amount collected.

JARD entries are provided by law enforcement agencies, including the police, CPS, SFO and local authorities. The quality of data being input on JARD is the responsibility of the NCA Proceeds of Crime Centre.

Figures for cash forfeiture and confiscation for the year ending 31 March 2018 are based on finalised data collected from JARD on 16 August 2018 and should be interpreted with the following in mind. These figures represent the total amount collected each year as opposed to the total value collected against specific orders or cash seizure. For example, a confiscation order put in place in 2011 may not have a payment made against it until 2012. Similarly, cash seized in 2011 may only be forfeited, or converted into a confiscation order, in 2013. For these reasons, comparisons of year-on-year performance should be treated with caution.

Furthermore, as confiscation orders are subject to legal challenge, future data extracts will be subject to some small differences from previously published figures and other totals. The data on the use of ARIS funds for Table 1 is collected by the Home Office and generated through manual reporting from the recipients of ARIS. The Home Office collects this data over the course of the year as part of its responsibility for the administration of ARIS.

Other reasons why these statistics may need to be revised are:

- Changes in sources of administrative systems or methodology.
- Receipt of subsequent information.
- Errors in statistical systems and processes.

## Appendix 2: Unexplained wealth orders

UWOs came into force on 31 January 2018. They provide the power to compel an individual or company to explain the origin of assets. This is in cases where their assets appear to be disproportionate to their known income *and* if they are suspected of involvement in, or association with, serious criminality.

This power can also be applied to foreign politicians or officials, their family members or close associates, and such people who may pose a particularly high corruption risk. This power, along with the existing civil recovery powers, is subject to safeguards in the form of a decision made by a High Court judge.

If content with the application, the court can issue a UWO. When an individual or company is unable to provide a response to the UWO, law enforcement agencies could try and recover the property through existing civil recovery powers.

UWOs are available to NCA, CPS, FCA, SFO and HMRC (and, in Scotland, Scottish Ministers).

In the year ending 31 March 2018, two UWOs were obtained to investigate assets totalling £22 million.

Statistical Bulletins are prepared by staff in Home Office Statistics under the National Statistics Code of Practice and can be downloaded from GOV.UK:

<https://www.gov.uk/government/organisations/home-office/about/statistics>

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