



NOTES OF JOINT FRAUD TASKFORCE OVERSIGHT BOARD 12 SEPTEMBER 2016

Attendees

Ministers

1. Home Secretary
2. Security Minister
3. Simon Kirby Economic Secretary to the Treasury

Home Office

4. Tom Hurd DG OSCT
5. Owen Rowland Head of CFIP, OSCT
6. Peter Wilson Head of RICU, OSCT

DCMS

7. Rosemary Pratt Director - Europe, Data, Digital and Security Directorate

Banks

8. Chris Sweeney Vanquis, CEO
9. Alex Grant Barclays, Managing Director Fraud / FFA UK Chair
10. David Oldfield Lloyds Group Director, Retail and Consumer Finance
11. John Ellington RBS Director of Services
12. Mark Barnett, Mastercard UK & Ireland President

Law enforcement

13. Chris Greany Assistant Commissioner, City of London Police
14. Lynne Owens DG NCA
15. Martyn Underhill Dorset PCC
16. Duncan Ball Commander, MPS

Others

17. Simon Dukes CEO, Cifas
18. Andrew Bailey Chief Executive, FCA
19. Anthony Browne CEO, BBA
20. Mark Castle Chief Executive, Victim Support

Apologies

1. Home Secretary welcome and opening comments: The Home Secretary and Security Minister both welcomed attendees to the inaugural Joint Fraud Taskforce Oversight Board. The Security Minister reiterated the importance of the work of the Taskforce by reminding the Board that fraud is now the most prevalent crime facing the country,

insisting that we have a collective duty to act. The Home Secretary reiterated the importance of the Taskforce's approach – it is only by working collectively that we will remove the barriers to an effective response to fraud.

Joint Fraud Taskforce – progress to date

2. Owen Rowland, Head of CFIP, OSCT, gave an overview of the Joint Fraud Taskforce (JFT) to date and the activities that had been undertaken. Particular note was made of the following:
 - Banking Protocol where bank staff are being trained to recognise behaviours suggestive of fraud, especially in the elderly and vulnerable. (Due to be launched in Met Police area in October and Nationwide thereafter).
 - Wanted Fraudsters Campaign – a published list of those wanted for fraud against UK victims with a view to bringing them to justice.
 - Increased data sharing between the banks and law enforcement with over a thousand accounts closed and over two thousand with heightened monitoring.
3. Owen highlighted the fact that, so far, the Taskforce has been focussing at the tactical level, and that this has been the right thing to do whilst relationships and structures have been bedding in. However, he said that we must now turn our attention to taking on the big strategic issues, which will 'shift the dial' in our response to fraud.

Improving the Law Enforcement Response on Fraud:

4. The Security Minister asked that Cmdr Greany (CoLP) present the first paper, setting out the scale and nature of the threat faced; the current law enforcement response; and the challenges faced. Cmdr Greany began by highlighting that the scale and nature of fraud is changing. The most recent ONS experimental data indicates that there were 3.8million instances of fraud in England and Wales in the year to March 2016, with approximately 620,000 crime reports into Action Fraud in the same period.
5. The paper explored how we can improve the police response at the national, regional and local levels and identified some quick wins and some longer term goals. All **AGREED** that improving the law enforcement response at national, regional and local levels will be vital to maximise the ability to investigate individuals and groups engaged in fraud; disrupt their activities, secure convictions; and provide tailored support to reduce the vulnerability of communities.
6. It was **AGREED** a joint City of London Police/Home Office plan should be developed with the objective of improving the local force response by engaging PCC and Chief Constables and exploring opportunities for ministers (including the Economic Secretary to the Treasury) to provide supportive messages on tackling fraud . The plan should also consider how we can achieve a consistent local force response to fraud reports and crimes in action across the board.
7. A commitment was also received from the banking representatives to the bulk uploading of banks' fraud data to the new Action Fraud database, though a request was made for consideration as to how the data would be utilised and what action

would be taken as a result of the data being received. This is also dependent on the removal and/or clarification of perceived legal barriers.

8. It was **AGREED** that the 2004 Home Office circular on fraud would be withdrawn, which some forces have used to justify not investigating individual fraud cases.
9. It was **AGREED** that allocation and acceptance criteria of fraud cases by the NCA, ROCUs, and local forces should be evaluated.
10. It was **AGREED** that Home Office officials to work with Ministry of Justice counterparts to examine sentencing guidelines on fraud, with a focus on ensuring the impact on vulnerable victims is properly considered in sentencing.

Card Not Present Fraud

11. The Home Secretary asked that Mark Barnett (Mastercard) present the next paper, looking at the role technology has to play in fraud prevention. Mark began by putting some context around the issue - the proliferation of payment types and the increasingly diverse ways in which people choose to spend and move their monies means that one single technological solution will not solve the issue of fraud. However, there are certain technologies which will reduce vulnerability and offer additional layers of security. It was also noted that currently banks treat fraud prevention as a way to gain a competitive edge – the Home Secretary asked that we take a collective approach in this space.
12. Mark went on to set out the challenges of Card Not Present (CNP) fraud, suggesting that figures continue to grow exponentially, as the volumes of victims, the number of data breaches and rate of attack by criminals all increase. It was proposed that tackling CNP fraud would be the single most impactful anti-fraud initiative that the Joint Fraud Taskforce could pursue. It was **AGREED** that a new Joint Fraud Taskforce Industry led group be established to develop and deliver a CNP Strategic Action Plan – the Home Secretary asked to see a plan before the end of the year.

Awareness Raising and Fraud Prevention

13. The Home Secretary asked that Peter Wilson (RICU, OSCT) present the next paper on the need for a high visible and persistent fraud prevention campaign. Peter highlighted the increasing scale and frequency of frauds enabled by social engineering. It was **AGREED** that more needed to be done to inform and educate and make key target groups much more aware of the pitfalls and subtleties of this highly organised, sophisticated and pervasive crime.
14. The FFA UK's recently launched "Take 5" has created a platform on which such a campaign can be built. However, it was noted without proper collective sustained investment it is unlikely to have a long-term impact or match the scale of the threat faced.
15. The Home Secretary acknowledged the funding and resource that industry has already given to "Take 5". The Home Secretary then offered to commit £0.5m from this year's Home Office funds as well as expertise from the Office for Security and Counter Terrorism (OSCT), to contribute to building a successful cross sector

campaign, providing individual banks provide a similar commitment, so that a substantial pot of funding of around £4m-£6m will be made available for the enhanced campaign.

16. It was **AGREED** that the new campaign will be jointly led by Home Office (RICU) and FFA UK and will utilise RICU's segmentation tool to ensure best targeting and measurement of impact.
17. It was **AGREED** that Cifas with support of partners such as Department for Education and DCMS would lead a programme of work to deliver fraud education and identity awareness to the national curriculum.

Repatriating Funds to Victims

18. The Home Secretary asked that Neal Barcoe (SCOC, OSCT) present the next paper on repatriating more funds to victims of fraud. The paper set out the legislative and technological issues currently preventing banks repatriating money to victims of fraud and set out a proposal to implement a system to utilise technology to overcome some of the issues faced.
19. Neal updated the Board on a proof of concept, currently underway which, if successful, will allow the banks to track payments across the payments system enabling them to locate, freeze then return monies even if money is moved across multiple accounts at pace. If possible, and implemented correctly this has the opportunity to be a game changer in our response to victims. Neal also drew caution in terms of the size of the project – the resource requirement and potential costs to deliver might be substantial and will need to be overcome.
20. To routinely repatriate funds to victims it was **AGREED** that a scheme needs to be established that includes three distinct areas, including: the successful development and evaluation of the [voca-link] technology; the development of an implementation plan, including consideration of cost and resource to deliver; and the development of a legislative framework to make the scheme possible.
21. As a first step it was **AGREED** that the results of the proof of concept be shared with the Home Office & HM Treasury in November.

Data Security

22. Finally, the Home Secretary invited Rosemary Pratt (DCMS) to update the group on DCMS's work on improving data security, including how DCMS are exploring options around regulation and incentives to compel organisations to improve their data security.
23. Much of the work comprises of the introduction of the General Data Protection Regulation and the Law Enforcement Data Protection Directive (DPD) which will apply from May 2018.
24. The banking industry welcomed the opportunity to work with the DCMS during the transposition of the new GDPR and to engage on current legislation, to ensure any

unintended consequences of fraud prevention, investigation and detection of data protection legislation may be prevented. It was **AGREED** that FFA UK would feed directly back to DCMS, as policy lead in this area.

Any Other Business and close

25. Consideration should be given to other stakeholders who should be engaged in the JFT for specific issues/purposes

26. Consideration should be given as to how the success of the Joint Fraud Taskforce could be measured.

27. It was AGREED that the Home Secretary would consider options for reintroducing an Annual Fraud Indicator produced under the banner of the Joint Fraud Taskforce.