

The NFA: What you think of us and our work

'This government is bringing a new focus to the collective response to tackling fraud'

This January, we asked our stakeholders for their views on our work and our products. Stakeholders from all sectors responded with free and frank views of what we do well, what we should do more of and what were our challenges.

We are seen as an organisation that has a lead role and strategic overview in the fight against fraud. Stakeholders particularly value our role in bringing together the private and public sector as well as our access to ministers and ability to influence policy.

The NFA publications were generally well received; Stakeholders value the work that has gone into measuring the size of the fraud problem and



have used the NFA data in their own work. People were also appreciative of Action Fraud and the work that been done to improve the reporting. However awareness within the private sector is still not as widespread as our stakeholders would wish.

The work with local government and the delivery of the '**Fighting Fraud Locally**' Strategy was mentioned by a number of stakeholders. They recognised what has been achieved since the launch of the strategy and the hard work by the NFA and

its partners, which made those achievements possible.

However, stakeholders would like to see more effective leadership of the counter fraud community and for the NFA to be more proactive. They specifically mentioned a greater understanding of the concerns and challenges that stakeholders face as well as better and more effective communication and updates. We are taking this forward through a variety of actions, including making Fraud Focus more comprehensive and it now contains information about publications and forthcoming events. Also this issue showcases the winners of the Fighting Fraud Awards which were announced in December.

Spotting it and Stopping it in County Durham

Locking the front door doesn't always keep the fraudsters out

As part of the NFA's commitment to raising public awareness through targeted activity informed by the **National Fraud Segmentation Research**, the NFA ran a pilot community engagement campaign, 'Spot it, Stop it', which aimed to reach and engage women aged over 56 and their support networks in County Durham. Research shows that these women avoid risks but are vulnerable to mass marketing and socially engineered fraudulent approaches.

The pilot campaign was run with local organisations with excellent contacts in the community and a proven record of effectively engaging with the target audience. Partner organisations were Age UK, Citizens Advice Bureau, Financial Fraud Action (FFA) UK, Office of Fair Trading, the Metropolitan Police Service, Trading

Standards Institute, Insolvency Service and the Alzheimer's Society.

Over a six-week period during November and December 2012, messages and support were shared at 267 social events and activities, such as coffee mornings, residents groups, day centres that were attended by more than 6,200 people. A further 3,254 briefings took place on a one-to-one basis. A range of campaign materials such as leaflets and posters were produced, displayed and distributed at 720 venues. Promotion in local media also supported the campaign with local case studies.

The 'Spot it, Stop it' pilot helped raise awareness of fraud amongst the target group and build their confidence in saying no to fraudulent

and unwanted offers. Post campaign evaluation shows of those exposed to the campaign, 80% felt they could 'spot' a fraud and knew enough about how to avoid fraud compared with those who were unaware of the campaign. Two in five later rejected an approach from a cold caller. Action Fraud also saw a 42% increase in reports from the target group.

A resource pack will soon be available on the Action Fraud website for all partners to use and the outreach programme will continue to be embedded nationally in the forthcoming financial year.



Corporate Fraud Team Stoke on Trent: Winner of the Fraud Awareness Award

'Spot the Cheater' – a high publicity anti-fraud campaign, which exceeded expectations

In the past, the Corporate Fraud Team had issued press releases and leaflet drops encouraging people to report Benefit Fraud but they wanted to take this to the 'next level' and look to develop and implement a high publicity anti-fraud campaign over an initial 12 month period. The idea was to increase public and staff awareness

of the different types of fraud and encourage them to make referrals to the Corporate Fraud Team for investigation, concentrating on four main areas of fraud; tenancy fraud, benefit fraud, blue badge fraud and council tax fraud.

They wanted to give the campaign a memorable name and create an instantly recognisable brand, to go with it and so 'Spot the Cheater' with a cheetah branding was born. The campaign commenced in mid-May 2012 and the brand was used on posters, billboards, buses, parking tickets etc. There have also been radio adverts, press releases, articles in local magazines and even work with the BBC for an upcoming programme.

the very first referrals about blue badge and council tax fraud. Not only are the figures fairly impressive but there is a general 'buzz' about the whole campaign. It is regularly mentioned in Councillor meetings, by residential groups, in the local press, by the public when they ring up and it has also been instrumental in bringing housing associations 'on board' with Tenancy Fraud investigations.



The reaction from the public and staff alike has been extremely positive and the corporate fraud team are now looking to continue the campaign beyond the initial 12 month period. Overall referrals were up by 18% and tenancy fraud referrals have more than doubled. The team also received



Chartered Institute of Housing's Making Best Use of Stock Team: Fighting Fraud Awards Commendation

Working in partnership with other local authorities and registered providers is also a great way to share ideas



The Chartered Institute of Housing's Making Best Use of Stock (MBUS) team has worked directly with social housing providers to offer support and advice in tackling tenancy fraud since April 2011. Its two tenancy fraud specialists, Fleur Priest-Stephens and Stephanie Toghill, have visited almost 200 social housing providers in the last two years to collect and share good practice in the sector.

Working with a range of social housing providers and local authorities, the MBUS team has seen how providers can become effective in countering tenancy fraud, with just a few straightforward measures.

"Simple actions, like training your staff in how to recognise subletting, or

what an effective tenancy audit looks like is a good place to start tackling tenancy fraud," said Fleur Priest-Stephens. "Working in partnership with other local authorities and registered providers is also a great way to share ideas, and make sure your customers know how to report it if they suspect tenancy fraud. We've also seen some really impressive and innovative projects - there is so much good practice around using data to not only detect tenancy fraud, but also to prevent it from happening in the first place."

The team has supported social landlords to develop their strategies and action plans, reviewed procedures and shared recognised good practice. It also promotes the importance of tackling

tenancy fraud through speaking engagements and conferences.

The MBUS team has helped to develop partnership working between local authorities and housing associations, both locally and regionally, through the Tenancy Fraud Forum. The team played a pivotal role in establishing the Forum and remains at the heart of its activity, with 13 groups having started this year.



For more information on the MBUS team, visit its website: www.cih.org/mbus

Margate Taskforce: Winner of the Fraud Collaboration Award

The Margate Task Force is a co-located multi-agency team comprising 14 different agencies; including Job Centre Plus and Department of Work and Pensions representatives. The team delivers 'front end fast-track interventions jointly at street level' on a 'day in, day out' basis.

The two principal wards covered by the team are Margate Central and Cliftonville West. Both suffer multiple layers of risk and vulnerabilities. The wards embrace 42 different nationalities.

The core strategic objective is to achieve public service transformation whilst driving the localism agenda and generating:

- Greater cost efficiency savings
- Improved effectiveness

- Improved responsiveness
- Reduced levels of bureaucracy
- Increased positive outcomes for all agencies

Broader objectives focus on providing stimulus to work and skills,

"I have learnt more about the immense value of partner joint working in this past year on the Task Force than I have in my previous 23 years service"

and increasing recovery of public monies from fraudulent practices.

The team are working closely with European counterparts to better understand and address key issues. Recent activity has centred on the emergence of organised groups and

gangs working cooperatively and the dynamics specific to vulnerable families that are beholden to them.

Academic researchers from the University of Kent at Canterbury continue to work actively with the team to better understand the challenges faced in this respect. It is predicted future challenges will increase due to the movements from 'out of county', particularly the London Boroughs.



**Kent
Police**

Registration Counter Fraud: Winner of the Fraud Prevention Award

Achieving fraud prevention successes despite having no regulatory, investigation or prosecution powers available

Land Registry records all property transactions in England and Wales on its Register of Titles. It has one of the largest databases in Europe with over 24 million registered titles representing trillions of pounds of property and, more importantly, people's homes and businesses.

As part of the protection it offers Land Registry has an unlimited liability to pay compensation to victims of fraud on the Register, whether or not it is at fault. Whilst this is good insurance for property owners the cost of the compensation represents a drain on public monies.

Land Registry therefore set up its Registration Counter-Fraud Unit in 2006. The aim of the unit is to protect the Register by preventing

and detecting frauds. This assists not only the owners of properties but also the public purse in reducing compensation claims. From humble beginnings the unit has grown in size and sophistication. It now oversees delivery of Land Registry's entire fraud strategy from fraud proofing new policies, to liaising with law enforcement and other counter-fraud partners to developing new practice and technology.

Land Registry does not have any regulatory, investigation or prosecution powers available to it. This has required an innovative and determined approach from the Registration Counter-Fraud Unit to create systems and process for preventing fraud. The success of the programme, properties worth

an estimated £50m protected from fraud, is a testament to this ingenuity and dedication.

"We were thrilled to win a Fighting Fraud Award. It's a wonderful reward for all our hard work" said Stephney Jary, Senior Counter-Fraud Executive for Land Registry. Accepting the award for Land Registry, Director of Legal Services and FED Champion Alasdair Lewis said: "Land Registry has made enormous progress in the fight against fraud. This award is a milestone for us in that fight".



from left to right, Stephen Harrison, Julie Jenkins, Head of Counter-Fraud, Stephney Jary, Senior Counter Fraud Executive, Alasdair Lewis, Director of Legal Services, Cass Chideock, Cabinet Office

Revenues Team, London Borough of Ealing: Winner of the Fraud Innovation Award

SNAP - Synchronising
Names and Addresses
of People

Ealing Council has worked with the Audit Commission and private sector companies to verify customers claiming single person discounts (SPDs). As a result of these initiatives Ealing has reduced the percentage of claimants from 32.5% in 2003 to 27.6% in 2011, providing significant additional income for council services.

As part of the SNAP project, Ealing has gone further and used over nine million council records to identify over 14,000 additional SPD anomalies that are currently being investigated. The SNAP initiative, carried out in-house as an invest-to-save project, clarified how council data can be used to combat fraud, and created computer systems to investigate and manage the review of large numbers of claims.

The results of to date are

- Hard evidence to enable SPD (and other) anomalies to be successfully challenged
- Identification of additional properties providing additional council tax income (and extra New Homes Bonus grant)
- Identification of student and other exemption frauds
- An ability to challenge SPD claims before awards are made
- Successfully dealing with valuation tribunal appeals, clarifying that there are no back-dating limits to removal of incorrect discounts
- Identification of errors in source data that can be corrected
- Over £3.25million additional council tax has been billed, with forecast to generate at least £9.25 million extra income for Ealing Council over six years.



Steve Wells, Ealing Council's Head of Revenues, said: "Use of private sector information is very important, but using our own data has been even more useful in the fight to help tackle council tax fraud."



Counter Fraud Team, London Borough of Enfield & Enfield Police Payback Team, Metropolitan Police Service: Winner of the Fraud Sanctions Award

Taking the Cash out of Crime

The Proceeds of Crime Act 2002 (POCA) is a valuable tool for the investigator to apprehend those involved in all aspects of criminal activity where financial gain is obtained. Removing the proceeds gained through that activity will deter and disrupt by depriving those involved of their criminal assets.

The London Borough of Enfield's Counter Fraud Team investigates fraud and now works in partnership with Enfield Police Payback Team who specialise in financial investigations to investigate, combat, and recover funds from acquisitive crime.

The partnership has shown the residents of Enfield that fraud is taken seriously within the Borough and that a united front will identify and prosecute those involved. The partnership investigations have led

to more organised activity being identified where housing benefit fraud resulted in convictions of three suspects for additional crimes of mortgage fraud valued at over £1 million. POCA was used to ensure that these criminals could not live off their ill-gotten gains.

A proportion of the money recovered is re-invested in POCA investigations. In other cases the recovered funds have been given back to its Revenues & Benefits department to settle and/or assist the repayment of overpayments incurred as a result of fraudulent activity.

Detective Sergeant Angus Naismith said "The use of investigative tools provided by the Proceeds of Crime Act 2002 and the sharing of information have led to the identification and prosecution of

offenders and recovery of assets from those engaged in acquisitive crimes. These crimes include housing benefit and tenancy fraud. I am pleased that the partnership and results achieved have been recognised through this national award. As this partnership matures more offences will be identified in all aspects of fraudulent activity and subsequent prosecution of offenders should act as a deterrent to those hoping to defraud the public purse."



From left to right: Graham Soar, Senior Housing Investigator and Leslie Marshall, Counter-fraud Manager, Enfield Council



HMRC Benefits and Credits Team: Fighting Fraud Awards Commendation

Using sanctions to punish and deter fraud on public funds, hitting rule breakers where it hurts, in their pockets



HMRC's vision is to make sure money is available to fund the UK's public services and provide targeted financial help to those who need it. To achieve this target, one of the things the HMRC Benefits and Credits Team has done is develop a simplified and transparent approach to the way we punish and deter the minority of tax credit claimants who deliberately make false tax credit claims and cheat or steal from the public purse.

This new approach increases the likelihood that fraudsters will be subject to financial penalties. We

expect to have charged over 8,000 penalties up to a maximum rate of £3,000 in the current financial year and have plans to raise over 20,000 penalties in 13/14. This is a big step forward; previous penalty processes were more complex and discouraged the frontline from taking the right action.

The new penalty model applies to tax credit overpayments of more than £4,000 that meet specific criteria such as fictitious children, bogus childcare costs or not declaring income. There are no longer hardship waivers or

any negotiations with the customer. Penalties are imposed based on the evidence presented by our customers. We are also working closely with our HMRC Debt Management and Banking partners to make sure we robustly recover outstanding overpayments and penalty charges and hit rule breakers where it hurts, in their pockets.

Andy Farrar, Head of HMRC Benefits and Credits Exchequer Losses, said: "We were pleased to get a Judge's Commendation at the National Fighting Fraud Awards in December 2012 and get recognition of the innovative and hard work we have put in. We are determined to get the message out and crack down on those who deliberately cheat the system".



Action Fraud update

“This national service will not only improve our intelligence gathering capacity, but will also save forces time”

Action Fraud has been accessible to the public, businesses and charities since its launch in October 2009, and now all police forces in England and Wales are changing to using Action Fraud as their central reporting channel rather than using separate force systems. Since its launch, Action Fraud has taken over 150,000 crime reports on behalf of the police, recording a total loss value of £1.35 billion.

Action Fraud has now rolled out to almost all forces, with the remainder going ‘live’ by the end of March 2013. The Metropolitan Police Service switched to Action Fraud on 4th February.

Home Office Crime Prevention Minister Jeremy Browne said: “Fraud is not a victimless crime.

It significantly affects people’s lives so it is vital that we take action. I am pleased that the Metropolitan Police are now going to start recording fraud using Action Fraud.”

ActionFraud
 Report Fraud & Internet Crime 
actionfraud.police.uk

Commander Steve Rodhouse said that joining Action Fraud will provide an enhanced service to victims of fraud. He said: “Action Fraud provides the public and businesses with just one point of reference, making the process much quicker and more convenient for victims than visiting their local police station. This system enables the National Fraud Intelligence Bureau to enhance the fraud picture

by providing a national overview of the latest trends; with the analysis of data also enabling the best quality ‘packages’ to be passed back to the Met for further investigation.” Looking forward, the NFA is scoping the development of a bulk reporting tool. This will enable businesses to report fraud, and pass information about suspected fraud, direct to Action Fraud by uploading data securely in an agreed format. We are currently finalising a data review project which will feed into this work and it is envisaged bulk reporting functionality will be rolled out early in the first quarter of 2013/14.



Helping small and medium sized enterprises to prevent fraud

The new SME Toolkit is a first step to helping SMEs better protect themselves from Fraud

99% of businesses in the UK are small and medium sized enterprises (SMEs) and are a vital part of the economy. However, a recent survey of SMEs indicates that 25% experienced fraud in the previous 12 months. Last year fraud losses to SMEs were estimated at £18.9 billion.

Despite the level of the problem, SMEs have not been getting the advice and support they need to better protect themselves from fraud.

To help meet their needs the NFA has been working in partnership with key stakeholders including the Fraud Advisory Panel (FAP), the Federation of Small Businesses (FSB) and Financial Fraud Action UK (FFA UK) to develop an **online toolkit for SMEs**, which was launched on 4th February. Of course, all

business are different, as are the risks they face – but there are some common areas that all SMEs should be aware of when considering their potential fraud exposure and response. This toolkit provides information on issues, threats and steps to self-protect. To ensure that we are supporting SMEs as effectively as possible, there is further sign-posting to other organisations that can provide guidance, including to the Action Fraud reporting site.

We will continue to develop the toolkit to ensure it is fit for purpose, as a trustworthy source of information for SMEs. We also understand the need for targeted and tailored advice for those that need it most. Later this month, we will be launching an

awareness campaign for those SMEs who continue to experience fraud despite their attempts to protect themselves.

Action Fraud
Report Fraud & Internet Crime
actionfraud.police.uk



Publications and forthcoming events

Fraud Advisory Panel

The Fraud Advisory Panel's civil justice initiative (part of Fighting Fraud Together) aims to make it easier for fraud victims (especially individuals and smaller businesses) to make more use of the civil courts in England and Wales when trying to get their money back. Findings from the first phase of the project have now been issued as a suite of six research publications, collectively titled 'obtaining redress and improving outcomes for the victims of fraud' and are available on their website:

An introduction to the civil justice initiative

Understanding the fraud suffered by individuals and smaller businesses

Research into the professional advice given to victims of fraud trying to recover their money

Research into the experiences of smaller business fraud victims in recovering their money

(case studies):

Helping fraud victims recover their money through alternatives to the criminal justice system

A bibliography of selected works

The Fraud Advisory Panel has recently issued a new free factsheet for businesses on:

Supplier and outsourcing fraud



British Retail Consortium

The 2012 BRC retail crime survey was published in January

BRITISH RETAIL CONSORTIUM
for successful and responsible retailing

Citizens Advice Bureau

May 2013 will be Scams awareness month. There will be a strong campaign message at national, regional and local level that scams are criminal and need to be reported.

Home Office

The Commercial Victimisation Survey (CVS) was published in January.

NFA

The SME toolkit was published in February

The Annual Fraud Indicator 2013 is planned for publication in Spring 2013. It is the latest iteration of the compendium of fraud losses by type, victim and fraud enabler. It constitutes the most robust estimates of fraud loss to date.

The 2013 Fighting Fraud Awards: open for nominations on 1 July – more details in the next Fraud Focus Newsletter.

