

National Fraud Authority Quarterly Update – April 2012

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. The NFA will produce updates on the detailed programme of activity underpinning FFT throughout the lifetime of the strategy.

Awareness:

The NFA, in partnership with **The Telecommunications UK Fraud Forum (TUFF)** and **Financial Fraud Action UK (FFAUK)** (representing the payments industry) has begun to reach out to sections of the population who suffer from a high risk of fraud where previously, engagement has been limited.

Segmentation analysis (a process for identifying the vulnerability of particular sections of the population to fraud) has provided strong evidence of the attitudes of different sections of the population to fraud. Research has shown that some young adults (aged 18-25 years) can be complacent and careless with their personal and financial details, and that some women (aged 36-55) can show lack an awareness of fraud and fail to take adequate security measures. Work has begun to help these groups become better informed, by building understanding of ways to self-protect, focusing on online safety and **Action Fraud** as a source of information and a place to report fraud. Viral education campaigns conducted through social media sites, such as **Facebook**, are helping to raise awareness among young men and women, and additionally, online campaigns such as **'The Devil's in your Details'** are helping to spread the message that fraud affects us all. The NFA are currently measuring the impact these campaigns are making. Work to strengthen advice for victims of fraud has also continued.

The Cabinet Office, working with the Fraud, Error and Debt Champion network and the NFA, will shortly be undertaking a benchmarking exercise across central government to measure staff awareness of fraud risks. A series of fraud awareness activities are also taking place, including the launch of an e-learning course which will be accessible to all central government staff from March onwards.

In March the NFA published the Annual Fraud Indicator 2012, a compendium of fraud loss indicators which strives to provide a best estimate of the scale of the problem. The latest estimate puts fraud losses to the UK in the region of £73 billion per annum and demonstrates the success of the NFA and its partners in uncovering losses which were previously hidden, helping organisations to actively prevent this type of crime in the future.

Prevention:

Since FFT was published a new strategic plan focused on reducing fraud in Local Government; **Fighting Fraud Locally (FFL)**, has been produced. This document provides a framework for Local Authorities to prevent and reduce the estimated £2.2 billion per year that fraud costs the sector. Specific activity is being instigated against housing tenancy and council tax fraud, and other frauds

that affect local authorities. The NFA has met with over 400 stakeholders, and a conference launching FFL attracted over 200 local authority staff. The NFA aims to continue to promote the strategy by delivering road-shows across the country.

The NFA and the **Serious Organised Crime Agency (SOCA)** have instigated a project to significantly increase the pace and widen the scope of work to map fraud enablers, allowing the counter-fraud community to prioritise its response, and plan targeted interventions. Harm reduction plans will be devised detailing how SOCA and the NFA aim to reduce the capability of fraudsters to communicate with, and receive money from their victims.

The **Charity Commission** and law enforcement agencies, with the assistance of the NFA, have commenced a project to reduce sector losses attributable to fraud, by raising awareness of risk, and by improved information sharing. Ongoing activities include improving arrangements for reporting charity fraud with an information sharing system between the **National Fraud Intelligence Bureau (NFIB)** and The Charity Commission. Counter-fraud guidance will shortly be issued to the voluntary sector alongside advice to the public on how to donate safely. Issues identified as needing further consideration includes abuse of grant funding and charitable status.

In February 2012 the Fraud, Error and Debt Taskforce launched a programme of activity setting out an ambitious but focused delivery programme for reducing levels of fraud and error across Government. One of the key deliverables of this strategy is the introduction of a 'check first' culture to ensure fraud and error is identified before payment is made. The Cabinet Office is now developing an implementation plan to ensure this approach is rolled out across central government departments by March 2015.

Intelligence sharing lies at the heart of FFT. As part of the development of the **National Crime Agency (NCA)**, work is being taken forward to ensure that the requirements and experience of the counter fraud community and existing capability such as the NFIB are fully fed into this work.

Enforcement:

In order to tackle the existing and growing national fraud problem **City of London Police (COLP)** and **The Association of Chief Police Officers (ACPO)** have developed a 'National Policing Response to Fraud'. A major stride forward came when the Chief Constables' Council supported COLP's proposals to establish a national economic crime capability. One element of this plan will be the placement of two regional intelligence officers within each of the ten ACPO Regional Intelligence Units providing a two-way flow of information with the NFIB.

The NFA's **Action Fraud website** has now been re-designed and given a police.uk web domain, allowing members of the public to report frauds using the correct crime reporting procedures, meaning all fraud cases are reported to the NFIB. Action Fraud is now enabled to take reports of financially motivated cybercrime, such as malware and phishing attacks, as well as offences under The Computer Misuse Act 1990. Since this service was launched, 936 reports have been submittedⁱ. These reports are shared with the NFIB, which subjects them to detailed analysis in order to improve our understanding of the cybercrime threat.

A wide range of public and private sector partners are active participants in FFT. Organisations are delivering a wide range of activity to support to improve our wider response to fraud. In recent months the **Insurance Fraud Enforcement Department (IFED)**, an operationally independent unit – run by the City of London Police and supported by the **Association of British Insurers (ABI)** has been launched to combat insurance fraud. IFED has made an immediate operational impact with detectives investigating suspected frauds across the country.

The **British Banking Association (BBA)** has provided a preliminary report to the NFA setting out a banking sector perspective on international financial crime threats and opportunities. Further discussions are planned to identify opportunities for partnership working between the financial sector and the Government. FFAUK are working with the BBA to support banking sector preparations for the Olympics, to facilitate dialogue on reforms to policing arrangements and representing member's views on initiatives such as Universal Credit and the Identity Assurance Programme.

Work to improve the response to economic crime is undergoing significant changes. **The Economic Crime Coordination Board (ECCB)**, the body charged with establishing the Economic Crime Command of the NCA is now up and running. The Board has established a series of delivery groups; the Economic Crime Prevention Group (ECPG), the Economic Crime Operational Group (ECOG), and the Economic Crime Intelligence Group (ECIG). These groups have already begun to deliver a more coordinated response to reducing economic crime.

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 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

ⁱ Figure accurate up to 12 April 2012.