



MINUTES OF JOINT FRAUD TASKFORCE MANAGEMENT BOARD 23 AUGUST 2016

Time and location

11.00hrs at Home Office, 2 Marsham Street, London SW1P 4DF

Attendees

AG	Barclays/FFA UK
JT	BBA
SD	Cifas
DC	CoLP
JS	FFA UK
KW	FFA UK
NB	Home Office
SG	Home Office (Secretariat)
OR	Home Office (Chair)
TF	Home Office
AR	Metropolitan Police
SS	Nationwide/FFA UK
IM	NCA
NM	Victim Support

Apologies

RR

Agenda item 1 – Welcome and Introduction

1. OR welcomed everyone to the meeting, convened to focus on preparing for the Home Secretary chaired Oversight Board, where the work of the Taskforce will be scrutinised at the very highest level.

Agenda Item 2 – Preparation for the Oversight Board

2. NB introduced the paper setting out the 5 key areas that the Oversight Board should focus on, and asked Management Board members to consider what elements of each should be further developed in advance of the meeting including the specific actions needed to deliver on each area.

- Improving the law enforcement response
3. There was consensus that improving the LE response should be on the Oversight Board agenda. Issues and suggested improvements were as follows:
 - a. The offender based policing model is unsuitable to deal with fraud. Many victims often receive little or no police response following their crime;
 - b. We need to ensure that local forces recognise that they have both offenders and victims in their force areas and must develop a response to both;
 - c. Inclusion of fraud in the Strategic Poling Requirement and quickly remove/refresh the HO fraud circular;
 - d. Consideration of what more can be done to recognise vulnerability in the sentencing guidelines, including looking at the starting points and making more use of Victim Statements;
 - e. HMIC to inspect on fraud (discussions are already under way on this). This would help to push up the fraud resource in forces. (In some forces there is currently no dedicated fraud resource);
 - f. Improving the take-up of cases at local level by engaging with chiefs and PCCs;
 - g. Longer term consideration around the 43 police force model in relation to fraud.
 4. On law enforcement/bank data sharing the following issues should be considered:
 - a. We must ensure all existing mechanisms are exploited to their full advantage before looking to legislation;
 - b. We need to identify the barriers – both legal and otherwise to improved data sharing;
 - c. We need to understand what more banks can share with law enforcement, or improve what they already share to improve outcomes;
 - d. We need to be certain around the benefits of the new Action Fraud/NFIB system in terms of reporting capacity and impact. How can we exploit the new system to maximise our response;
 - e. We should consider the use of SARS for fraud, and links to JMLIT including alignment of provisions on AML and fraud in the Criminal Finances Bill.

- Where is the next Chip & PIN?
5. This item was about harnessing the creative thinking already happening in banks to identify and implement a cross-sector technological innovation that will have a marked effect on fraud. There was consensus again that this should be on the agenda at the Oversight Board. The key issues and actions were as follows:
- a. The first step should be to identify the specific threat to be addressed. There was broad agreement that CNP was the area to focus on;
 - b. We need to overcome the fact that banks treat technological innovation as a competitive issue. There is work to be done to make this a collective response;
 - c. The Taskforce (likely to be the banking reps) should drive some work to assess the existing technological innovations and identify the best one for cross-sector introduction;
 - d. We need to understand that there is a direct link between merchant behaviour and Card not Present and particularly data security, but also more widely the merchant risk appetite for accepting a certain amount of fraud loss;
 - e. On top of using technology to tackle CNP, we need to understand what more can be done in the best practice space – what are the existing controls that aren't used, but could be;
 - f. We should consider the current pace of technological change when implementing new technology, but this shouldn't be a reason not to.
- Awareness raising and fraud prevention
6. There was general agreement that there should be a persistent, targeted, well-funded and visible campaign on fraud. The Board was asked to consider whether Take 5 as planned went far enough to shift the dial on fraud. There was agreement again that this should be on the Oversight Board agenda. The key actions and issues are as follows:
- a. The Home Office should provide much greater support for Take 5 including funding and engaging the support of other Government Departments;
 - b. We need to understand what a well-funded, persistent fraud prevention campaign actually looks like in terms of resource needed;
 - c. All agreed that Take 5 provided the opportunity for a “single voice” campaign and was a good start, but consideration needed to focus on how we can collectively amplify its messages;

- d. Different delivery channels should be considered to ensure the message reaches as many people as possible;
 - e. Other sectors such as Telecoms and ISPs have a vital role to play;
 - f. Home Office will bring RICU on board as a partner.
- Blocking payments and funds repatriation
7. The Board was asked to consider in light of a number of promising proofs of concept what barriers might be to preventing better blocking of payments to fraudsters and repatriation of funds to victims. There was consensus that this should be discussed at the Oversight Board, the key issues and actions were as follows:
- a. We need to understand the legislative barriers, including the Proceeds of Crime Act as a barrier to repatriating funds due to the risk of inadvertently repatriating funds into a mule account and the Payments Account Directive;
 - b. We need to understand the timeline and delivery issues to role either tech (vocalink or similar) or best practice across the banking sector to make funds repatriation possible;
 - c. There is risk from working in silos on fraud and money laundering.
- Data security
8. The Board was asked to consider what incentives were available to the Taskforce to influence businesses to adopt the right data protection measures. It was agreed that this should be on the Oversight Board agenda, but with the acceptance that this may not fall to the taskforce to lead on. The key issues and actions are as follows:
- a. There was a need for more rigorous government requirements around data breaches including standards or legislation to help prevent breaches;
 - b. If the taskforce won't lead on this work, we need to ensure we are in a position to influence the relevant policy makers;
 - c. We should consider whether a scoring system similar to the food hygiene model might work in this space;
 - d. It will be helpful to consider what activity is already happening in this space. DCMS to present at the Oversight Board. Management Board members will have sight of the presentation in advance;
 - e. Consideration to be given to how to ensure businesses secure their supply chain.

Next steps

9. The Home Office team will work up each of the areas discussed into a paper for the Oversight Board. We will also set out the refreshed strategic aims, based on the management Board discussion as short, medium and long term deliverables. The Home Office team will also hold discussions on an individual basis with members and will be looking for owners to present at the Oversight Board and take forwards the work setting clear time-bound deliverables for each within the resources available.

Agenda Item 3 – Papers for the Oversight Board

10. The Oversight Board agenda had been circulated for comments.
11. It was agreed that rather than the Overarching paper that had been circulated the paper presented to the Oversight Board would cover the refreshed strategic issues, and that RR would give the Oversight Board a brief report on the work to date.

Agenda Item 4 – Any other business

12. We should consider communications, such as a WMS following the Oversight Board.
13. Tom Hurd and Commissioner Dyson would like to hold a senior level meeting with banks in advance of the Oversight Board. The Home Office team will be in touch.