

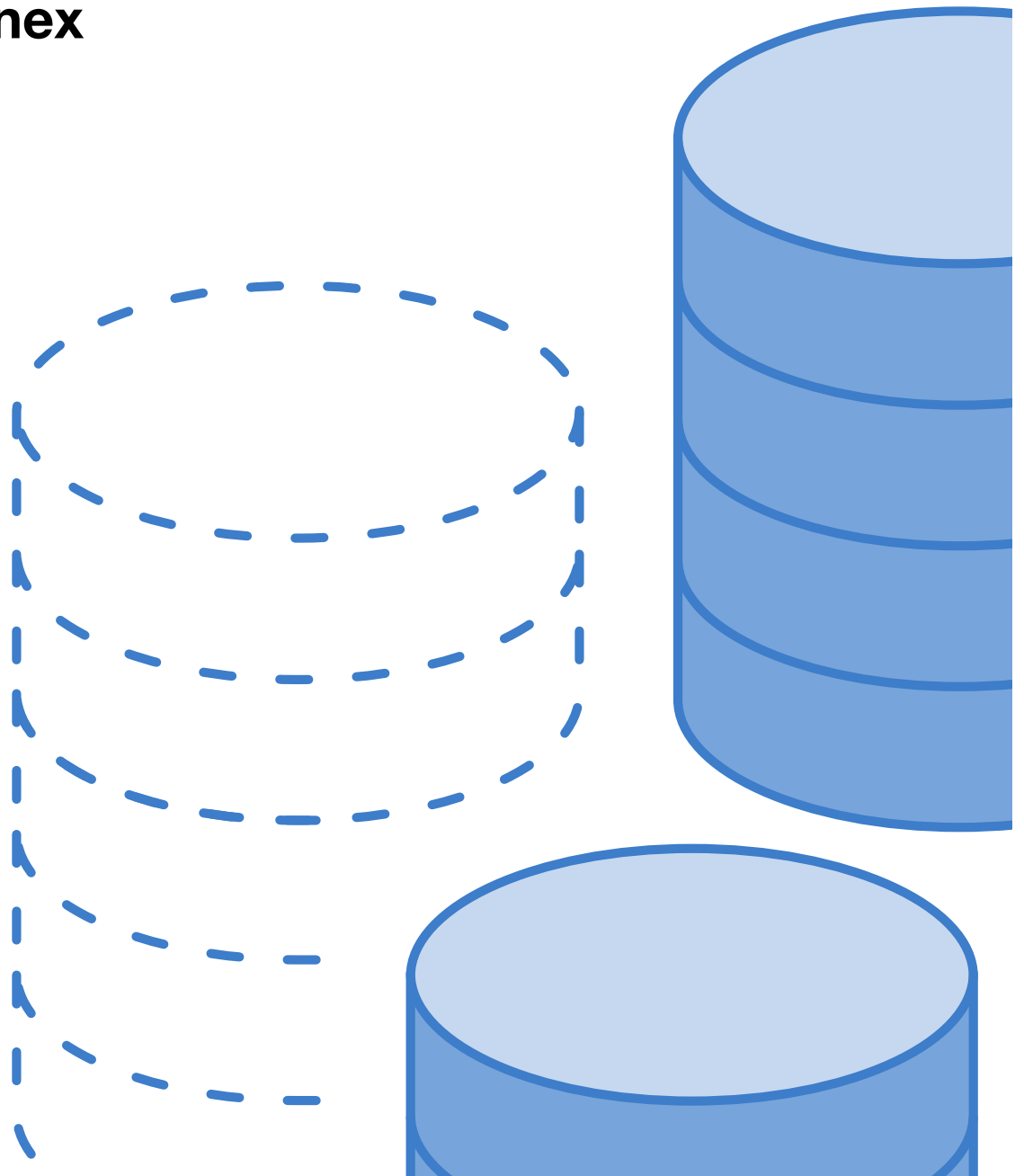


HM Government

# Economic Crime Plan 2

2023-2026

Data Annex





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# Economic Crime Plan 2 – Data Annex

This summary **aims to bring together some key, existing, published data on fraud, money laundering, kleptocracy and sanctions**. This is not an exhaustive evidence summary, but aims to give an indication of the types of economic crime system data that is already available.<sup>1</sup> This data is not intended to act as stand-alone indicators of performance. We have set out our approach to developing and expanding the existing data in ECP2 at Action 43.

We have indicated the current direction of travel for each data point by including the percentage change (+/-) from the previous year. This does not represent an indicator of success, and is intended only to give an indication of the trend to support better understanding the data.

## **Interpretation and use of current data**

In its current form, the data on economic crime has a number of challenges and limitations. These relate to what is or is not captured – for example, crimes like money laundering are by their nature hidden, or as in the case of fraud, are likely to be under-reported. Therefore the data we have is likely to represent only a sub-set of the problem.

There are limitations with the scope of some of the data sources that we currently have, for example it is not currently possible to differentiate high-end money laundering cases within the criminal justice outcomes data. The available data sources also cover different parts of the UK due to differences in responsibility for policing and criminal justice. For example, the Crime Survey for England and Wales (CSEW) does not cover Scotland and Northern Ireland, who have separate surveys that are not directly comparable to the CSEW. Where UK wide data is available we have included this.

Finally, some data sits across different organisations and in different formats, which makes exploitation of this data more challenging. More detail, including the full strengths and limitations for each data source, can be found in the source reports. Full references are also provided in the footnotes.

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<sup>1</sup> The data set out in this annex uses existing, published data which is accurate as of 28th February 2023.

Interpretation of the various data sources can also be challenging. ‘Success’ cannot be interpreted through a simple increase or decrease in the trend and simple volumes do not communicate the ‘quality’ of an associated data point. For example:

- Increases in fraud disseminations<sup>2</sup> may not have the intended impact if the content of the disseminations is also not of high, actionable quality.
- Changes in total numbers in reports to Action Fraud could be due to a range of reasons – including increased reporting through greater public awareness – rather than necessarily being an indication of increasing numbers of offences.
- System data such as the number of Suspicious Activity Reports (SARs)<sup>3</sup> is not suitable for assessing success through increases or decreases in the trends. Changes in numbers of SARs could be due to several factors, and this would only be informative about the health of the system when assessed with wider contextual information. Furthermore, Defence Against Money Laundering (DAML) refusals do not always result in assets denied or wider operational outcomes for a variety of reasons, therefore these figures in isolation are not a good measure of impact.

- For supervisory activity, including fines, there is no absolute assessment of success based on upwards or downwards trends in the data. The data can only be evaluated when considered as a proportion of outcomes ending in adverse supervisory action. Relative differences in the size and activities of different sectors within the AML-regulated sector should also be considered.
- Volatility in the value of frozen funds relating to financial sanctions, means increases or decreases cannot be directly correlated with impact.

In sum, **the various nuances and limitations in each data set make it extremely challenging to understand progress** and need to be taken into account when interpreting the data. A wide range of data sources and performance indicators will be required to support ongoing monitoring and to understand what is happening within the wider context of Economic Crime.

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2 The National Fraud Intelligence Bureau (NFIB) are responsible for allocating fraud reports to police forces for them to investigate – these are known as a ‘dissemination package’.

3 Suspicious Activity Reports (SARs) alert law enforcement to potential instances of money laundering or terrorist financing. SARs are made by financial institutions and other professionals such as solicitors, accountants and estate agents where they have suspicion or knowledge of money laundering or terrorist financing. They can also be submitted by private individuals.

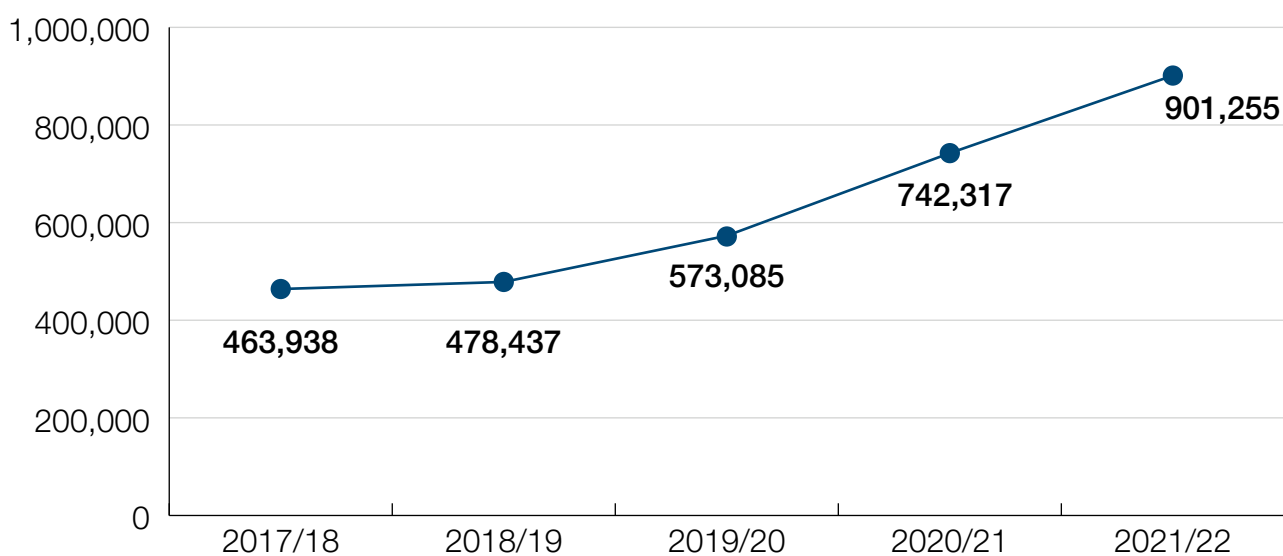
## Reduce Money Laundering and Recover Criminal Assets

### Scale of money laundering<sup>4</sup>

The National Crime Agency (NCA) assess that it is highly likely that over £12bn of criminal cash is generated annually in the UK, and a realistic possibility that the scale of money laundering impacting on the UK (including through UK corporate structures or financial institutions) is in the hundreds of billions of pounds annually.

### Number of Suspicious Activity Reports (SARs)<sup>5</sup>

901,255 SARs reports were received by the UK Financial Intelligence Unit in 2021-22 (+21%). This increase in SAR reporting reflects year on year growth; a contributing factor is new SAR reporters in the Fintech and Cryptocurrency sectors.



Year ending March 2022

Source: NCA

### Total assets denied as a result of Defence Against Money Laundering (DAML) SARs<sup>6</sup>

In 2021-22, 3% of DAML SARs were refused and 13% granted. In total £305.7m was denied to suspected criminals as a result of DAML requests (refused and granted) (+121%).

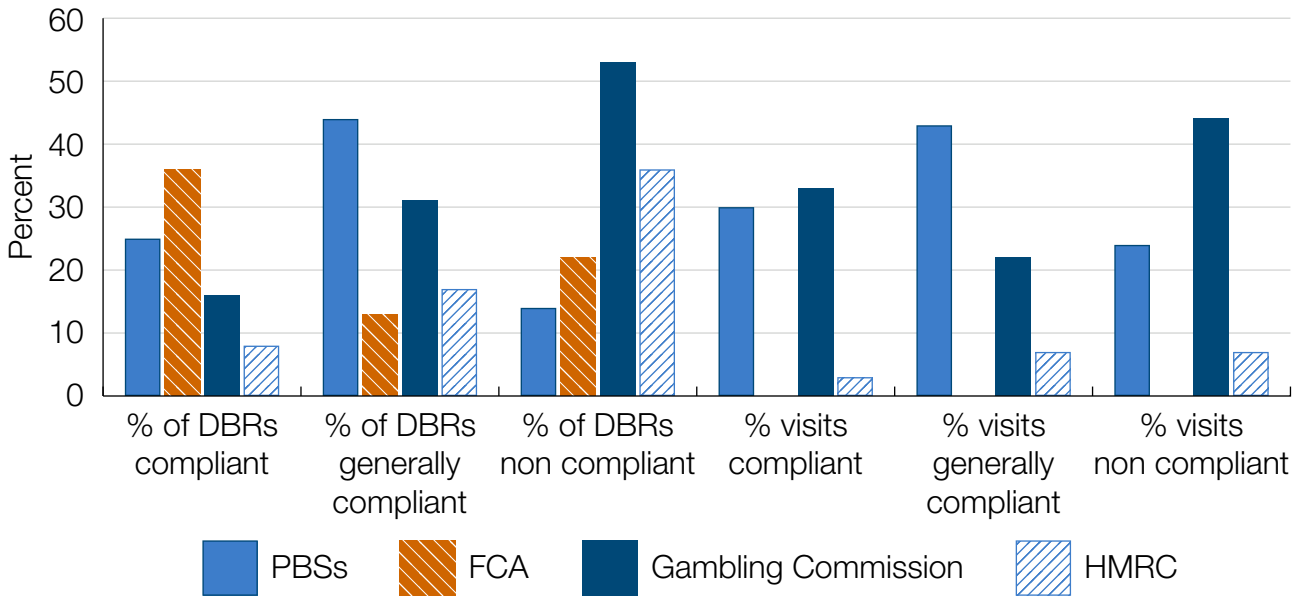
4 National Crime Agency (2021). [National Strategic Assessment of Serious and Organised Crime \(nationalcrimeagency.gov.uk\)](#).

5 National Crime Agency (2022). [Annual Report – United Kingdom Financial Intelligence Unit Suspicious Activity Reports 2022 \(nationalcrimeagency.gov.uk\)](#).

6 National Crime Agency (2022). [Annual Report – United Kingdom Financial Intelligence Unit Suspicious Activity Reports 2022 \(nationalcrimeagency.gov.uk\)](#).

## Proportion of compliant firms<sup>7</sup>

In 2021-22, across the regulated sector, 51% of firms subject to a desk-based review (DBR) and 62% to an onsite visit were found to be ‘compliant’ or ‘generally compliant’ with anti-money laundering regulations.



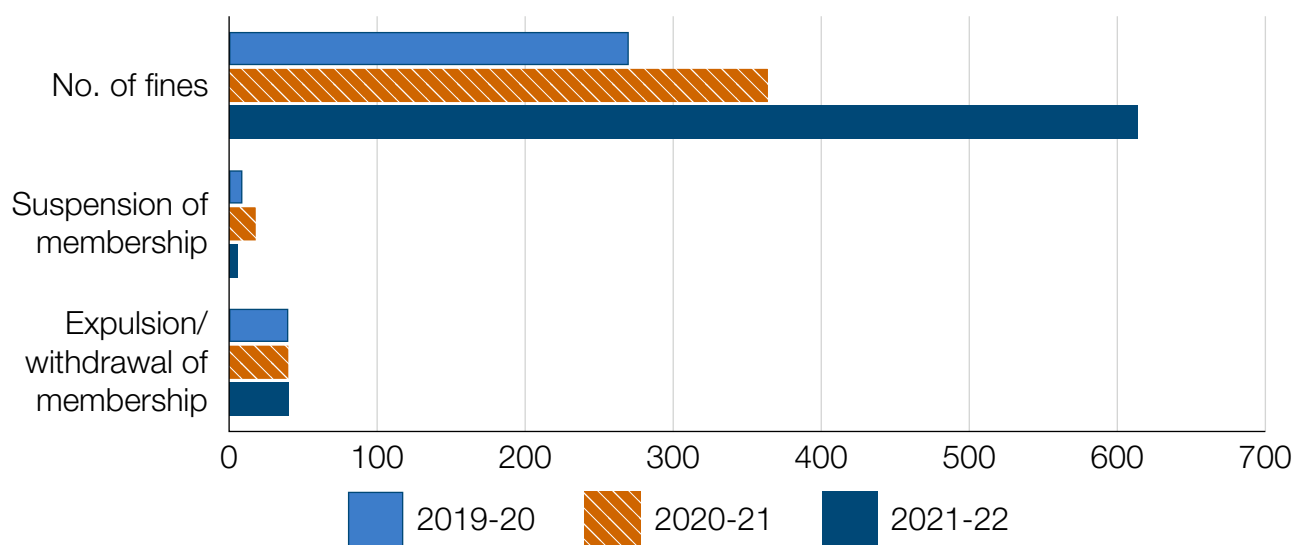
Year ending April 2022

Source: HMT Supervision Report

<sup>7</sup> HM Treasury (2022). **Anti-money laundering and countering the financing of terrorism: Supervision Report 2020-22** ([publishing.service.gov.uk](https://publishing.service.gov.uk)). Percentages in the graph do not add up to 100% as some desk-based reviews and onsite visits were still awaiting an outcome at the time of the Supervision report publication. COVID-19 restrictions had an impact of the ability of supervisors to carry out onsite visits, therefore the number of onsite visits for 2020-21 and 2021-22 are considerably lower than they were in 2019-20. ‘PBS’ stands for the legal and accountancy Professional Body Supervisors.

## Number of sanctions imposed by Supervisors<sup>8</sup>

660 sanctions (+56%) were imposed in 2021-22 by supervisors including 40 membership withdrawals, 6 membership suspensions and 614 fines issued.



Year ending April 2022

Source: HMT Supervision Report

## Number and value of fines issued<sup>9</sup>

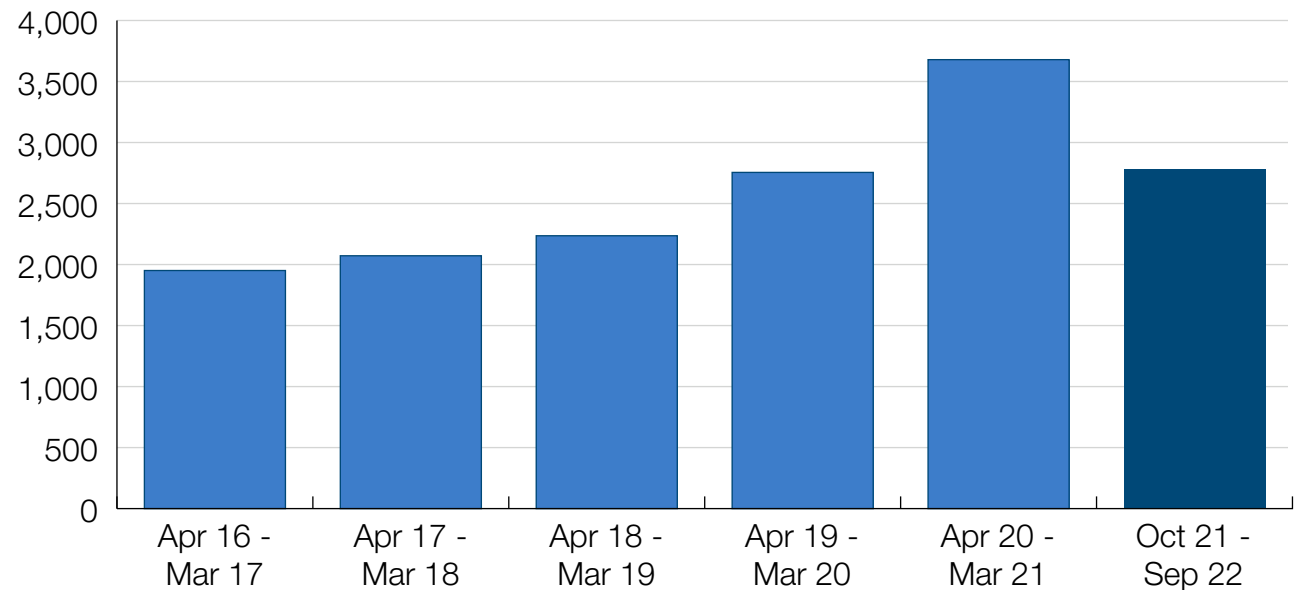
Of the 614 fines issued for Anti-Money Laundering/Countering Financing of Terrorism breaches by Supervisors in 2021-22, a total sum of £504m was collected (+362%).

8 HM Treasury (2022). [Anti-money laundering and countering the financing of terrorism: Supervision Report 2020-22 \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/107122/anti-money-laundering-and-countering-the-financing-of-terrorism-supervision-report-2020-22.pdf).

9 HM Treasury (2022). [Anti-money laundering and countering the financing of terrorism: Supervision Report 2020-22 \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/107122/anti-money-laundering-and-countering-the-financing-of-terrorism-supervision-report-2020-22.pdf).

## Number of police recorded offences for money laundering<sup>10</sup>

There were 2,780 police recorded offences for money laundering in the year ending September 2022 (-18%).



Year ending September 2022

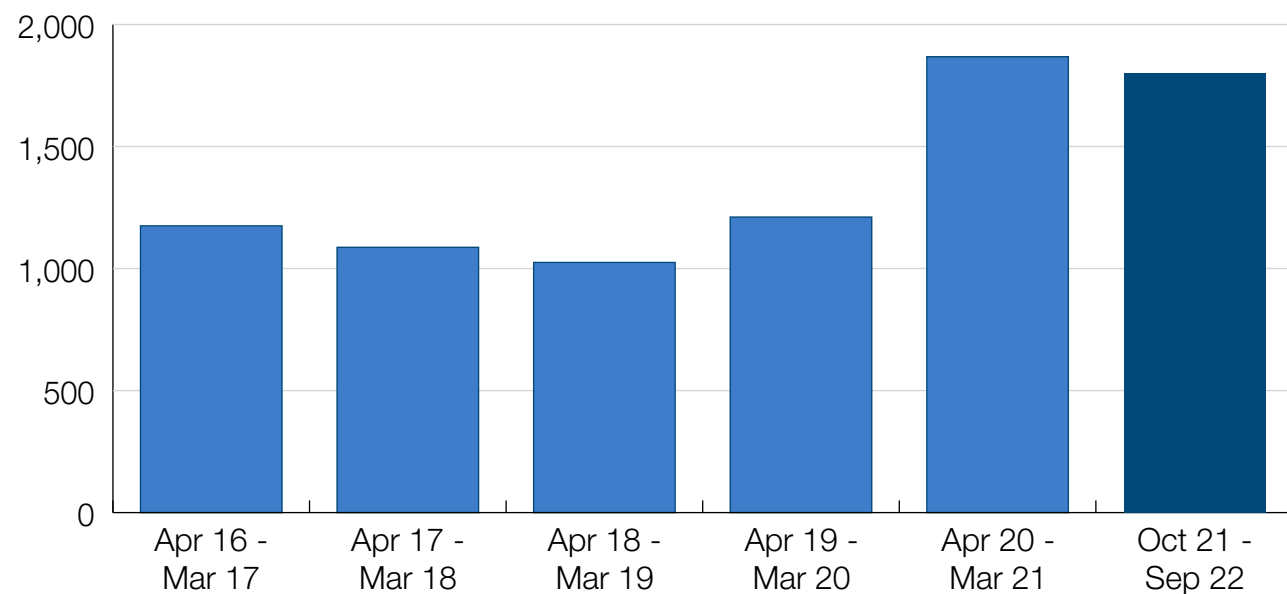
Source: ONS

<sup>10</sup> Office for National Statistics (2022). **Crime in England and Wales: Appendix tables – Office for National Statistics (ons.gov.uk)**. To identify the number of police recorded offences there are each year, we use data published by the ONS in the dataset ‘Crime in England and Wales: Appendix tables’. Table A4 contains data on ‘Police recorded crime by offence’. To note, this data is updated on a quarterly basis, so the data is subject to change. The figures used are accurate as of February 28th 2023.



## Number of police charges for money laundering<sup>11</sup>

There were 1,801 police charges for money laundering offences in the year ending September 2022 (-2%).



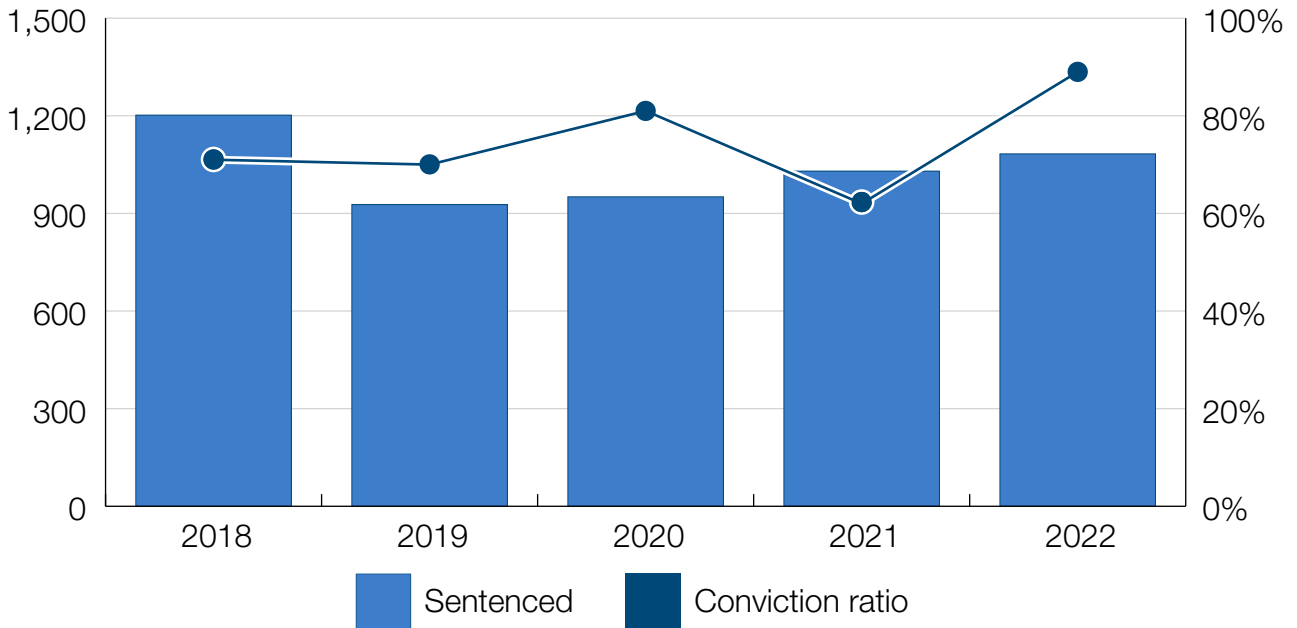
Year ending September 2022

Source: Home Office

11 Home Office. [Police recorded crime and outcomes open data tables \(gov.uk\)](https://www.gov.uk/government/datasets/police-recorded-crime-and-outcomes-open-data-tables). To identify the outcomes of individual crime types, the 'outcomes open data' tables are used. The Excel files contain pre-populated 'pivot tables' which enable the user to filter on the (principle) offence type they wish to find the outcome figures for. In this instance, we have filtered by 'offence description' for the offence 'profiting from or concealing knowledge of the proceeds of crime', (the offence name given for money laundering). There are two types of outcome figures – 'outcomes for offences recorded in quarter' (new style) and 'outcomes recorded in quarter' (old style) – we have used the latter (this aligns with the experimental fraud outcomes published in the annual bulletin). More information on using police outcomes can be found in the 'police recorded crime and outcomes open data tables user guide'. To note, police outcomes data is updated on a quarterly basis, so the data is subject to change. The figures used are accurate as of 28th February 2023.

## Number of sentences for money laundering<sup>12</sup>

1,083 sentences were given in the year ending June 2022 (+5%) for money laundering offences. Conviction ratios remained high, with an 89% conviction ratio in the same year.



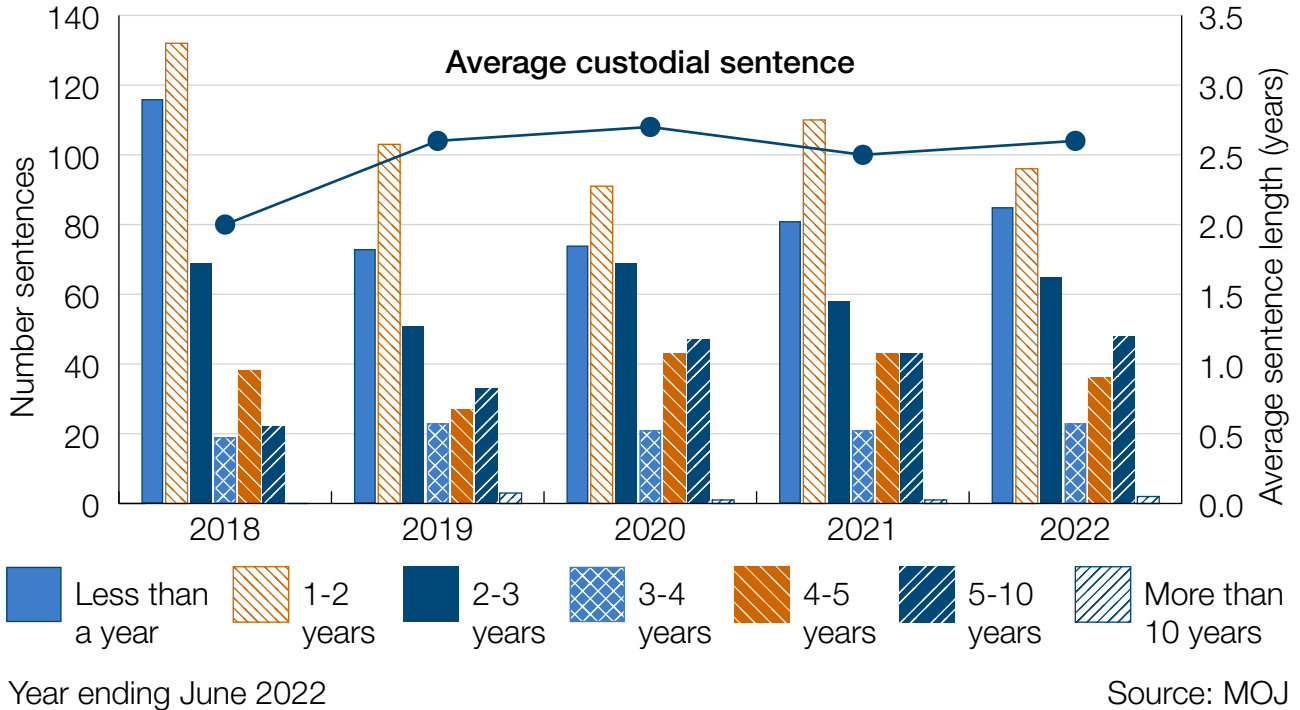
Year ending June 2022

Source: MOJ

12 MOJ. **Criminal Justice System statistics quarterly: June 2022 (gov.uk)**. The 'outcomes by offence data tool' is used to identify the number of prosecutions, convictions, and sentences for individual offence types (to note, this tool is not available with every release – we have used the June 2022). Using the pre-populated pivot tables, we have filtered by 'offence' using '38 money laundering'. Detailed instructions on using the pivot table can be found with the Excel file. To note, criminal justice system data is updated on a quarterly basis, so the data is subject to change. The figures used are accurate as of February 28th 2023.

### Length of custodial sentences for money laundering<sup>13</sup>

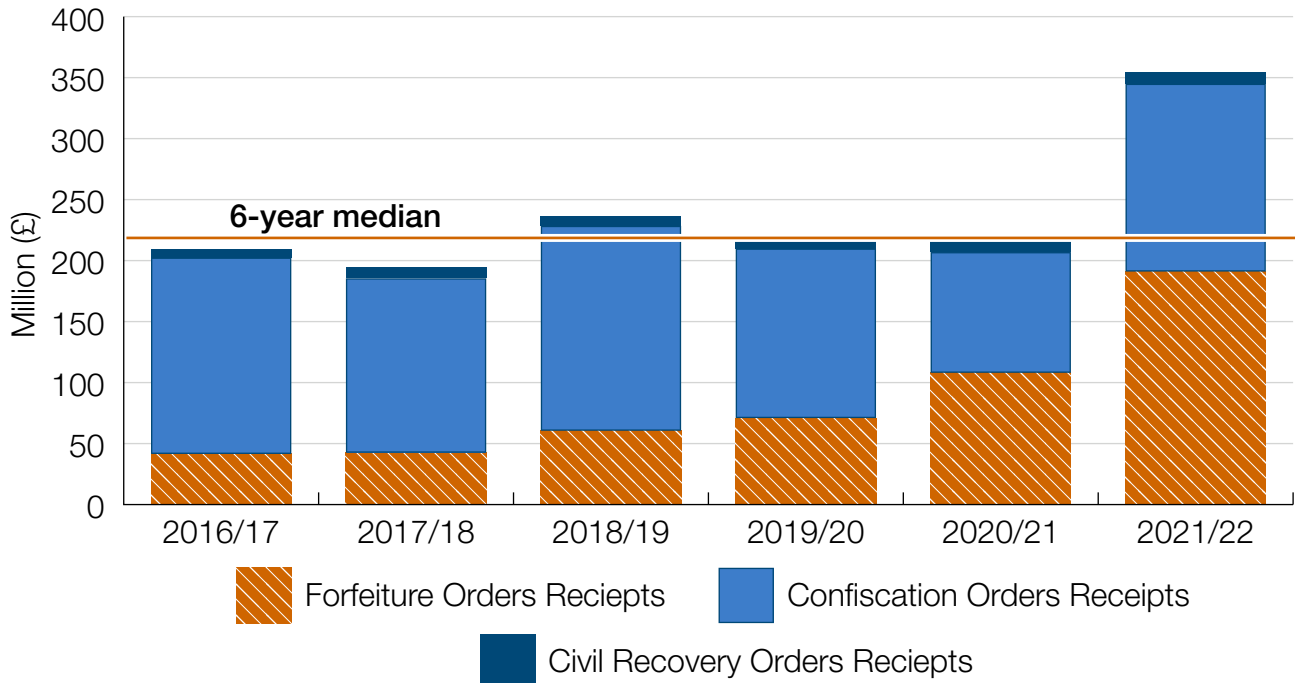
Of the 1,083 sentences given in year ending June 2022, 355 of these were for immediate custody. The average custodial sentence length in year ending June 2022 was 2 years and 8 months (+4%).



13 MOJ. Criminal Justice System statistics quarterly: June 2022 (gov.uk). Outcomes by Offence Tool.

## Value of assets recovered<sup>14</sup>

In the year ending March 2022, £354m was recovered in total for all crime types from Confiscation, Forfeiture Orders and Civil Recovery Orders (+61%). Volatility is inherent in the asset recovery system, due to a small number of high value cases (£1m+). These drove the exceptional figures in 2021-22.



Year Ending March 2022

Source: JARD/Home Office Asset Recovery bulletin

14 Home Office (2022). [Asset recovery statistical bulletin: financial years ending 2017 to 2022 \(gov.uk\)](#). Asset recovery statistics are presented as nominal values i.e., not adjusted for inflation and any comparisons to previous years do not account for inflation. Further information can be found in the [Asset recovery annual statistical bulletin: methodology and data quality report \(gov.uk\)](#).

## Combat Kleptocracy and Drive Down Sanctions Evasion

### Value of frozen funds<sup>15</sup>

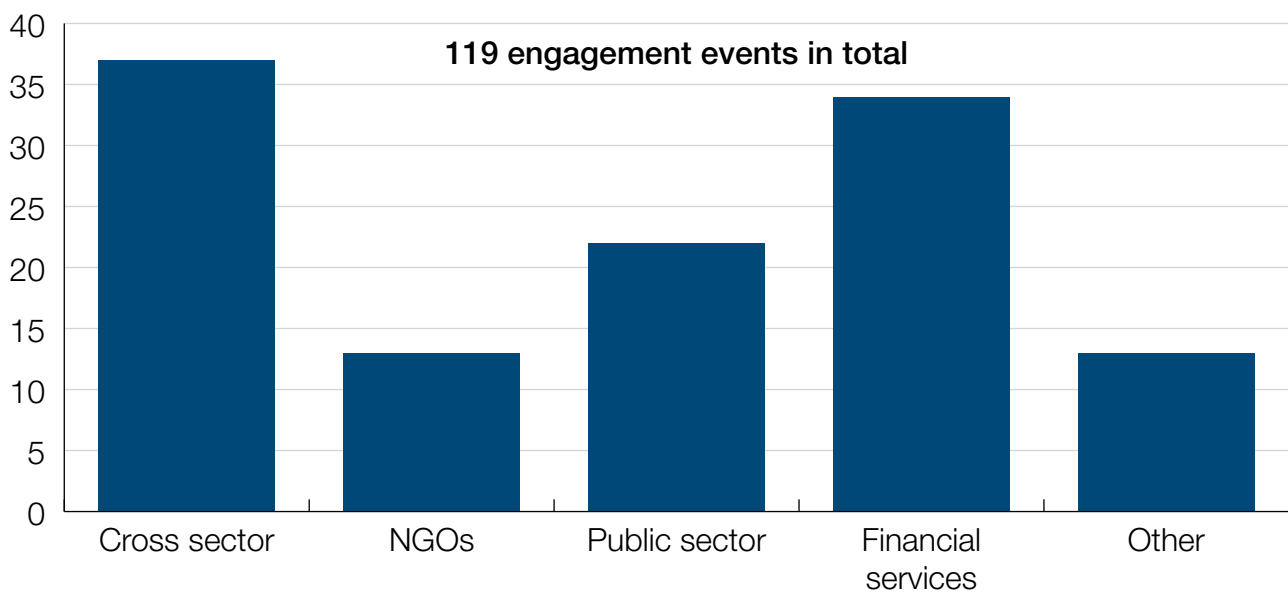
Office of Financial Sanctions Implementation (OFSI) reported that £12.4bn of frozen funds and economic resources were held by UK businesses as of September 2021 (+2%).

### Number of identified sanctions breaches<sup>16</sup>

In the year ending March 2022, OFSI considered 147 reports of suspected financial sanctions breaches (+11%).

### Number of engagement events OFSI participate in, and sectors reached<sup>17</sup>

In the year ending March 2022, OFSI engaged in 119 events across various sectors affected by financial sanctions (+164%). OFSI also undertook 125 international information sharing events – 31 capacity building, 72 bilateral and 22 multilaterals.



Year ending March 2022

Source: OFSI

15 Office of Financial Sanctions Implementation, HM Treasury (2022). [OFSI Annual Review – April 2021 to August 2022 \(publishing.service.gov.uk\)](#). These figures for the Frozen Assets Review 2021 do not include frozen funds reported to OFSI as being held by or on behalf of persons designated under the Russia sanctions regime post the Russian invasion of Ukraine.

16 Office of Financial Sanctions Implementation, HM Treasury (2022). [OFSI Annual Review – April 2021 to August 2022 \(publishing.service.gov.uk\)](#).

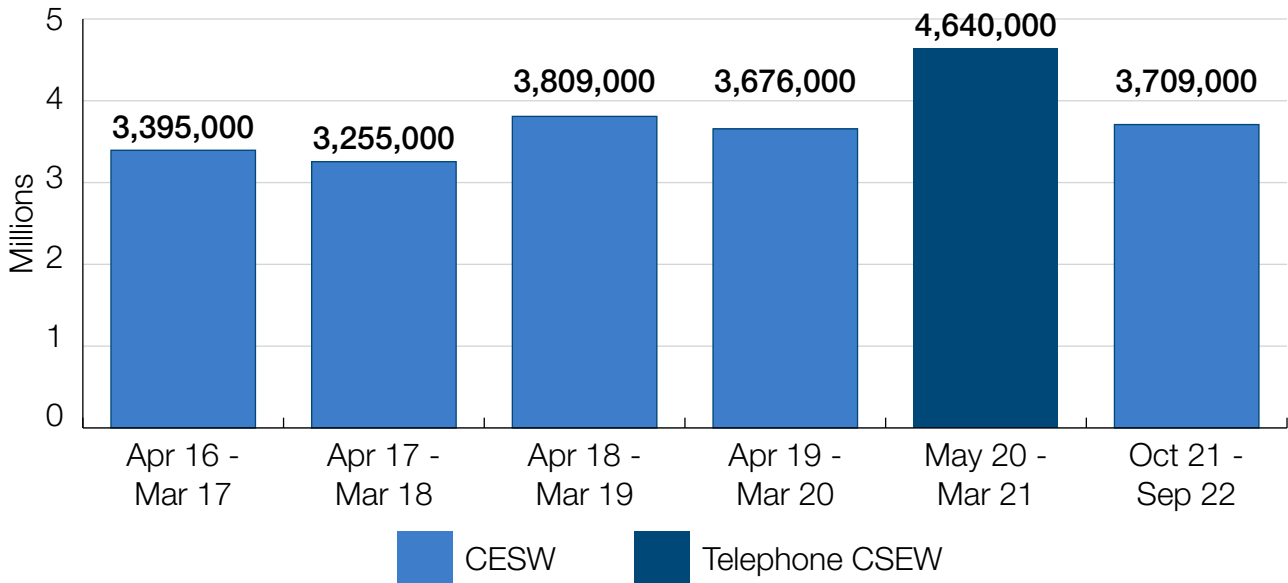
17 Office of Financial Sanctions Implementation, HM Treasury (2022). [OFSI Annual Review – April 2021 to August 2022 \(publishing.service.gov.uk\)](#).

## Cut Fraud

### Crime Survey for England and Wales (CSEW) offence volumes<sup>18</sup>

The volume of fraud has fallen from highs seen during the Covid pandemic. In the year ending September 2022 there were 3.7 million incidents of fraud experienced by adults aged 16 and over (no significant change from the year ending March 2020).

#### Fraud incidents, England and Wales



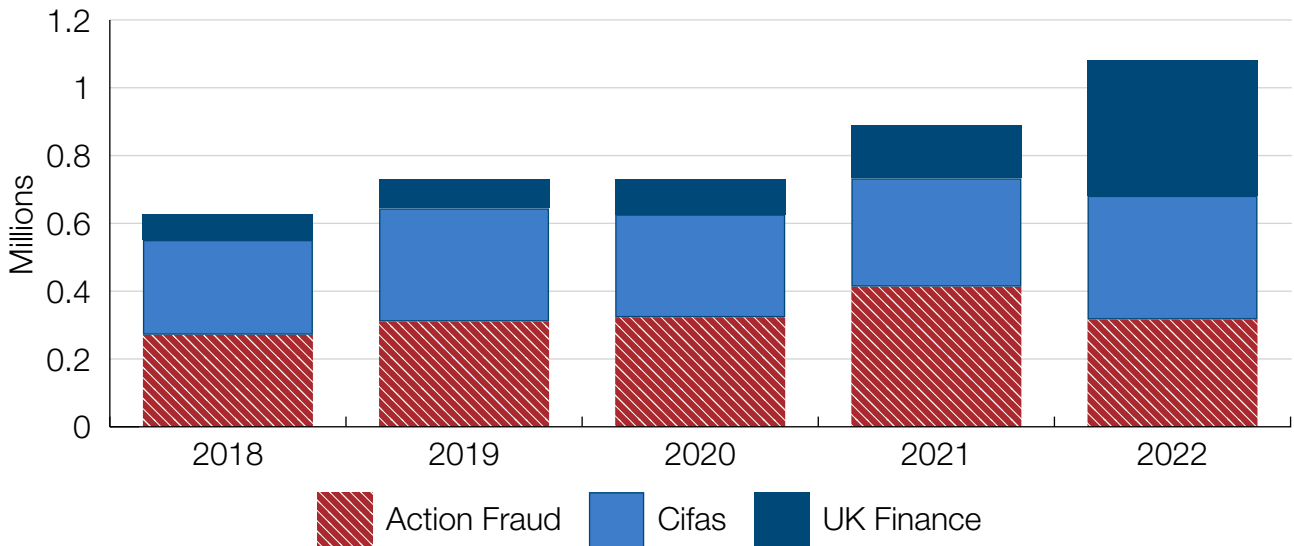
Year ending September 2022

Source: Crime Survey for England and Wales

18 Office for National Statistics (2022). [Crime in England and Wales: Appendix tables – Office for National Statistics \(ons.gov.uk\)](#). Appendix table A1. Because of the suspension of the face-to-face CSEW on 17 March 2020, owing to the coronavirus (COVID-19) pandemic, data tables from the year ending June 2020 to the year ending March 2022 also include data from the Telephone-operated Crime Survey for England and Wales (TCSEW). More information on the comparability between the two surveys can be found here: [Comparability between the Telephone-operated Crime Survey for England and Wales and the face-to-face Crime Survey for England and Wales – Office for National Statistics \(ons.gov.uk\)](#).

## Number of reports to the National Fraud Intelligence Bureau<sup>19</sup>

Increasing numbers of organisations are now represented by UK Finance, resulting in an increase in fraud reports to NFIB (157% increase in reports in the year ending September 2022, compared to previous year). Total reports to NFIB were around 1 million in the year ending September 2022. Cifas saw a 14% increase, however Action Fraud received 23% fewer reports than last year.



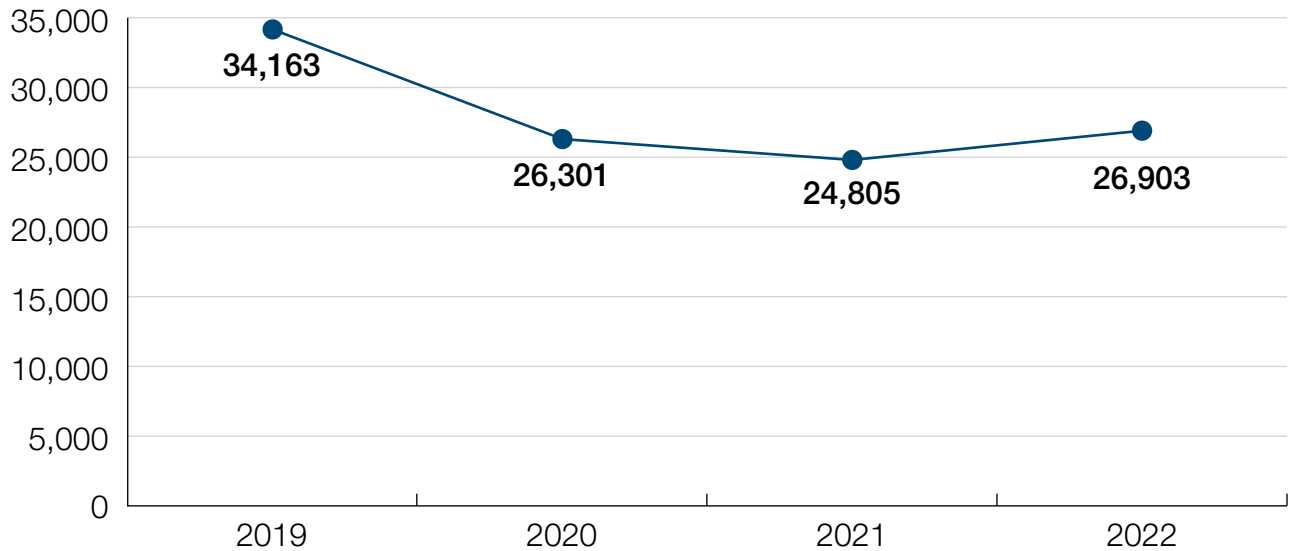
Year Ending September 2022

Source: NFIB

19 Office for National Statistics (2022). [Crime in England and Wales: Appendix tables – Office for National Statistics \(ons.gov.uk\)](#). Appendix Table A5.

### Number of unique fraud disseminations from National Fraud Intelligence Bureau (NFIB)<sup>20</sup>

There were 26,903 fraud disseminations in the year ending March 2022, an increase of 8% compared to year ending March 2021.

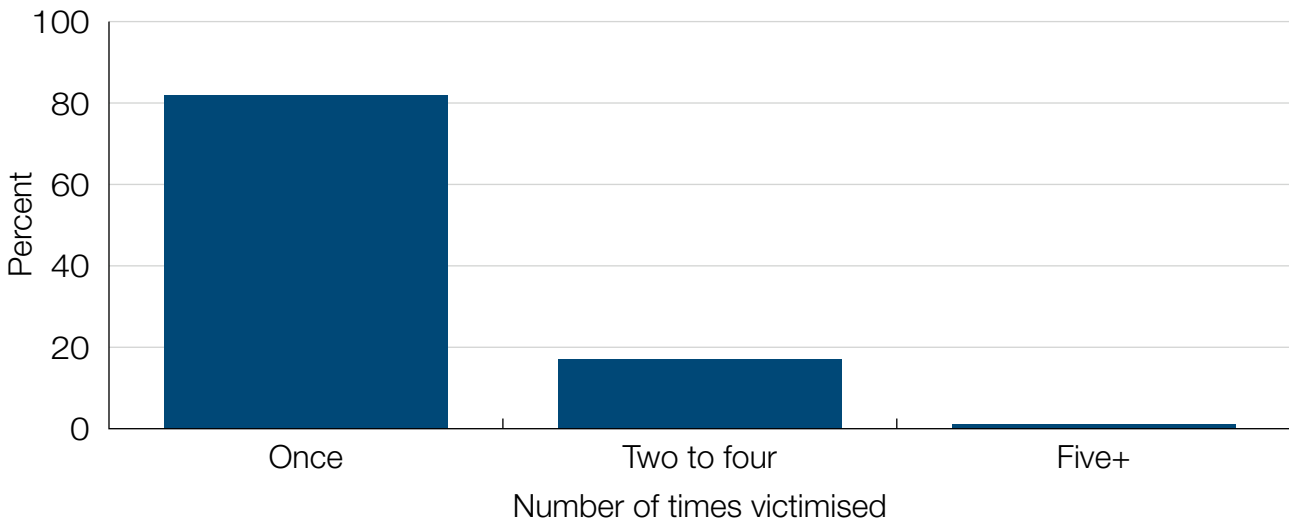


Year ending March 2022

Source: NFIB/Home Office

### Levels of repeat victimisation (in the previous 12 months)<sup>21</sup>

18% of victims in the year ending March 2022 were repeat victims, this was stable compared to the previous year (17%) (CSEW).



Year Ending March 2022

Source: Crime Survey for England and Wales

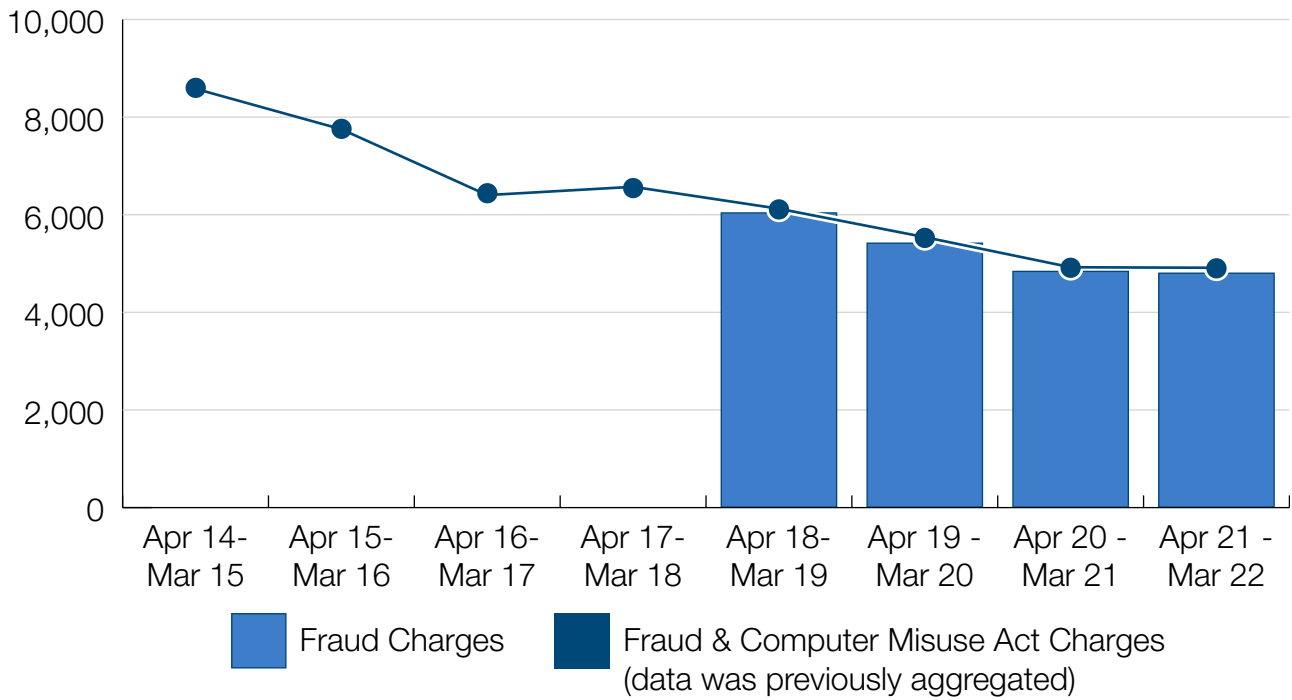
20 Home Office (2022). Fraud disseminations. [Crime outcomes in England and Wales 2021 to 2022: Statistical Bulletin \(gov.uk\)](#).

21 Office for National Statistics (2022). [Crime in England and Wales: Annual Trend and Demographic Tables \(ons.gov.uk\)](#).



## Number of police charges for fraud<sup>22</sup>

There were 4,816 charges for fraud in the year ending March 2022 (-5%).



Year ending March 2022

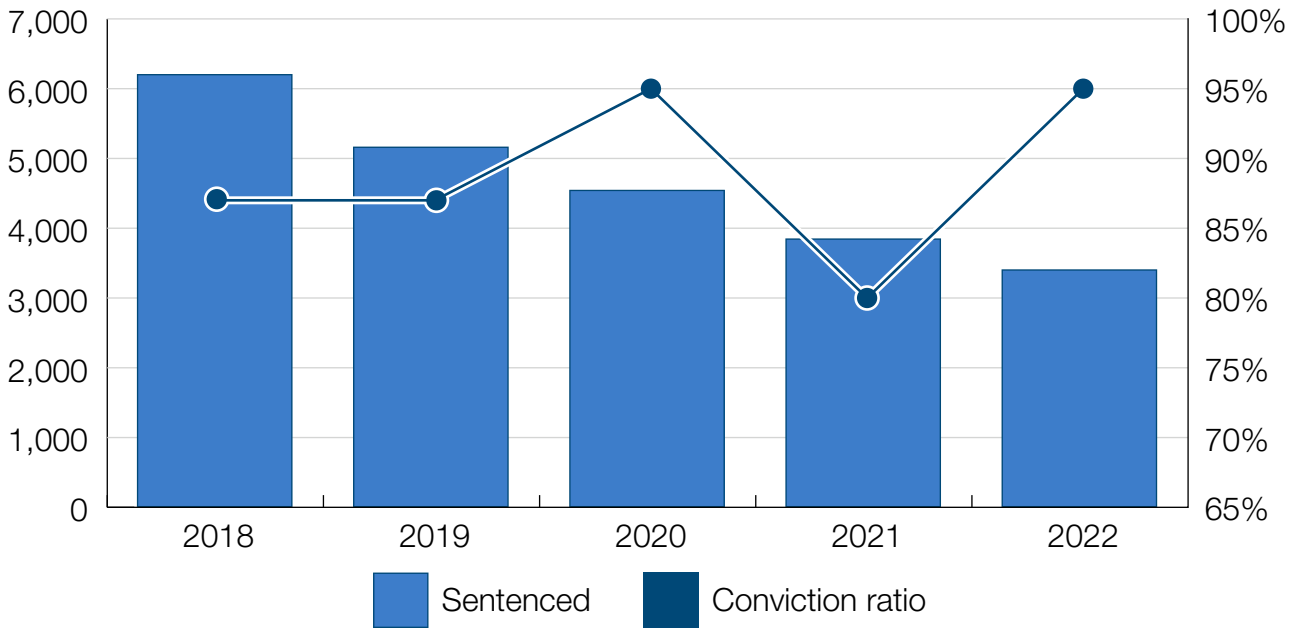
Source: Home Office - Crime Outcomes

<sup>22</sup> Home Office (2022). [Crime outcomes in England and Wales 2021 to 2022: Statistical Bulletin \(gov.uk\)](https://www.gov.uk/government/statistics/crime-outcomes-in-england-and-wales-2021-to-2022).

This is an annual statistical bulletin which includes experimental statistics for outcomes assigned to fraud and Computer Misuse Act (CMA) offences. The outcomes presented are based on the old-style outcomes, i.e. the number of outcomes recorded within a year regardless of when the offence occurred. In the year ending March 2019, the offences of Fraud and Computer Misuse were presented separately for the first time to provide more detail on the outcomes of these related crime types, which differ in their nature and investigation.

### Number of sentences for fraud<sup>23</sup>

There were 3,411 sentences for fraud in the year ending June 2022 (-11%). Conviction ratios remained high, with a 95% conviction ratio in the same year.



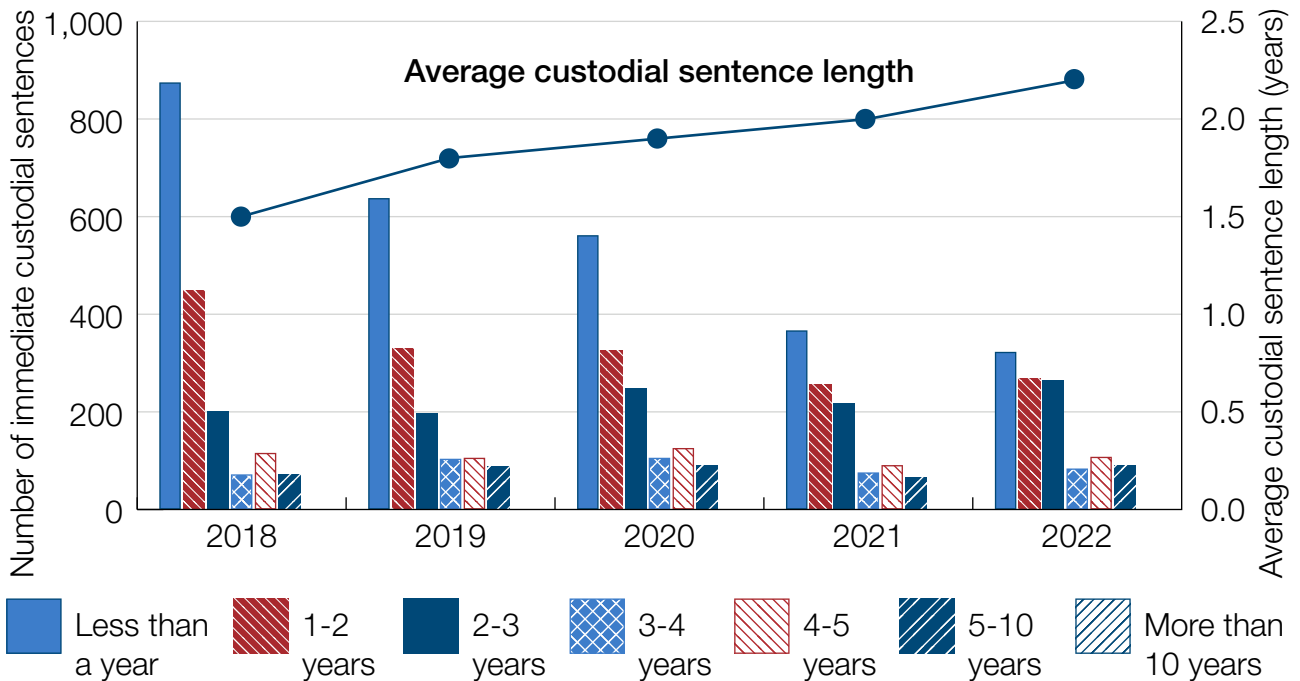
Year ending June 2022

Source: MOJ

<sup>23</sup> MOJ. **Criminal Justice System statistics quarterly: June 2022 (gov.uk)**. Outcomes by Offence Tool. To identify the criminal justice outcomes for fraud, the following offence codes were selected – 51, 52, 53.4, 53.6, 53B.1, 53C, 53D, 53E, 53F. To note, criminal justice system data is updated on a quarterly basis, so the data is subject to change. The figures used are accurate as of February 28th 2023.

## Fraud custodial sentence lengths<sup>24</sup>

Of the 3,411 sentences given in year ending June 2022, 1,140 of these were for immediate custody. The average custodial sentence length has increased since 2018 and was 2 years and 3 months in the year ending June 2022 (+11% compared to 2021).



Year ending June 2022

Source: MOJ

## Reported fraud losses<sup>25</sup>

NFIB: The total amount of losses reported to Action Fraud during 2020-21 was £2.35bn (+2%) despite a decrease in reporting volumes.

UK Finance: Unauthorised financial fraud losses across payment cards, remote banking and cheques totalled £730.4m in 2021 (-7%). In addition to this, UK Finance members reported 195,996 incidents of Authorised Push Payment (APP) scams in 2021 (+27%) with gross losses of £583.2m (+39%)<sup>26</sup>.

24 MOJ. **Criminal Justice System statistics quarterly: June 2022 (gov.uk)**. Outcomes by Offence Tool.

25 NFIB (2021). **Annual Assessment. Fraud Crime Trends 2020-21 (actionfraud.police.uk)**.

26 UK Finance (2021). **Annual Fraud Report – The definitive overview of payment industry fraud in 2021 (ukfinance.org.uk)**.

## Banking sector prevented fraud<sup>27</sup>

Banks and card companies prevented an estimated £1.4bn in unauthorised fraud in 2021.

## Insurance sector prevented fraud<sup>28</sup>

In total, participating Association of British Insurance (ABI) companies detected £2.4bn worth of fraud in 2021.

There were 89,000 detected fraud claims in 2021 (-5%) with a value of £1.1bn (-2%). In addition to this there were 725,000 incidents of application fraud (+6%) with a value of £1.3bn (+21%).

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27 UK Finance (2021). [Annual Fraud Report – The definitive overview of payment industry fraud in 2021 \(ukfinance.org.uk\)](https://www.ukfinance.org.uk).

28 Association for British Insurers (ABI). [Own goals, cruise con, DIY vandalism – fall in insurance fraud good news for honest customers, but no room to go easy on the cheats says the ABI \(abi.org.uk\)](https://www.abi.org.uk). Further data found here (package 2g): [Data packages | ABI](https://www.abi.org.uk).



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