

Rethinking the Response to Fraud

Martin Gill

m.gill@perpetuityresearch.com

m.gill@thetecas.com

Perpetuity Research & Consultancy International (PRCI) Ltd
www.perpetuityresearch.com



Study

- Sponsored by the Dawes Trust
- Undertaken in collaboration with the Police Foundation



Aims

- How is the police response organised
- How is fraud prioritise?
- Who is affected by fraud and what support is available to them?
- How do the various organisations and agencies work together?
- What impact has the internet had on the nature and volume of fraud?



Aims

- What is being done to protect victims and identify vulnerability in local areas?
- What determines whether the response to fraud is effective or not and what are the barriers to this?
- Are there examples of emerging good practice which, if replicated, would improve the overall effectiveness of the response to fraud?



Impact

- Research has found that 45 per cent of fraud victims said the financial loss they experienced impacted on their emotional wellbeing
- 37 per cent reported a significant psychological or emotional impact
- Yet widely acknowledged that fraud and the harms it causes are not prioritised by the police



Cyber link

- We found 69 per cent of fraud cases passed to police in 2016-17 had at least one indicator of cybercrime
- 43 per cent involved first contact with the victim being made online



Context

- 78 per cent of frauds passed on for investigation in 2016-17 involved a victim and a suspect located in different police force areas
- Overall, fraud victims are more likely to be middle aged, earn more than £50,000 a year, live in a rural or an affluent area and work in a professional or managerial occupation



Enforcement

- For every crime reported just one in 13 was allocated for investigation
- In 2017-18 just 3% of police recorded fraud resulted in a charge/summons, caution, or community resolution
- This compares to 15% of violent offences, 6% of sexual offences, 9% of robberies, 9% of thefts and 13.5% for all police recorded offences



Takes ages

- The average length of time from reporting to charging for fraud offences was 514 days compared to just 50 days for theft offences
- We recommend that more effort is made to record outcomes consistently
- It takes on average 54 days between a fraud being reported to Action Fraud and a case being allocated for investigation



Policing

- Police allocate cases based on a perception of harm but this differs, some forces have specialists and others locate to operational/local teams
- Staff told us that generalist officers lack the capacity and the capability to investigate fraud effectively



Victims

- Victims most concerned about getting their money back and seeing the offender convicted, but unlikely
- We found that also valued are: having a single point of contact, receiving a sympathetic and understanding response, having someone to listen to them; having support to get over the experience, but also unlikely



'Uncooperation'

- The many organisations that receive fraud reports operate largely in isolation
- This is complex for victims to engage with
- It makes it difficult for the organisations that are involved to respond effectively to fraud



Prevention

- We cannot 'arrest our way' out of the fraud problem; prevention is critical
- Much fraud prevention work in the UK has focused on raising the public's awareness of risk
- This has not been measured



Not good locally

- There is also a lack of coordination of local prevention efforts
- Police and crime plans sometimes highlighted prevention or early intervention but limited details
- There is a lack of clarity around roles and responsibilities of different agencies; poor coordination of messaging and effort



Public Priority

- When asked the top three priorities for policing 61% said violent crime, 54% terrorism/extremism; 49% rape and other sexual offences. Only 4% mentioned fraud
- Is that reasonable? Perhaps not?



Important

- Fraud is closely connected with other aspects of organised criminal activity, notably cybercrime (and associated identity theft), money laundering, corruption and counterfeiting
- One of the most pervasive crimes in the UK, affecting more than three million people a year, and yet there is no national strategy for dealing with it



How can we justify more focus on fraud?

1. Although the level of harm is not well understood at the individual level, the aggregate harm includes a cost the UK £190 billion a year, with £6.8 billion as a result of fraud that directly targeted individuals.

- These are not just real losses to families and businesses, but they also result in funds being channelled out of the UK and into the criminal economy



Second reason

2. Preventing and investigating fraud is part of a strategy for dealing with other types of crime

- Fraud is closely connected with other aspects of organised criminal activity, notably cybercrime (and associated identity theft), money laundering, corruption and counterfeiting



Thirdly

3. Around a third of victims of fraud say they have suffered a significant emotional or psychological impact as a result



A strategy

- This absence of a national strategic focus on fraud means there is weak accountability throughout the system for tackling this important area of economic crime
- Although 74 per cent of police and crime plans mention fraud, 26 per cent do not
- Fraud does not feature in a number of key strategic assessments locally



Performance management

- Police forces do not monitor and record the outcomes of fraud investigations in a consistent way
- In the official statistics there is little differentiation of frauds in terms of complexity, seriousness or harm. This makes it hard to judge whether forces are using their resources in an efficient and effective way



Performance

- Although we were told in our interviews with practitioners and experts that traditional criminal justice outcomes should not be the primary focus, effectiveness is still largely measured by those outcomes
- The police share responsibility for tackling fraud with an expansive web of statutory, private and third sector organisations but there is very little measurement of and accountability for their response to fraud



Workforce

- Our analysis shows that in 2017 there were 1,455 (0.8 per cent) full-time equivalent police personnel working in Economic Crime Teams across England and Wales, 46 per cent of whom were civilian staff
- It is worth noting that Economic Crime Teams have a remit beyond fraud, including financial investigation to deal with money laundering and asset recovery in relation to all crime



Workforce

- A third of police force leads were not confident they could recruit the right staff to tackle fraud, a quarter were not confident they could be retained
- In 69 per cent of forces all or most fraud investigations are dealt with by generalist officers, despite the fact that 69 per cent of strategic fraud leads believe that the lack of knowledge in the workforce was one of the most challenging factors in delivering local fraud investigation



What officers say

- 81% agreed that fraud requires a different set of skills to other crimes
- 78% considered that they needed more training to deal with fraud
- 86% believed it should be dealt with by specialists
- There is a capacity as well as a capability problem: 74% disagreed that they had enough time to deal with a fraud case or victim



Dedicated teams?

- Fraud is different from most other types of local crime investigation and requires a set of skills and relationships that generalist officers do not possess
- Most fraud investigations are desk based and do not require the same kind of physical presence necessitated during other local investigations



Dedicated teams

- Dedicated teams would build up skills, knowledge, networks and overall capability
- Surely it is better to undertake a smaller number of successful investigations than it is to take on a larger number, most of which are not prioritised or successful?



Solutions

- We have made 27 recommendations
- The report is downloadable free of charge from here:

Understanding the Police Response to
Fraud

www.perpetuityresearch.com



TECAs

- Tackling Economic Crime Awards
- www.thetecas.com
- All the leading associations
- Ethically based
- Thirteen categories
- Ceremony: December 9th - Sheraton Grand, Park Lane



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