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End Fraud Victims' Second-Class Status Demands Crime Watchdog

It's time to take fraud victims seriously and end their second-class status says independent watchdog the Fraud Advisory Panel in its latest Annual Review. With 100,000 people a year falling victim to identity fraud alone most of us are now threatened by economic crime¹. The Panel is supported by the Institute of Chartered Accountants in England & Wales.

Panel Chairman, and former Serious Fraud Office Director, Ros Wright said: "Losing your life savings, or private pension, or job to fraud is every bit as damaging as a burglary or a street robbery and usually has more life-changing consequences than all but the worst violent crimes."

The emotional consequences can be devastating too. Mrs Wright pointed out that "fraudsters even impersonated the British victims of 2004's Indian Ocean tsunami. As names, ages and home districts of the dead began to be published they were used to dishonestly obtain credit cards, mobile phones, bank accounts and loans. Imagine the impact on the families."

"We stereotype fraud victims. They get labelled as too rich to be hurt, too greedy to be pitied or too stupid for words. That's patronising rubbish which makes the rest of us dangerously complacent. The truth is that it's alarmingly easy to be defrauded."

¹ CIFAS – the UK's Fraud Prevention Service estimates that approximately 100,000 British citizens fall victim to identity fraud each year. CIFAS is an alliance of suppliers of consumer credit.

“A recent survey found that a staggering 11% of consumers have been victimised². But dry statistics aren’t enough to wake people up. That’s why this year’s Review focuses on the human cost of fraud and provides a series of true case studies drawn from the public record.” These emphasise that:

- It’s usually impossible for employees, suppliers or members of a firm’s pension fund to stop fraud because they don’t have the power to do so. When they lose their jobs, can’t get paid for goods or services or lose their pension they are victims pure and simple. The Review includes examples of two companies brought down by fraud.
- It’s hard to guard against identity fraud when awareness of the crime is low. For instance, how many of us would expect our household refuse to be searched by identity fraudsters looking for our financial details?³. The Review cites the impersonation of the dead husband of an 80 year old lady. She said that the fraudsters are ‘stealing her memories and replacing them with misery.’
- It’s easy to be fooled by investment frauds so sophisticated that they are marketed via high-quality brochures, plus advertisements in professional journals and highly reputable investment magazines. In the case of the malt whisky frauds of the 1990s even parts of the media unwittingly talked up such investments. If experienced journalists were deceived why should the less well-informed have known better?

ENDS

Note to Editors

1. The Fraud Advisory Panel raises awareness of the immense social and economic damage caused by fraud and helps private and public

2.11% of consumers have been victims of fraud according to a survey of 1,000 households published by information technology company Unisys in August 2005.

³ In a survey last year, Experian, a credit reference agency, found that 53 out of 71 local authorities reported bin raiding was taking place in their areas, and getting noticeably worse.

sectors, as well as the public at large, to fight back. It was established in 1998 by the Institute of Chartered Accountants in England and Wales (ICAEW) which continues to provide valuable support. Since its foundation the Panel has:

- ✚ raised the profile of fraud in Whitehall, helping to push the issue up the legislative and policy making agenda
- ✚ developed major proposals for the reform of policing, prosecution and the law
- ✚ worked to improve business and professional education and training
- ✚ commissioned important new research, for instance on the extent of fraud, cybercrime and the risk to SMEs
- ✚ raised awareness through conferences, seminars and the media.

For Further Information

- ✚ Caroline Florence (ICAEW Press Office) on 020 7920 8564
- ✚ The 2005 Annual Review can be downloaded from www.fraudadvisorypanel.org. Hardcopies are available from Mia Campbell on 020 7920 8721; e-mail: info@fraudadvisorypanel.org;