

Thursday 15 March 2007

Missing an Opportunity – Fraud Review left high and dry

Today's Government response to its own Fraud Review lacks urgency, suggesting that Whitehall continues to treat a devastating human problem as a low priority warns the Fraud Advisory Panel. Chairman Ros Wright said that "As far as the large and growing number of victims go, the Government's response is very disappointing".

According to the Fraud Advisory Panel there are no pledges of new resources for hard-pressed fraud squads, or of legislation, and not even a firm timetable for action, only a promise that the Attorney-General's Programme Board will "publish information about the progress of its work" by the end of 2007.

This is despite figures released by the Association of Chief Police Officers (ACPO) on 7th March stating that financial crime is now costing the country a bare minimum of £13.9 billion a year, increasing to £20 billion when income tax and EU fraud are added. This amounts to £330 for every man, woman and child in the country.

"Fraud has a devastating effect on individuals, businesses, communities, and the British economy as a whole" said Mrs Wright, "Yet the Government is not prepared to commit the £27 million per year the Review suggests is required to implement its recommendations for targeted policing and other measures. This would be tremendous value for money in view of the huge cost of fraud."

The Government's own Review admitted that lack of resources meant that many fraud reports are either not accepted at police stations or go uninvestigated, including cases involving organised crime and possible terrorist connections.

The Panel, which is supported by the Institute of Chartered Accountants in England & Wales (ICAEW), welcomed the Government's initiative in setting up the Fraud Review, which was intended to address the problems of reporting, investigating and prosecuting fraud cases throughout England, Wales and Northern Ireland. However, said Mrs Wright "its failure to commit the vital resources to implement its ground-breaking recommendations to tackle the problem of fraud will seriously weaken their impact."

For Further Information

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Note for Editors

1. The Fraud Advisory Panel is a registered charity which raises awareness of the immense social and economic damage caused by fraud and helps private and public 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 helping to push the issue up the policy making agenda
 - Developed major proposals for the reform of policing, prosecution and the law; many of these have found their way into the Fraud Review
 - 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.

Members include representatives from the legal and accountancy professions, industry associations, financial institutions, government agencies, law enforcement, regulatory authorities and academia.

2. The Panel's response to the Government's Fraud Review consultation recommended that primary legislation is needed to provide the National Fraud Strategic Authority with a firm legal basis and to ensure its independence.
3. The Panel's annual review *Which Way Now?* published in 2006 highlights seven essential steps for action:
 - Make fighting financial crime a criminal justice priority

- Invest the relatively small additional money required for public protection
- Strengthen the police response at both local and national level
- Reform the courts and legal rules to deliver speedier and more comprehensive justice
- Task an independent authority to develop a national fraud strategy
- Take fraud victims seriously
- Collect meaningful statistical information

The review can be downloaded from www.fraudadvisorypanel.org.

4. The Fraud Review's Final Report is available from the Attorney General's Office: http://www.attorneygeneral.gov.uk/sub_publications_2005_Government_Fraud_Review.htm Public consultation closed on 27th October 2006. See also the Review's Interim Report of March 2006 for detailed observations on current police responses to fraud.
5. The full report on the Nature, Extent and Economic Impact of Fraud in the UK is available from Association Chief Police Officers (ACPO) www.acpo.police.uk.