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Watchdog Spotlights Crime's "Forgotten Victims"

Victims of fraud are the forgotten victims of crime, says the Fraud Advisory Panel, the independent watchdog on economic crime.

"Not only do victims of fraud get little attention, their unique experiences are too little understood" said Chairman Ros Wright, a former Director of the Serious Fraud Office. "This not only makes it more difficult to help them, it also contributes to low public awareness of how much we're all at risk. Yet the Government Fraud Review in its interim Report noted that it has been suggested that the harm done by fraud committed by organised crime is second only to drugs (see Notes to Editors)."

Victims of Fraud highlights the proceedings of a recent expert roundtable on victims' issues. Organised by the Panel, the event was the first of its kind in Britain and gathered a range of front-line organisations to discuss the issues affecting the victims of fraud. Members of the Government's Fraud Review Team were in attendance (see Notes to Editors).

Some of the impacts of fraud on individuals include:

- Physical: health problems caused by stress
- Psychological: depression and suicide
- Financial: debt, loss of home and business, bankruptcy
- Social: disintegration of the family through divorce or estrangement. This can apply particularly to cases where fraudulent products or services are unwittingly sold to friends and family (e.g. pyramid schemes).

Fraud has direct and indirect victims:

- Direct: the individual who has been hit by the crime.

- Indirect: those who feel the wider effects of the fraud, such as the families of victims and society as a whole via increased prices of goods and services.

Ros Wright said “Victims clearly lose far more than money. They also suffer from damaging myths, notably that they have been greedy, stupid or gullible. Such assumptions take no account of the sophistication of many modern frauds and gloss over the harm that they do. This was highlighted in our Annual Review 2004 – 2005 which contained case studies from a variety of individual victims of fraud (see Notes to Editors)”.

The belief that only ‘vulnerable’ people such as the elderly or less educated, are most likely to become victims was questioned. Individuals who use new and/or emerging technologies such as internet banking, wireless services and online shopping may be more likely to be targeted by fraudsters. However the emotional and financial impact effects of fraud upon the more vulnerable can be particularly devastating.

“Victims of Fraud” is available on the Fraud Advisory Panel’s website, www.fraudadvisorypanel.org.

ENDS

Note to Editors

1. The Fraud Advisory Panel gathered experts from front-line organisations for a roundtable on victims’ issues on 10th March. Participants included the City of London Police, the Serious Fraud Office, the Office of Fair Trading, Citizens Advice, Victim Support, the Financial Services Authority’s Consumer Panel and Lloyds TSB Bank Plc. Members of the Government’s Fraud Review Team were in attendance.
2. The 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 in Whitehall, helping to push the issue up the legislative and policy making agendas
 - 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.
3. For the *Interim Report* from the Fraud Review Team see www.lslo.gov.uk/fraud_review.htm.
4. For the Panel's 2005 annual review on *The Human Cost of Fraud* see http://www.fraudadvisorypanel.org/newsite/Publications/Publications_annualreports.htm
5. Case studies of fraud victims:
- It is estimated that it can take up to 48 hours of work for a typical victim of identity theft to clear their name and prove a negative (e.g. that they are not a criminal). Identity theft costs the British economy £1.7 billion annually. [Sources: www.cifas.org.uk & www.identity-theft.org.uk 13 March 2006].
 - Lillian Lazonby, a pensioner from Birmingham was targeted by junk mail scammers. It is estimated that she spent over £20,000 on the scams. After her death from stress, relatives found approximately 10,000 letters in her home offering bogus competitions and prizes. The family was left devastated. [Source: www.gm.tv Scam Stress, 13 March 2006].
 - The Panel's 2005 annual review includes a number of other cases studies.

For Further Information

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