Response to the Mayor's Office for Policing and Crime and Metropolitan Police Service consultation paper

**MOPAC business crime strategy:
'protecting jobs and growth in London'**

February 2014

MOPAC BUSINESS CRIME STRATEGY: 'PROTECTING JOBS AND GROWTH IN LONDON'

Response submitted on 07 February 2014 by the Fraud Advisory Panel to the Mayor's Office for Policing and Crime and Metropolitan Police Service consultation paper 'MOPAC business crime strategy: protecting jobs and growth in London', published in November 2013.

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INTRODUCTION

1. The Fraud Advisory Panel (the 'Panel') welcomes the opportunity to comment on the consultation 'MOPAC business crime strategy: protecting jobs and growth in London', published by the Mayor's Office for Policing and Crime ('MOPAC') and the Metropolitan Police Service (the 'MPS') on 26 November 2013, a copy of which is available from this link.

WHO WE ARE

2. The Fraud Advisory Panel is a registered charity and membership organisation which acts as the independent voice and leader of the anti-fraud community in the United Kingdom.

3. Established in 1998 the Panel works to encourage a truly multi-disciplinary perspective on fraud. It has almost 300 corporate and individual members, drawn from the public, private and voluntary sectors and across a variety of professions.

4. The Panel works to raise awareness of the immense damage fraud does to individual lives, the national economy and society at large and to encourage everyone, in every walk of life, to play their part in reducing it.

5. This response has been prepared on behalf of the Fraud Advisory Panel by a special project group of interested members including Paul Birch, Andrew Fleming, Phillip Hagon, Ian Ross and Brendan Weekes. It was chaired by David Clarke, a trustee director of the Fraud Advisory Panel and a former detective chief superintendent at the City of London Police.

GENERAL POINTS

6. Overall the Fraud Advisory Panel believes that the MOPAC business crime strategy is a positive step toward better addressing fraud and cybercrime committed against, in, or around businesses in London.

7. The strategy offers the MPS the opportunity to build greater trust and confidence within the business community by becoming more open and transparent in how it deals with business crime and the level of service that victims can expect to receive.

8. Businesses are often reluctant to report fraud to law enforcement agencies for a variety of reasons: fear of not being taken seriously by the police or a belief that the police won't act,

damage to reputation, little chance of getting money back, lack of knowledge about how and where to report fraud, or the sum of money involved is small.[1] The absence of a bulk-reporting tool for the receipt of multiple frauds on predominantly large companies is a major gap, inevitably leading to significant under-reporting of this type of crime. Businesses need to be encouraged to report fraud and other forms of business crime more. The proposed strategy can help to do this, and the determination of the City of London Police to provide a bulk-reporting facility at the earliest opportunity is welcomed.

9.   The level and quality of the MPS's interaction with businesses at 'grass roots' level also needs to increase, and the MPS, Action Fraud and NFIB must work together to improve communications with each other and the victims of crime. The introduction of new procedures by Action Fraud to inform fraud victims within 28 days whether their cases will be investigated or not is an important step toward achieving this.

10.   However at the moment too many fraud cases are potentially being screened out at various stages in the case acceptance process for a variety of reasons not necessarily related to the quality of the report, such as insufficient police resources to investigate, funding and budget cuts, lack of fraud specific knowledge from screeners, and fraud not being a priority for a police force or command area.

11.   Ultimately, the success of the strategy will be dependent upon a number of factors, including (but not limited to):

- An acknowledgement that fraud prevention and awareness are of paramount importance and must be prioritised within the strategy.

- Placing a greater emphasis on encouraging business victims to report crimes to law enforcement.

- Allocating more resources to the MPS so that it can respond effectively to business crime with appropriate performance measures put in place.

- Ensuring definitions of business crime and cyber-related / cyber-enabled crime are clarified and consistently applied to ensure crimes are accurately categorised and recorded.

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[1] Fraud Advisory Panel (2012). *Obtaining redress and improving outcomes for the victims of fraud: Understanding the fraud suffered by individuals and small businesses.* Available from https://www.fraudadvisorypanel.org/publications.php?c_id=24.

- Equipping police officers with the correct tools and training to allow them to investigate effectively. A centralised intelligence system that works cross-boundary would greatly assist them in doing so along with access to the NFIB / Action Fraud database.

12. Finally, special constables and volunteers with private sector fraud investigation skills are a valuable resource in the fight against fraud and secondments to NFIB and economic crime units should be further encouraged.

RESPONSES TO SPECIFIC QUESTIONS

Q1: Does the draft strategy identify the right strategic context (i.e. crimes against business, hot spot areas, fraud and cyber-fraud)?

13. Partly, the consultation mixes global organised crime activity with local policing requirements that are more aligned to police response and neighbourhood policing. The Fraud Advisory Panel believes that the strategy should make a clearer distinction between business crime (physical and cyber) affecting large and small businesses, and draw upon more available data to ensure problems and hotspots are correctly identified.

Q2: Is there any more evidence / analysis on which MOPAC can draw?

14. The Panel believes that it is of the utmost importance that MOPAC analyse the attrition rates for frauds reported to Action Fraud in more detail to ascertain exactly how many cases referred onwards to the MPS result in an investigation.

15. Research by the Fraud Advisory Panel shows that in the financial year 2011/12, Action Fraud passed 48,525 reports of fraud to the National Fraud Intelligence Bureau (NFIB) for assessment. Of these, 4,428 individual crimes were referred to a police force or other law enforcement agency.[2]

16. As the largest police force in England and Wales, it is likely that a high proportion of these cases were passed to the MPS, but it is not known how many resulted in a formal investigation.

17. However more recent statistics presented by MOPAC show that just 3% of solvable reports

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[2] Fraud Advisory Panel (2012). *Obtaining redress and improving outcomes for the victims of fraud: An introduction to the civil justice initiative*. Available from https://www.fraudadvisorypanel.org/publications.php?c_id=24. [Please note that these figures are likely to have increased since the completion of the Action Fraud roll-out in 2013].

passed to the MPS resulted in an outcome. Yet the MPS does not routinely notify victims that their cases have been screened-out and will not be investigated. This results in a poor victim experience and needs to change in order to build business confidence in the reporting system and MPS.

Q3: Is the Pursue / Prevent / Protect / Prepare framework helpful?

18.   Yes, but definitions and clarity of cybercrime / cyber-enabled fraud are essential in removing confusion and ambiguity from the investigation process for police officers. The Panel also stresses that the 'Prevent' objective should appear first in the list of priorities to signify its importance.

Q4: Are the right priorities, objectives, and success measures identified?

19.   The Fraud Advisory Panel believes that the priorities and objectives identified in the consultation paper are broadly correct but success measures should go beyond the mere reports made to Action Fraud. Measures should also include the percentage of cases classed as solvable or requiring police follow-up that are actually investigated by the police.

Q5: Are the delivery mechanisms right?

20.   Whilst the MOPAC strategy describes the method of governance through the Strategic Business Crime Forum chaired by the Deputy Commissioner it is almost silent on the method by which the strategy itself will be delivered. Some more information on accountability for the four strands, together with some targets, would be welcomed.

Q6: Can your organisation contribute in any way?

21.   Prevention through education and awareness is a central component of much of the Fraud Advisory Panel's charitable work. With a large repository of research and guidance developed specifically for the business community (and in particular smaller businesses), collaboration with the Panel could be of paramount importance in delivering the strategy successfully.

22.   The Panel's website and its popular series of free '*Fraud Facts*' factsheets already offer practical advice for businesses (both victims and non-victims alike) on how to prevent, detect, investigate and deter fraud and cyber-related crime of all types. Plans are afoot

improve and expand both of these during the current year and to provide new advice to fraud victims on the various routes to redress available to them. MOPAC and the MPS may wish to signpost to these free, impartial and practical resources, and to have input into their further development, as part of the 'Prevent' and 'Protect' strands of the framework.

23. In addition, there may also be merit in exploring the extent to which Panel members may be prepared to undertake pro-bono work for the MPS in order to assist with fraud investigations. The Panel would welcome the opportunity to discuss this further.

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