

**On 08 February 2017 the Fraud Advisory Panel wrote to the City of London Police (copying in the Home Office) about policing priorities for the investigation of fraud. Our letter is below.**

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**Policing Priorities for the Investigation of Fraud  
Home Office Circular 47/2004**

In mid-2004 the Home Office issued guidance for police authorities on the policing priorities for investigating fraud cases. Even though these guidelines are considerably out of date and have been withdrawn we understand that they continue to be used by some forces, usually as a reason not to investigate, and are still available online.

The fraud and cybercrime/cyber-enabled crime landscape has changed dramatically over the last thirteen years and we have seen an enormous growth in these crime types (particularly more modern cyber offences) and their extended reach across international borders. The latest statistics released by the Office for National Statistics in mid-January show that fraud and cybercrime are now the most prolific crimes in this country and account for almost half of all crime. There is also a raft of new criminal justice architecture to deal with fraud, most notably the Fraud Act 2006, City of London Police as the national lead force for fraud, Action Fraud and the NFIB, as well as CPS charging guidance for fraud offences and the Bribery Act 2010.

Yet despite these changes there still seems to be an inconsistent and sometimes ineffective local law enforcement response outside of London. In late 2015 Her Majesty's Inspectorate of Constabulary found widespread evidence of poor police understanding and practice with regard to fraud victims and we also raised concerns last year in our special report, *The Fraud Review: Ten Years On*.

We recently canvassed a cohort of our members with a special interest in fraud investigations about their views on the Home Office guidance and its continued availability. Without exception they have told us that they would like to see these guidelines reviewed, updated and reissued to local police forces and put in the public domain so that they can be seen by everyone. There are four main reasons for this: clarity, consistency, transparency and accountability.

1. **Clarity:** In our experience many fraud victims still do not know how to report fraud to law enforcement or understand what will happen when they do. This can set unrealistic expectations about the likelihood of cases being pursued by law enforcement and can serve to disadvantage victims by closing off other avenues of redress that may have been available to them had they been pursued earlier, such as recourse through the civil courts. We believe that victims should be provided with an upfront, clear and unambiguous statement about what will happen to the reports they make and how their cases will be assessed for investigation. It should also be made clear that while the courts have a clear duty to consider applications for compensation orders, this is an ancillary order and the main purpose of the proceedings is to determine guilt and to pass sentence.
2. **Consistency:** Fraud victims regularly tell us that they have received inconsistent treatment both from within one police force and across police forces. A centrally-issued policy that is consistently applied across all forces would remove the current 'postcode lottery' effect which only serves to disadvantage victims and advantage perpetrators.
3. **Transparency:** Current arrangements mean that many fraud victims are unaware of the factors that individual forces will take into account when assessing their cases for investigation. For corporate fraud victims there can be significant costs involved in preparing a case for referral to the police (such as legal fees and senior management time) as well as reputational risks associated with declaring that they have become a victim. Yet there is no certainty that their cases will actually be investigated. This often serves to discourage victims from reporting fraud and this distorts official statistics and hides the true extent of the problem. A set of transparent criteria for case acceptance would result in more predictability and may encourage more victims to come forward.
4. **Accountability:** There is a wide disparity in the performance of local police forces in investigating fraud. This needs to be urgently addressed to deter criminals and to reassure the general public and business community that something is being done. Each police force should be required to publish the national criteria on their website and to periodically report on how they have performed.

From our perspective it would seem logical for the City of London Police to lead this piece of work in its capacity as the national lead force for fraud with the support of the Home Office, and we would be pleased to contribute to its development. We would recommend that this should also seek to modernise the existing criteria in relation to the victims action's and motives.

The Fraud Advisory Panel is the UK's leading anti-fraud charity which brings together counter fraud professionals to make a difference in fighting fraud. We work to make sure that everyone has access to the knowledge, skills and resources they need to protect themselves (and their families, friends and colleagues) against fraud.