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We are sleepwalking into perilous new world of high-tech cybercrime, says fraud watchdog.

A society-wide failure to properly prepare for the next generation of cybercriminals – who will be armed with artificial intelligence (AI), big-data analytics and cryptocurrencies – risks a crippling new epidemic of economic crime, warns the Fraud Advisory Panel in its new report, *Fraud futures: understanding the old to prepare for the new*.

A failure to learn

Fraud is as old as human society. New technologies – from writing to railways – have always empowered the criminal. So why are we still so bad at making our great innovations – like the internet – secure from criminal abuse? This is the question at the heart of the Fraud Advisory Panel's latest special report, *Fraud futures: understanding the old to prepare for the new*.

Reviewing the internet-driven explosion in fraud and cybercrime over the last 20 years, the Panel notes that a systematic, collective failure to consider the security implications of new technologies has handed victims on a plate *en masse* to today's fraudsters.

Technology companies who give little thought to the crime and security consequences of their inventions; politicians who are too slow to grasp the policy implications while continuing to cut defensive budgets; businesses who launch new services without considering the customer risks they create: all have helped create a paradise for the fraudster and the cyber-criminal.

Looking forward, the report includes half a dozen contributions by respected futurologists. Collectively they paint an ominous picture of a potent new wave of cybercrime enabled by next generation technologies like artificial intelligence, robotics, and big-data analytics.

Quoting expert warnings that standard password security advice makes no sense in a home with hundreds of networked devices (the so-called Internet of Things), the report characterises the government response to date as 'too little, too late'. It calls (again) for security to be an obligatory part of development and certification so that new technologies have strong security designed-in from the very beginning.

PRESS RELEASE



David Kirk, chairman of the Fraud Advisory Panel, said:

“The present explosion of fraud and cybercrime is not an act of nature, it is the result of choices made at the highest levels in modern society. The internet and the smartphone have been allowed to expose honest citizens to predatory crime on a massive scale while simultaneously their protectors in the criminal justice system have been hobbled. Must we repeatedly re-live this catastrophe? If we do not learn from our past mistakes much worse is to come. New technologies are creating exciting new opportunities for all of us to live, work and play in a new world. As well as making sure that they are widely exploited for the greater good we must ensure that they are much more resistant to abuse by the bad.”

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Notes for editors:

1. The **Fraud Advisory Panel** is the UK’s leading anti-fraud charity. We bring together fraud professionals from all sectors and disciplines to improve fraud resilience across the UK and around the world. www.fraudadvisorypanel.org
2. This year marks the 20th anniversary since our establishment by the Institute of Chartered Accountants in England and Wales (ICAEW) which continues to provide valuable support. Twenty years ago the idea of bringing together diverse voices – from the professions, finance, commerce, charities, the police, regulators, government and the public sector – to create a strongly multi-disciplinary approach to tackling fraud was novel. The practical effectiveness of this pioneering model has set an important and now widely copied example.
3. As the Panel squares up to the shifting sands of its third decade, our founding ideal – that we are all stronger when we work together – is the one thing we are confident will never change.