

## FRAUD ADVISORY PANEL LAUNCHES REPORT INTO INCIDENCE OF FRAUD IN PANDEMIC

- **‘Resilience by design’ in tackling the problem**
- **Securing cyberspace, a priority**
- **Calls for cross-sector counter-fraud authority**

The [Fraud Advisory Panel](#), the independent voice of the counter-fraud profession, today launches its report “*Running on empty: how the pandemic revealed a wasted decade*”.

The report considers how the pandemic created a unique set of circumstances for fraudsters to prosper. At a time when theft, burglary and robbery fell dramatically as most people stayed at home, fraud leapt up. The report explains that the pandemic “caught the UK with its institutional defences down”, with underfunding in the NHS, the criminal justice system and local government combining to weaken national counter fraud defences.

Looking to the future, the Panel outlines a series of recommendations for inclusion in the government’s forthcoming fraud strategy:

- Mandatory financial education (including fraud awareness) within all schools.
- Companies required to design-out fraud vulnerabilities from their systems, products and services.
- Police reform to reflect the harm caused by fraud, and funding commensurate with it.
- A systematic approach to counter-fraud checks across government and society.
- Dismantling the legal, institutional, political and commercial obstacles to counter-fraud data-sharing.
- A better understanding of fraud victims’ experiences and the support they need, as well as the funding to deliver it.

### **Fraud during the pandemic**

Lockdowns and changes to working patterns left the door ajar for fraudsters, the report explains. Self-identified fraud against individuals leapt by 41 per cent (5.2m offences), while computer misuse more than doubled (1.8m). The culprits remained as elusive as ever, the Panel said.

The report goes into detail about how fraudsters targeted three distinct groups: consumers, the public sector and businesses, to provide a thorough examination of the incidence of fraud during the pandemic. Fraudsters employed different techniques during the pandemic, with a particular focus on cybercrime, while people were isolated, vulnerable and increasingly reliant on the internet.

The Crime Survey of England and Wales found the biggest increase in cybercrime was unauthorised access to personal data – up 174% to 1.5m offences. This was a combination of large-scale data breaches and hacking of email and social media accounts.

Sir David Green CB QC, Chair of the Fraud Advisory Panel, said:

“The Covid-19 pandemic and the blizzard of cybercrime have, in a sense, the same root. They are both products of a new world in which everything and everyone is connected.

“Only a holistic response can meet that challenge. We need to create a world that is resilient by design. That is the big lesson of the pandemic, in fraud and beyond.”

To make cyberspace more secure for people, businesses, society and the national strategic interest, the Panel recommends that:

- Platforms should identify, block and remove content at source.
- Users who engage with fraudulent content by clicking or sharing should be individually warned.
- Social media platforms should verify the identity of advertisers, and flag suspicious advertising content.
- As highlighted by the Victims’ Commissioner, a greater understanding of fraud victims and their lived experiences should be developed, with support made more available and appropriate.

### **Calls for local councils to be included in a cross-sector fraud authority**

The report looked at government support schemes, and how these were used by people to commit economic crime. During the pandemic local authorities administered grants totalling £22.58bn, but despite the large sums were not issued guidance on pre- and post-payment fraud checks until two months after the first awards were made.

The Panel said that councils found little understanding from central government of their work and the challenges they faced. It recommended a cross-sector counter-fraud authority be created that includes local government.

**ENDS**

### **Notes to editors**

The full report is available [here](#).

### **About the Fraud Advisory Panel**

The Fraud Advisory Panel is the voice of the counter-fraud profession, committed to tackling fraud and financial crime. We aim to strengthen fraud resilience by championing best practice in fraud prevention, detection, reporting, investigation, and prosecution. We do this through education, advice and research.

Our members come from a wide range of professions and sectors but are united by their determination to counter fraud. This diversity gives us knowledge, experience and authority.

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