

# COUNTER FRAUD 2020 - A TWELVE POINT PLAN TO PROTECT THE UK

*This document outlines a draft twelve point plan to ensure the UK is properly protected against fraud in the future. The Centre for Counter Fraud Studies (CCFS) would welcome your views and comments on this plan. The intention is to finalise the plan and send it to the major political parties for their consideration. Please send your comments to either the CCFS Chair ([jim.gee@bdo.co.uk](mailto:jim.gee@bdo.co.uk)) or Director ([mark.button@port.ac.uk](mailto:mark.button@port.ac.uk)).*

Fraud causes significant harm to society. It costs at least £52 billion and probably more - more than £1100 for every adult in the UK. Fraud is a pernicious problem which makes private companies less financially healthy and stable than they would otherwise be, which denies British people the quality of public services which they pay their taxes to get and which even denies charities the full value of the charitable donations which are made. Millions of people are targeted with frauds everyday on their mobile phones, on the internet and by E-mail. Thousands of these become victims of fraud. There is much more that can be done to counter fraud.

## UNDERSTANDING THE NATURE AND SCALE OF THE PROBLEM

1. The annual measurement of fraud in public services (modelled on the American Improper Payments legislation) should be mandated, if necessary by means of legislation. By knowing the scale of the problem public sector bodies will be better able to properly prioritise it and to apply the right solutions.
2. There should be a requirement for all organisations (above a certain size) to provide an estimate of the total cost of fraud (not just what is detected or reported) in their annual accounts; if necessary this should be achieved by means of legislation.
3. A regular prevalence survey of the general public on fraud victimisation should be commissioned to identify the scale of the problem, trends and to help better target resources to deal with the problem.

## A CLEAR NATIONAL STRATEGY

4. A clear national strategy should be developed and communicated across the UK to ensure the maximum synergy between those working in this area and a common 'language' for counter fraud work - in the same way that there is a 'common language' and understanding about work to ensure health and safety standards are met.

## THE RIGHT SKILLS AND STANDARDS

5. The Government should invest in work to refresh the professional training of counter fraud specialists, to ensure that they have the skills to both pre-empt and react to fraud, as well to broaden the presence of the profession across all sectors.
6. The Government should encourage the development of a British Standard in Managing the Risk of Fraud for private, public and voluntary organisations and should create incentives for bodies to comply.

## PRE-EMPTING FRAUD

7. The Government and all sector representative bodies should invest in communications campaigns to develop a strong anti-fraud culture and strong deterrent effect (separate campaigns), in the same way as campaigns are run to protect public health or around health and safety.
8. Legislation should be enacted to create a new offence similar to section 7 of the Bribery Act to make it an offence for commercial organisations to fail to prevent fraud by themselves against their own customers.

#### **REACTING TO FRAUD ONCE IT HAS HAPPENED**

9. The Government should consider whether some of the many national agencies who investigate fraud should be integrated and should bring together the police economic crime capacity under one National Fraud Investigative Agency (NFIA) anchored in the City of London Police.
10. The Government should create a new Fraud Sanctions Service to work with the NFIA and bring forward in parallel the most appropriate combination of civil, criminal and regulatory sanctions against fraudsters.
11. The Government should consider the creation of a register of fraudsters, with inclusion on the register becoming part of the sentencing regime.
12. The Government should create a fund to resource civil litigation and private prosecutions in deserving cases where prospective plaintiffs do not have sufficient resources to pursue action.

#### **DRIVING THESE INITIATIVES FORWARD**

The Government should play its part in encouraging the creation of a National Counter Fraud Agency (NCFA) to drive these initiatives forward. This should be funded by a balanced combination of public funding and private funding from key economic sectors.

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