HOUSE OF COMMONS

Justice Committee

Oral evidence: Work of the Serious Fraud Office, HC 743

Tuesday 14 May 2024

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Watch the meeting

Members present: Sir Robert Neill (Chair); Dr Kieran Mullan; Yasmin Qureshi; Edward Timpson.

Questions 1 - 67

Witness

I: Nick Ephgrave, Director, Serious Fraud Office.

Examination of witness

Witness: Nick Ephgrave.

Chair: Welcome to this session of the Justice Committee and to our witness, Mr Ephgrave, director of the Serious Fraud Office. It is very good to see you, Mr Ephgrave. This is the first time you have given evidence to our Committee. Before we start, we have some formalities declaring interests. I am a non-practising barrister and a former consultant to a law firm. For today's purposes, the joint head of my old chambers is Brian Altman KC, who, of course, carried out a review of the SFO that we may refer to in the course of the evidence.

Edward Timpson: I am a barrister with a current practising certificate but not undertaking any direct court work. I am a former Solicitor General, former chair of Cafcass and former chair of the National Child Safeguarding Practice Review Panel. My brother is chair of the Prison Reform Trust. I advise Ministers on family justice policy.

Yasmin Qureshi: I am a barrister who does not practise any more. I have a sister and a brother-in-law who are practising barristers.

Q1 **Chair:** Dr Mullan will be joining us, but he doesn't have any relevant declarations, so we will not interrupt for that.

Mr Ephgrave, how are you finding it now? You have been in post for some months. It's a departure from your mainstream police work, isn't it?

Nick Ephgrave: It is. First, can I thank the Committee for hearing my evidence today? I am delighted to be in front of you. It is seven months since I started. You are quite right; I spent the previous 34 or so years in the police service, mainly in the Metropolitan police, but I served in Surrey as well. My appointment as the director of the Serious Fraud Office is a bit of a break with tradition from previous incumbents.

The first seven months have been busy, as you might expect, but very energising. I found the reception fantastic. Everyone seems very pleased that they have a new director. They seem very energised about the direction of travel we are moving in. They have made me feel very welcome. In the short time I have been there, I have been bowled over by their dedication, expertise and specialism and their passion for what they do. It is a positive start from my perspective.

Q2 **Chair:** We will draw down into some of the detail. I am glad to hear that and I am grateful to your team who met us at the SFO office yesterday.

There has been some comment about having a non-lawyer as the head of what is a prosecuting body. What do you bring to the task from that different background? What is the unique selling point that you can bring, as director?

Nick Ephgrave: One of the main challenges as director of the SFO is to run the organisation. It is absolutely a prosecuting agency. It is also an

investigative agency, so it has both of those functions. I know a lot about investigation. I did a lot of that in my police career. I have obviously worked very closely with the CPS, and with the DPP in particular, in the last 10 years or so of my police service, so I have some understanding of the prosecutorial process from that experience.

Primarily, over and above that, the challenge for the SFO is to take the organisation forward, to make sure that it is run efficiently and effectively, to introduce new techniques and tactics, to set the strategic direction, and to make sure that the workforce are properly engaged and supported—all the sorts of things that any organisation requires. I have lots of experience of doing that.

Q3 **Chair:** During your very distinguished police career, did you have much dealing with fraud and what we might broadly term white-collar economic crime?

Nick Ephgrave: No. My speciality was homicide, guns and drugs when I was doing investigative work. That was where I spent my investigative years, but I had responsibility, as assistant commissioner, for all serious and organised crime in the Met, which included our economic crime team. I had oversight of their work, but no direct involvement by that stage.

Q4 **Chair:** What made you think that you would move into this organisation, which is quite niche in what it investigates?

Nick Ephgrave: The first thing is that it could not be more important. In this country, with our reputation as a global centre for finance and the millions of people who live here who trust and invest their money with people who do that as a business, we must have confidence that those things are safe to do. My job is to protect this country's reputation and to protect taxpayers up and down the country from being ripped off in the serious and complex end of the spectrum.

The mission was really attractive to me. The fact that it is both a prosecutorial and an investigative agency was also very attractive. I mentioned earlier that I worked very closely with the former DPP, Sir Max Hill. That gave me real insight into the decision-making processes he was going through. The idea of being able to combine responsibility for investigating together with responsibility for prosecuting was irresistible.

Q5 **Chair:** When the SFO was set up, there was a little controversy—largely it has not been a problem, but there was some controversy—about the idea of having both investigators and prosecutors in one body in terms of ensuring prosecutorial independence. It might be argued that having a senior lawyer in the director's role was a safeguard of prosecutorial independence. How would you counter that now that we have, as was described by one commentator, a cop in charge of the SFO?

Nick Ephgrave: It is important to remember the Roskill model. As you mentioned, it is a combination of different disciplines. We have a very significant cadre of lawyers in the SFO. That is very important. The chief

lawyer is my general counsel. I have extremely good, strategic legal advice from general counsel. That role performs the function you described. It puts a safeguard around the worry there might be about my instincts as a former police officer. The lawyers who work to general counsel across the case teams provide day-to-day practical legal advice on the investigation and the preparation for trial. There are a number of safeguards built in.

Don't forget that, when we get close to charge or post charge, we employ independent barristers from the Bar who pass their own judgments on the strengths and weaknesses of what we are proposing. They highlight issues that they think may become challengeable. There are a number of stages of safeguarding that are built into the way we work.

Q6 **Chair:** Sara Lawson KC is your general counsel.

Nick Ephgrave: That's right, yes.

Q7 **Chair:** You have set out the benefits of having somebody from a police background. The way I read it was that you said you wanted to be bolder, more proactive.

Nick Ephgrave: Yes.

Q8 **Chair:** Is that about breaking down doors?

Nick Ephgrave: Yes. That is a very useful term to describe a state of mind. One of the things I learned from policing is that often the best policy is to take action, rather than prevaricate. I am not suggesting for one minute that my predecessors, any of them, have prevaricated. I think I bring a sense of urgency and immediacy to the work that I do. I have always had that inclination. If you put that together with a fairly deep knowledge of tactics that have been employed against serious and organised crime in other spheres, and bring those two things together and apply it to the work the SFO does, you can add another element to what the SFO already has in its armoury. I am very keen to see where that can take us.

Behind that is my desire to progress through our cases more quickly. There have been many examples where our cases have taken many years. Sometimes that is right, for various reasons, but the more we can do to accelerate the process and bring a prosecution, the more quickly it will benefit the victims primarily, and the state and, arguably, those who are accused.

Q9 **Chair:** In the same speech where you talked about being bolder and more proactive, you also used a phrase that struck me: "more pragmatic".

Nick Ephgrave: Yes.

Q10 **Chair:** What does that mean in practice?

Nick Ephgrave: To go back to the point about trying to make cases proceed more quickly, one of the challenges with SFO work is that, because it is so complex and so broad-reaching, the temptation is to extend the parameters of the investigation further and further as you get more and more material. What could start off as a fairly focused investigation against one or two individuals for a specific theme, if you are not very careful and you do not apply very strict discipline to your premises, can soon become a much broader, more complicated and possibly less provable set of cases.

The pragmatism point is about understanding that you cannot necessarily boil the ocean every time. When we set out our investigation plan, we should be really clear about what we are trying to achieve and keep reminding ourselves about that through regular reviews, peer reviews and intrusive reviewing of where the investigation has got to. That might mean making decisions earlier in a case that we have taken a wrong turn, or even that it doesn't look like it is going to develop into a prosecution. It is far better to stop, because I can then redeploy the resources I am using against a case that may go further.

Q11 **Chair:** Yes. It is fair to say that some of the recent past has been somewhat chequered for the SFO around its outcomes and the publicity that has stemmed from that. What lessons do you take away from what went wrong in the Serco and Unaoil cases?

Nick Ephgrave: Without speaking about specific cases, you are absolutely right; there have been high-profile cases that have not gone the way we would want. Of course, some of those are talked about and discussed in the Altman review, which you briefly referenced, together with the separate review by Sir David Calvert-Smith. Both those reviews found that the SFO had had historical issues with understanding how to discharge its disclosure function. That issue is particularly difficult for the SFO because of the volume of material that many of our cases generate. The very large corporate ones you referenced often have larger than average volumes of material.

It is an awful lot to ask of an investigative team to be able to keep on top of the disclosure practice and understand exactly where they should be going with that, through a very long and complicated prosecution. We learned the lessons from that. Many of the recommendations in both those reviews, 29 of them, dealt with issues around disclosure. My predecessors—I am carrying on their work—did a lot to try to address the recommendations, which we have now met. That work does not finish. Understanding how to deal with disclosure with large volumes is one thing. Allied to that is the pragmatism point. Arguably, we may have done better if we had contracted the investigations down at an earlier stage; I don't know, this is rather speculative. Keeping a focus on what you are trying to achieve is something else we have picked up from those experiences.

Q12 **Chair:** The Altman review and Sir David Calvert-Smith's review both

talked about the importance of embedding the right culture and practices. In the case of Mr Altman's review, it was that it ought to demonstrate that it has become "business as usual".

Nick Ephgrave: Yes.

Q13 **Chair:** In 2023, the chief inspector of prosecution services said it was too early to say if that had yet happened. What assurance can you give now as to progress around embedding the recommendations of Altman and Calvert-Smith?

Nick Ephgrave: The first thing is to repeat the point that we have now implemented the 29 recommendations across both reviews.

Q14 **Chair:** Operationally implemented?

Nick Ephgrave: Yes. We have put in place the measures that were suggested in those recommendations, much of which is to do with formalising the guidance and training we give our disclosure officers, creating a specialist role for disclosure officers and making sure that they are properly supported.

We have added to that, so we are currently looking at how we can use technology further to assist the disclosure process, to increase its accuracy and speed. We are bringing in disclosure strategy documents, which are a way an investigator can describe the approach they are taking to disclosure. We are talking about disclosure strategy earlier in the case process with the judge in the case, once we have an allocation, and the defence teams, where appropriate. Rarely a day goes past in the office when we do not discuss, in one format or another, disclosure. Another thing is that we have a dedicated disclosure working group, chaired by a senior lawyer. That brings together practitioners from right across the office. They meet on a monthly basis to go through best practice, hints and tips, and so forth. Finally, to finish off, we have our operational handbook, which is the manual that is our doctrine that we expect people to follow. That has a completely reworked chapter on how to approach the role of disclosure officer.

Q15 **Chair:** That is helpful. The other interesting point in the Calvert-Smith recommendations, in particular, was an oversight mechanism with the Attorney General's office in relation to what Sir David described as high-risk SFO cases. What did you take him as meaning by those sorts of cases? What sort of mechanism is there?

Nick Ephgrave: That is a reasonably broad term, but I suppose they are cases that have risks associated with reputational issues for the SFO, where to fail would be seen to be a very bad thing, or potentially where they would not bring justice to many thousands of victims, for example, or where there might be a large amount of money involved. Any of those reasons might make something high risk or particularly symbolic.

Those cases are taken by me to the Law Officers. We meet three times a year at a superintendence board, where the high-risk cases or the emblematic or symbolic cases are discussed. I am asked difficult questions by the Law Officers about the progress and what my strategies might be to deal with whatever the risk might be. They are very helpful because they focus our minds. One tries to anticipate what the Law Officers will ask and it helps get a grip on what issues in the case need to be addressed.

Q16 **Chair:** Do you meet with the Law Officers outside those superintendence meetings?

Nick Ephgrave: Yes.

Q17 **Chair:** You do.

Nick Ephgrave: Yes. We have the superintendence meetings, which are about casework. We also have a strategic meeting with the Law Officers that talks more generally about the state of the SFO, our progress against our performance objectives, our people, our culture and that kind of thing.

Q18 **Yasmin Qureshi:** I have a few questions about the funding of the organisation and, linked with that, the issue of recruitment and retention of staff. It goes without saying that the more good staff you have, the better the organisation is.

Can I start with the slightly unusual funding model that the SFO has? Your core budget is supplemented by additional blockbuster funding for higher-value cases. Could you explain what that means? It has been rising over the last five years. First, can you explain what that funding system is and, secondly, does it help or hinder your strategy for the SFO?

Nick Ephgrave: Thank you for the question. The funding model is not hugely complicated, but it has some aspects that take a bit of explaining. The vast bulk of our funding comes directly from Treasury. As with any other Government Department, we get a block of money, most of which we spend on salaries for staff. That is where most of our money goes, like any people-centred organisation.

Because of the nature of the SFO work, on occasion we take on some very significant defendants—maybe large corporations with incredibly deep pockets and much resource to draw on if they need to fight a case that may take longer than our average case to progress. There may be international elements; there usually are. We may need to go to other jurisdictions and so on. In cases like that, where it is hard to predict when they are going to come, there has to be what you might call a pressure release valve that allows us to access funding to deal with the case. That is what you are referring to, I think.

If the running costs of any single case that we have exceed a certain percentage of our total budget, we are allowed to access additional

funding from the Treasury to help us manage that case. It is not used all the time; it is used on a needs-must basis. It is an important mechanism to ensure that we are able to do the work we need to do without worrying about running out of money to pursue a prosecution, when it is in the public interest to do that.

Q19 **Yasmin Qureshi:** Would you say that model is good for your organisation or do you think it has problems?

Nick Ephgrave: I am only seven months into the role. I am not aware of any problems with it. It seems to operate the way it should. We have been able to access funding when we have needed to. Whether I would ever rule out a review, of course not, but at the moment it does what it is designed to do, which is provide us with a release valve if we need it.

Q20 **Yasmin Qureshi:** Leading on from there, when you appeared before the Home Affairs Select Committee, you were asked about the funding resources. I note the Chair said that you very carefully said, "I have a limited amount of resources." There is, I think, an issue about resources. Do you feel that you have enough funding to be able to carry out both parts of the SFO job, not just the prosecution but the investigatory part as well?

Nick Ephgrave: The first thing to say is that I am very confident we make the best use of the money we have. We are really on it in terms of being efficient and effective. We are focused on making sure we get the most benefit from the resourcing we have. I am also, as a civil servant, well aware that the decisions around who gets what money are outside my control. What I can do is make the case to officials in Treasury and in Parliament generally about why they might want to give the SFO additional funding. It is a matter for them whether or not that outweighs other considerations they have to make.

We are a small organisation. We are about 600 or so people strong. We have to be very careful about which investigations we take on. We cannot take on every investigation we might want to. We have to make tough decisions sometimes about which investigation we go with. There will come a point when we run out of capability, of course, like any organisation, frankly.

Q21 **Yasmin Qureshi:** I understand that previously you said the SFO needs more staff. There is quite a high turnover rate, as well as the fact that you need additional staff. I believe the *Financial Times* reported in November last year that you said that recruiting new staff was going well and that in 2023-24 you had been able to offer 100 people jobs. Have they taken them up?

Nick Ephgrave: Yes, good news on that front. When I talked about more people, I was talking about filling vacancies we had. It was not about the overall envelope of staff or posts we had. We just did not have people in the posts that we were given.

We have done very well, I think. When I took over in September last year, our vacancy rate was around 23% or 24%—I forget the exact figure—so a significant number of empty seats. We will finish this year on a vacancy rate of approximately 15%, so we are improving quite significantly. Our attrition rate, the rate at which we lose people, is stabilising at about 16%, which is slightly higher than I would want, but it is still not unmanageable. At the moment, our recruitment rate is outpacing our attrition rate. There will come a point when that balances, but we are still keen to fill all the seats we have available.

Q22 **Yasmin Qureshi:** You talked about attrition. What about the retention rate? One of your predecessors, Lisa Osofsky, said to the Public Accounts Committee in February 2022 that one of the problems was retaining the best and the brightest because "they can walk across the street" to Pricewaterhouse or KPMG and get paid twice the money. That was confirmed by the Altman and Calvert-Smith reviews, where they found a very similar issue or challenge. I understand that you seem very optimistic. Do you think, therefore, that your problems of retention are finished or will they still happen? If so, what can be done to help the SFO to retain its staff?

Nick Ephgrave: That is a great question. It is something we think about a lot. The first thing to say is that I do not think there is anything wrong with a healthy attrition rate. I was recently in the States talking to the attorneys there. What is commonplace there is not found so much in this country. Over there, it is very common, in fact it is expected, that particularly lawyers will go from private practice into the public arena, spend three or four years there, go back to private practice, probably with enhancements in their salary or their status. They might come back again later on. There is interplay between private and public practice. We get that here and we have examples in my office, but it is not quite as mainstream as it is in the States. There is something to be said for people coming to work with us, gaining experience, going back to the private sector and then coming back again. From a lawyer's point of view, that helps but we need to make sure that the issues with attrition are not excessive.

When you talk about salaries, of course you are right. We in the public sector cannot necessarily compete with private firms. That is only a problem if money is the sole motivator. I don't think for our people it is the sole motivator. It is obviously a consideration; we all have to pay the mortgage, but there is more to the SFO than just what we pay. We offer a unique insight into a unique organisation. We are the only combined investigative and prosecutorial agency. In terms of career enhancement, it is a wonderful place to come. We offer what might be called other benefits, such as inclusion in the broader civil service framework. It sounds a bit corny, but we offer a sense of mission and purpose, which some private industries cannot do.

A combination of factors makes us attractive and it is not just about the money. That does not mean that I am not practical. I understand that people have to get to work, pay their bills and all that stuff. Of course, we are always looking at how we can make the best offer to our people, not just our lawyers but our investigators, our forensic scientists, our data scientists and so on.

Q23 **Yasmin Qureshi:** Are the 100 or so people you recruited lawyers or investigators? How is the balance set out—40:60?

Nick Ephgrave: The majority of our recent recruits have been investigators at various levels, so junior to senior. We have also been actively recruiting lawyers, so we have been doing both. We have more investigators than we have lawyers. Proportionally, we will always recruit more investigators than lawyers, but lawyers are a very important part of our recruitment campaign. We are pleased that we have been bringing in lawyers as well as investigators. That is very positive from our point of view.

I might add, just in case it helps, that I meet every new joiner and have done since September. It is two or three a week. I sometimes struggle to fit them in. I always say to them, "Why on earth have you come to join us then? What is it about this organisation that makes you want to come here?", which is back to my point about motivation. They are talking to me, so they might be saying what they think I want to hear, but I think I can see through it and the thing that comes across is that they are genuinely fascinated about being part of the SFO. They say how wonderful it is to be with us. I just keep my fingers crossed that they feel like that in six months' time. It is my job to make them feel like that in six months' time, but they come in with a strong sense of purpose and commitment. Yes, money is an issue but it is not just about that. I guess that is what I am saying.

Q24 **Yasmin Qureshi:** This is the final question from me. To what extent can people interested in working for the SFO or in that kind of work, who are interested in a career investigating fraud, have access to relevant courses and training? Is there anything available for them?

Nick Ephgrave: Yes. One of the things that came out of some of the reviews that we have done and our own internal assessments of how we can make a better offer to our employees is to see whether we can create a real culture of continuous professional development within the organisation. There are a number of internal courses that we have laid on. For example, we have an initial investigators programme. They are running it at the moment in our office. In fact, Sir Bob, when you came to see us with Edward and Co., you might have seen a classroom opposite that was full of people. Those were our people being taught how to investigate by ex-Scotland Yard detectives. That is one example of an in-house development course we put on. We also purchase courses from the College of Policing around disclosure, and other specialist courses in

things like data science and forensic data manipulation. All of those niche subjects are catered for.

We are not where we want to be. It is relatively early days, but we have put a lot of energy into designing something that is an attractive proposition for someone who is relatively inexperienced and might want to come to us. They might think, "Crikey, I can do all these different courses and in five years I will be a much more professional and qualified individual than I am now." That is another draw factor for us.

Yasmin Qureshi: Thank you so much for that.

Q25 **Chair:** You made the point, Director, that money is not everything. You talked about fair remuneration for your staff. Reasonable remuneration for work reasonably done is part of it, isn't it?

Nick Ephgrave: Yes.

Q26 **Chair:** Can I take you to a specific point in one of Mr Altman KC's recommendations? For context, Mr Altman is a former senior Treasury counsel at the Central Criminal Court, a very experienced prosecutor. One of his specific recommendations was that the remuneration for disclosure reviewers, a key part of the disclosure system, was not reasonable remuneration for the work done or expected to be done and should be increased to come into line with that of the other Government agencies. On your predecessor's watch, the SFO reported that they had thought about that but concluded it was not possible to make the savings to do it. That seems to go at odds with your legitimate philosophy of reasonable pay for work reasonably done. Is that an issue you will be reviewing?

Nick Ephgrave: All our pay and remuneration policies are kept under review. One thing to mention is that there are limits to how much we can offer as a day rate to people from private practice to come and work for us doing disclosure reviewing. We are at that limit and it is hard to move beyond it.

Q27 **Chair:** What sets the limits, Director?

Nick Ephgrave: It is a centrally set limit. I am not sure what the mechanism is.

Q28 **Chair:** Centrally set by whom?

Nick Ephgrave: Treasury, I assume.

Q29 **Chair:** The Treasury, I see. As contractors, in effect, is that the way they look at it?

Nick Ephgrave: I don't quite know how they look at it. I just know there is an amount beyond which we cannot go.

Q30 **Chair:** It might be helpful if you could let us know how that system works.

Nick Ephgrave: Of course.

Q31 **Chair:** Given the centrality of disclosure to your work and how failure of disclosure has been central to some of the less successful parts of the organisation in the past, have you thought that it might be a case where you might want to go back to Treasury and say, "Look, ensuring we are competitive in disclosure reviewers is critical to our business case"?

Nick Ephgrave: We have reviewed the rates we pay our lawyers who do disclosure. It is not just lawyers who perform that. We employ non-lawyers to do a lot of disclosure work. Absolutely, we will keep it under review.

Chair: Thank you.

Q32 **Edward Timpson:** Can I take you back to the issue of case progression, which is at the heart of trying to manage the organisation effectively and efficiently? Beyond having the funding that you require and having great people working in the organisation, time is probably one of the most precious commodities available to you and your organisation. You have already touched on how, in your words, the SFO "will be faster" when it comes to case progression. You also suggested that you will find new ways of trying to achieve that, including "investigative techniques…that are commonplace elsewhere." Could you give a little bit more insight as to what the techniques that you are alluding to are and why they weren't being used previously?

Nick Ephgrave: Sure. I did not mean to suggest that the SFO has never used covert tactics, and it probably would be inappropriate for me to describe in any great detail what they might be. Generally, I am talking about taking the approach that many police forces take when a crime is being committed, a crime in action: interceding, perhaps using an undercover police officer, and perhaps using intrusive surveillance techniques. Those kinds of things are widely used, as everybody knows, in policing, and there is a place for them in some of the work that we do. Not every case would be amenable to that, but there will be some in our case load that would be.

The benefit of that is it takes you to the evidence more quickly. It gives you direct evidence, if you get it right, about who said what when and what is going on, and that will allow you to get to the main point more swiftly, which goes back to my point about contracting the timeframe between opening an investigation and perhaps reaching a charging decision.

That is not the only way we might do it though, if I may expand. One of the other things that I am very keen on thinking about—I mentioned it at the RUSI speech that you have referenced already, Sir Bob—is our policy in this country regarding whistleblowing more generally and whether or not there are lessons to be learnt from other countries where there is incentivisation for whistleblowers, because that provides a legitimate shortcut to where the evidence can be found. If someone who knows

what has happened is willing to tell you how it happened and who did it and where the evidence might be located and so on, it will significantly shorten our investigative practice because it will take us straight to the important material. That is something that I am keen to explore, to see what might be possible, as I have mentioned a couple of times previously.

Q33 **Edward Timpson:** I believe the Department for Business and Trade is doing a review of the whistleblowing framework, which may provide an opportunity for the SFO to contribute and make the case that you just made to the Committee.

Nick Ephgrave: Yes.

Q34 **Edward Timpson:** Although the powers have existed for the SFO through the Serious Organised Crime and Police Act 2005, why do you think they have been used reluctantly in the past?

Nick Ephgrave: There is a difference between whistleblowers and people who might be able to access the Serious Organised Crime and Police Act provisions, which are primarily for offenders. People who are suspected of offending can enter into a written agreement with a prosecutor to provide evidence in exchange for a reduced sentence, potentially. That is what SOCPA allows for in broad terms. Whistleblowing can come from people who are directly implicated. It can also come from people who have no criminal involvement at all and just happen to know what happened. There is a distinction to be drawn between those two. In answer to your question about SOCPA, it is not just the SFO that has not used those powers particularly; they have not been used significantly at all in this country. It is definitely worthy of consideration.

Q35 **Edward Timpson:** You mentioned that you had been to the United States to compare notes and understand what they do differently. This would seem to be an area where they have a different type of approach, whether on the use of whistleblowers, whether assisting offenders by being able to offer immunity from prosecution or to reduce their sentence, or whatever it might be. What do you think we would need to do to establish a similar type of approach in this country that is culturally acceptable as well as working in practice?

Nick Ephgrave: I will talk about whistleblowers who are not criminally culpable as one group of individuals. They might be people in an organisation or a corporation who see wrongdoing and feel uncomfortable about it but slightly caught about what they should do. Morally, they probably feel that they ought to point it out, but practically they probably understand that if they were to do that they might suffer reputationally, they might struggle to get another job in the same profession, and they might lose all the benefits of their lifestyle. It is a lot to ask of somebody.

The incentivisation of a whistleblower, if it is done correctly, would provide a degree of insurance for people in that situation that if they were to blow the whistle and put their lifestyle in the balance, should

there be a successful prosecution and outcome, there will be some recompense at the end of it that allows them not to lose everything. The example I will give comes from America, and it is quite an interesting statistic. If you take 2022 as the year, something like $2.2 billion-worth of fines and judgments were handed down. I think 86% of those originated from whistleblowers. That is a big proportion. In this country, in the last financial year, only 5% of our referrals came from whistleblowing. There is a significant difference between the contribution whistleblowers make in the States, whether you like their system or not, and the contribution they make here.

All I am articulating is the desire to understand what we might learn from that, given that we have a different context and given that we have a slightly different sentencing regime and so on, and how we could find a similar way of incentivising whistleblowing in this country that is acceptable to this country and delivers the benefits that the States has clearly got from it.

Q36 **Edward Timpson:** I believe there are only two organisations in the UK that offer incentives or financial reward for whistleblowing: the Competition and Markets Authority around illegal cartels and that type of thing, and HMRC in relation to tax fraud. Are they organisations that you might, similar to the US, compare notes with to see whether you could learn from how they have gone about establishing that as part of their way of trying to track down illegal activity?

Nick Ephgrave: Their set-ups are different from what I am describing. I am keen to get involved if there is a debate to be had. If there is a policy discussion to be had about the use of whistleblowing, I want the SFO to be in the middle of that because I think we can learn. Whether the HMRC and CMA schemes are compatible with what I have talked about, I am not able to say.

Q37 **Edward Timpson:** Finally, on the length of cases, I don't know whether you are able to tell us how many live cases you have at the moment. You have the asset recovery work on top of that. If you are able to share that with us, it would be helpful. Of course, the nature of the beast that you are trying to track down can lead to potential mission creep and being sent down lots of blind alleys that waste a considerable amount of time, effort and resource. How are you going to set a clear, acceptable timeframe for how long a case should last, from being opened to getting, hopefully, a successful outcome, which is less than the four years that we saw in the last strategy? I am not sure whether it is mentioned explicitly in the most recent 2024-2029 strategy that was published last month. What is it that you expect to happen in the SFO now?

Nick Ephgrave: Central to my strategic thinking is how we contract, as I said before, the time from opening an investigation to a disposal. Of course, I cannot guarantee a trial because we have the issues with backlogs in courts, but I am talking about the time it takes us from when we say, "Yes, we're going to investigate this," to the time when we say,

"Right, you are charged with," or there is some other formal disposal. That is the period of time I am talking about, not conviction because we have to then take into account court listing and so on, which is another thing altogether.

My predecessor set a very ambitious target for the average case time from opening to disposal of three years. We have adopted that target for the five-year strategy that you have just described and that we just published. We are going to stick with the three-year strategy. We are not at it at the moment. In fact, we are 50% over it. Our current average is about four and a half years, but because we deal with relatively few cases, two or three big cases can skew the average. The light at the end of the tunnel is perhaps the cases we have taken on since I started. We have opened five new investigations since I started, and I am looking at those particularly to see what they can tell us about the speed with which we can progress. If you take just them as a group, they would not be affected by historical 10-year cases.

I need to make this clear. Some cases must take longer and will take longer than three years. That is an average. If you are dealing with a very large and complicated multi-jurisdictional fraud with many component parts and lots of other jurisdictions to engage with, just the process of gathering the information and getting the letters of request agreed and all the protocols done can take a significant period of time. We have to think about averages rather than individual cases.

Q38 **Edward Timpson:** I have a supplementary about the decision making on shutting down a case at an earlier stage, which you mentioned previously. Is that something that you found was already part of day-to-day work and the strategic planning of the SFO, or is it something that you are going to have to instil? There will be some people who work in your organisation who may have been on a case for a number of years. They have poured their heart and soul into it and they are desperate to see it to a successful conclusion, but then you pull up the drawbridge. That might affect staff morale and they will feel that they are not valued. Are those things that you are trying to address as you bear down on some of the case progression?

Nick Ephgrave: You are quite right. There is absolutely a tension between making the right decision strategically about whether or not the game is worth the candle and whether the use of public funds and valuable resource to pursue an ever-diminishing prospect of conviction is sensible. You have to balance that with the years of effort that individuals have put into that case, and understand that it is everything to them and they might only have been on one case since they have been in the SFO. That is a difficult message to get across, which is why early and regular reviews of cases from day one is important so that people are always on notice that, rather than the presumption that a case will always continue unless there is a reason to stop, the presumption will be that the case will stop unless there is a reason to continue. If you take it from that

position, if you look at it through that end of the telescope, people know from the very get-go that they need to be persuaded every six months that the case has some life in it, otherwise it is dead in the water and we are going to stop because we need to use that resource somewhere else.

You are absolutely right to highlight the tension. Of course, there is going to be tension. I am not pretending that there aren't people in the organisation who will be bitterly disappointed if one of our longer-running cases is not proceeded with. It is my job to try to keep them on board and persuade them of the sense, strategically, of looking at public money, looking at valuable resource, looking at what other benefit we can have with the money or resource that we are currently using on this job and try to persuade them that all is not lost, and to use their passion and deploy it against somebody else we have a better chance of convicting.

Q39 **Chair:** I was interested in learning from the States. The Economic Crime and Corporate Transparency Act builds on some of that with the identification principle and the failure to prevent offences. In relation to the use of whistleblowers and other things, would it be fair to say from your examination of American models that their prosecutorial approach frequently seems to be very much geared to driving a guilty plea rather than preparing for trial? Is that something that you envisage as an area that you might want to learn from?

Nick Ephgrave: It is certainly striking. I spent time with the prosecuting agencies in New York City and Washington. In both places, it was absolutely clear that from the outset of an investigation the mindset is "Where is the early guilty plea coming from?" An early guilty plea means a co-operating witness, the evidence is identified directly, we have someone who can testify against those they say are culpable and it brings us more quickly to a position where pressure can be put on those who are still being investigated to accept that the game is up and they may as well plead guilty, because it is clear that if it goes to trial, it is very unlikely that they will escape with an acquittal.

That does not mean to say that in the States they do not have contested trials. Of course they do, but they have a much higher early guilty plea rate. I think they approach the process from that mindset, always accepting that if it does not work, they have to be able to go to a contested trial, but they want to try to drive towards an early guilty plea because it is effective and efficient from a time and money point of view. You have to have safeguards, of course. We do not want to get to a place where justice is not done or there is injustice and people are terrified of a sentence and therefore plead guilty. That is anathema to them as it is to us. Compare and contrast the approach in this country: in what I have seen both in my police career and in the SFO, we approach an investigation from the place that it will be a contested trial, so we adopt a mindset that takes you to that outcome.

There is something to be learnt from the American model, which is not to say we should adopt it lock, stock and barrel. There are big differences, of course. The sentencing regime in the States for a start is a significantly different thing from what we have here. There are lessons to be learnt from looking at how we can progress the case in the most effective and efficient way. If there is an individual we have a lot of evidence against and who might be willing to talk to us in exchange for a reduced sentence, we should look for those opportunities because they will allow us to get justice more quickly.

Q40 **Chair:** There was also a suggestion that I think you raised of financial incentives for whistleblowers.

Nick Ephgrave: I must draw the distinction between people guilty of criminal acts who are co-operating under SOCPA—

Q41 **Chair:** You would not think it appropriate to give any financial inducement for them.

Nick Ephgrave: No. That is entirely governed by the SOCPA. When I talk about whistleblowers—I should have been clearer—I mean people who are not culpable of criminal acts but know that something wrong has happened and want to talk to someone about it. There is an argument to be made for providing some form of financial safety net for them.

Q42 **Chair:** Are you alert, though, to the cultural risk with juries? If I was defending, I might have some fun taking the witness through how much they were paid to give evidence against my client, and making the point that the evidence is tainted. Is that a risk? How do you deal with that?

Nick Ephgrave: This is the way it might work, and it is speculative. I am not suggesting that there is a payment made. If a company is convicted of whatever it might be and a fine is handed down, a percentage of the fine may be provided to the person who allowed that conviction to happen. It is more that there has to be a successful outcome and there are no guarantees, and that provides a degree of safeguard to the jury proposition that you paid the person so they are going to say what you want them to say.

Chair: It is going to be an interesting debate.

Nick Ephgrave: It will be.

Q43 **Dr Mullan:** Hello, Mr Ephgrave. Apologies, I could not be here at the start of the session. I want to ask you some questions about data handling and disclosure. The context is that there have been some unfortunate cases at the SFO where disclosure issues have led to the collapse of potentially important prosecutions. Can you first, just for the record, outline what I accept are some real challenges for the SFO when it comes to disclosure in your investigations?

Nick Ephgrave: Disclosure is a very challenging subject for the SFO mainly because the Criminal Procedure Investigations Act 1996 sets out

the duties of a prosecutor and makes it clear that the prosecutor must retain and record all unused material. When you start an investigation, whatever the investigation might be, you start to gather material. The law says that all the material you gather has to be retained, recorded and then reviewed, and if it meets a certain test it has to be revealed to the defence. That is what we call the disclosure test. Does it either support the defence as you understand it to be or does it undermine the cases that you are putting forward?

In any investigation, particularly these days with digital media, that is quite a big task. For the SFO, it is a monumental task. To give you some sense of scale, the biggest case on our books currently has 48 million documents associated with it, which is 6.5 terabytes of data, if you can imagine that. I dread to think how high it would be if you piled it up on A4. That is not the average; it is an outlier. Our average is about 4.5 million documents, broadly, which is still a huge challenge.

We have invested over the years in document management systems whereby we lodge these vast volumes of material and we review them electronically. They are not pieces of paper any more, they are on a screen, but you still have to read them, you still have to go through them and you still have to make decisions. Associated with all of that is the logistics behind it, which is that all of that material has to be scheduled so that we can provide it to the court and the defence. Scheduling 4.8 million documents and describing each item on a schedule can take months. Of course, when you are dealing with that many, you need to get it right every single time. If you have 100 documents, that is difficult enough. If you have 4.8 million, it is a significant challenge.

It is problematic for us. We spend about 25% of our entire operational budget doing disclosure, which is a significant chunk. That is why we are so interested in what Jonathan Fisher is doing with his review of disclosure. We have made some suggestions to his team about how things might be changed to help the work of the SFO.

Q44 **Dr Mullan:** I will come on to that, but first could you share your reflections following the inspection? It highlighted cases where you had done it really well and cases where you had not done it so well. What have been your key learnings from those?

Nick Ephgrave: Probably that disclosure starts the minute you start an investigation. It is not an exercise you embark on at the point at which you charge. You have to be thinking about disclosure from the very beginning and you have to be documenting what you think. You have to be saying, "This is what I am doing in terms of disclosure and this is why," so that that information can be shared at various stages with the judge in the case when it comes to it, the prosecuting counsel when they get appointed and the defence team, so that everybody is clear about what decisions you have made strategically along the way. I don't want to jump ahead, but one of the things that we are keen to do is to have earlier defence engagement so that we can agree terms at an earlier

point in the process, so that there is less chance of last-minute requests for disclosure.

Q45 **Dr Mullan:** I just want to unpick that slightly. In the cases where it led to a failure of prosecution in the end, was it because there was some important bit of information that was fundamental to your prosecution that you had not had, or was it because you just had not been able to justify and explain why you did what you did with the information that you held?

Nick Ephgrave: It is the latter. Let me explain—I know everybody knows this, but it is probably worth setting out. When we put a case, we provide the evidence. That is what we rely on to prove the case, the documents that show so-and-so did something, or the money went there. The evidence is provided in its entirety. That is what we are building our case on. What you have left over is all the unused material. We are not using that to prove a case, but we have a duty to look through it all and make sure that there is nothing in it that cuts underneath our case, so that it is unlikely that we have missed something that we are going to need to prosecute. It is also probably unlikely that we have missed something that is so blindingly obvious, the exculpatory, that we would not have prosecuted in the first place. It is, generally speaking, a failure of process, which is not to say it is not possible that an important document is missed, but it is unlikely because it is unused material. It is stuff that we have been through. We say, "It is not really of any value to us or to you."

Q46 **Dr Mullan:** I guess I contrast it to an ordinary police investigation where we do not expect the police to fingertip search every possible crime scene to find some micromillimetre of DNA that might belong to someone else who could have been at the scene. We just expect people to put in reasonable best effort and accept that no investigation is perfect. The challenge for you is that you cannot go back to the crime scene and prove that you have missed something. In these types of cases, it is all there in black and white. Someone can find something and show that you missed it, but that doesn't necessarily mean that a fair and proportionate effort has not gone into making it so that it is a fair fight, so to speak, in the court. I find that is a bit of a jarring contrast between what we expect officers to do and prosecutors to do in an ordinary investigation, and this particular issue.

Nick Ephgrave: One of the problems that the SFO has that makes it more difficult is that we generate an awful lot of documentary material, which is different from pieces of DNA or fingerprints or physical items. There is usually a handful of those sorts of things, but for us, as I said, it is mainly documentary evidence. Once you've got it, you can't unget it. You may have seized it because you think it might be valuable and it turns out it is not valuable, but once you have it on your system, you've got it there and you cannot get rid of it. You are then required to go through the process that is dictated by the CPIA.

One of the things that we are focusing on to try to minimise the burden of disclosure is to make sure we do not seize material that we do not need. Particularly with electronic devices, when we go and search someone's house, perhaps we are looking for electronic media that might have documents on it. The average number of digital items any one person in this country has at this moment in time is seven. You may have more or less than that. I have less than that because I am not interested. It can be a TV, it can be a smartphone—you name it.

The practice until fairly recently was, "We don't know what's in all this stuff so we're going to have to bring it all back to the lab." Then we would laboriously go through all that stuff to find out that only one of the items was at all relevant. Now with the use of some smart technology, we can do some triaging at the scene, so we reduce the number of devices we bring back. The trick is to be proportionate about what we seize. As long as we record what we have seized and what we have not seized and why, we are in a defensible position, because the less material we have, the less material we have to go through.

Q47 **Dr Mullan:** It is back-up and then you produce material to the defence that is helpful to them rather than you needing to produce it just because you happen to be in possession of it, and there could be any number of other people who are in possession of it at the same time.

Nick Ephgrave: Exactly.

Q48 **Dr Mullan:** You touched on this and I just wondered if you wanted to add anything further about what you might hope for from the outcome of the independent review. One element in particular that occurred to me is the key to the warehouse approach; you just let people have whatever you have, and if they find stuff, they find stuff. I have two questions about that. Does that material sometimes contain things that a third party, even in the defence, should not see? Does that create a situation where it becomes unfair on defendants who do not have the resource to pay someone to go through it? They would face the same challenges you face.

Nick Ephgrave: It is often seen as a panacea and it is a very attractive thing at first blush, but actually it is fraught with danger for some of the reasons you gave. First, you need to understand what is LPP material—subject to legal professional privilege—and what is not LPP material, so you cannot just hand everything over. Secondly, even if you wanted to hand everything over, according to the Data Protection Act, depending on who you are giving it to and which particular characteristics you need to exclude, you have to redact all that material. You still have to go through it all. You still have to put the proverbial black marker pen through all the names and addresses and protected characteristics that are not relevant to that person. It would be a huge undertaking just to hand it over.

Probably more fundamentally, all you do is put the burden on to a privately funded individual rather than a state prosecutor. They have to

then go through the whole flipping lot, and if they cannot afford a decent defence team or a big defence team they may never achieve that. Not only will it not get done, but if it gets done, it will probably take an awful lot longer. There are lots of issues with it. I am not an expert, but it is not a solution that would appeal to me.

Q49 **Dr Mullan:** Are there any other elements that you have not mentioned about how you think you could do it better? It seems to me unhelpful that 25% of your budget is going on this work.

Nick Ephgrave: I suppose I would say this, but disclosure is an important element of a fair trial. We all know that. It is critical that we do not regress to a place where the prosecution is allowed to just keep stuff and not bother. That is an injustice, isn't it? We cannot go there, but perhaps we can go somewhere that protects against that happening but lessens the burden.

We have asked for a number of things. The first thing is whether or not the definition of relevance could be reviewed by Jonathan Fisher. Without getting too technical, the CPIA, the legislation that governs disclosure, says that everything that you seize is relevant unless you are sure that it is incapable of having a bearing on the case. When you have an investigation such as the SFO has where it might be three or four years in the making, how on earth do you know that a bank statement that you have gathered today will be incapable in three years' time? You don't. Ergo, everything is relevant, so you get the big volumes. You could narrow the definition of relevance to relevant to the case as charged, as opposed to relevant to the investigation more generally. That would narrow it to a degree.

Secondly, we are very keen for there to be a better superintended engagement between the defence and prosecution so that we can come together on things like search terms and what is in and out of scope. That could significantly narrow the material that needs to be scrutinised. That needs to be superintended by the judiciary in some way or other.

Q50 **Dr Mullan:** Otherwise, if it does not have some kind of independent chair, the easy thing for the defence to do is say, "We think it's all over," and actually it's not.

Nick Ephgrave: That's right. It might be a special hearing that is convened and both parties are then subject to a direction from the judge about how to proceed with an element of disclosure. Perhaps if that were to happen, there could be a limitation on the number of late applications that you can make under section 8 for further disclosure. If you have all agreed already what the terms are, what are you doing coming along at the last minute? The judge might have to be persuaded to allow that rather than forced to accept it as it is today.

In the lift the other day, one of my really good case controllers—they are all really good, but this is a particularly good one—said, "This is the third

day that I haven't had a letter from the defence team." I said, "How many do you get in a day?" He said, "I can get 10 sometimes," not all on one case but collectively across two or three—10 letters saying, "We want this, we want that and we want the other." They spend all their day servicing those things and it just seems ludicrous. There is some merit in that.

Then we come to the redaction point that I made, which is not strictly about disclosure; it is the effect of well-meaning legislation on a practice that we have to adopt. How do you lessen the redaction burden? That is something that is actively being considered at the moment.

Q51 **Dr Mullan:** Which bodies is the redaction between?

Nick Ephgrave: In mainstream law enforcement, it is between the police, the CPS and the defendants. For us, because we are, effectively, the police and the prosecution together, it is between us and the defendants.

Q52 **Dr Mullan:** The defence teams.

Nick Ephgrave: Yes. When you have multiple defendants, of course, you have to serve material on each of their firms and you have to redact it in different ways.

Dr Mullan: Yes. Thank you.

Q53 **Edward Timpson:** I was just having flashbacks to a fraud case that I did many years ago when I spent a lot of time redacting things.

Mr Ephgrave, you probably cottoned on to the fact that we have gone through your RUSI speech with a fine-toothed comb to establish what your leadership priorities are. One of the things that you touched on was what you termed "technology assisted review". We were talking a little bit about how you can use ways of being more efficient with the technology that you come into contact with. How much potential do you think that has? Could you tell us a little bit more about how you think it will manifest itself in day-to-day investigations?

Nick Ephgrave: Sure, thank you. What is behind what we call technology assisted review is the use of machine learning. This is a concept that people will be familiar with, and its use in legal practice is established in the civil side of the business. I am told by solicitors who work in that area that they are familiar with machine learning algorithm-type stuff to review vast volumes of documentation. It has not really been used, as far as I am aware, in the criminal side of the business. We are looking at a system that we currently use as a document management system that has a machine learning facility within it.

Let's say you have 1 million documents to review and you have put them into chunks to review depending on search terms or whatever. Suppose you have a chunk of 10,000 documents that you are reviewing for relevance. At the moment, the reviewer will start at the top and work

through document 1, document 2, document 3, document 4, usually in chronological order, until they get to the bottom, and then what comes out of it comes out of it. They have no idea whether the relevant material will be at the top, the middle or the bottom.

First, you program the machine learning facility at the start with what you are looking for in simplistic terms, and then it watches what you, as a human, pick and it learns from that. It constantly updates. It is understanding what you are looking for. All the time that you are going through those documents one by one, it is constantly going through that pile of 10,000 and bringing documents that it thinks match what you are looking for closer to the top. The idea is that you find all the material that is likely to be relevant in a much shorter time to a much higher degree of accuracy. That is the goal.

We are piloting it on a live case at the moment. The early findings are significantly encouraging, but clearly this is a novel approach, and we need to make sure that primarily the judiciary are happy with our use of it, that the defence teams who are going to be working with us understand and are happy with it, and it can be proved to be reliable and fault-free and all the things that you would expect. We are taking each step as it comes. The early indications are that it provides efficiencies and reduces the time it will take to go through large volumes of material.

Q54 **Edward Timpson:** Could you help me out with what natural language processing is? The clue may be in the name, but is that something that you are also looking at potentially using?

Nick Ephgrave: You have the better of me there, I am afraid. I don't know, but I can ask my people about that. It is not something that I am familiar with.

Q55 **Edward Timpson:** I suppose therein lies not only part of the opportunity but also the risk of technology; it moves at such a pace. You as an organisation will want to be able to utilise it in as modern a way as possible that helps improve your ability to investigate a case with the minimum amount of resource but the maximum amount of outcome. How are you, with your future planning of what the organisation will need, factoring that into things like funding bids and the make-up of the resource within the SFO, so that you do not miss what could be something groundbreaking in how you can improve what you are able to do with the time, people and resources that you have?

Nick Ephgrave: Making the best use of technology and the tools that are available is one of the four pillars of our five-year strategy. We have an ambition that we will be ready and able to utilise technology in the best way we can to improve our effectiveness and efficiency. That is writ large in broad strategic terms. This year, there are a number of business objectives that we want to achieve to take us a bit closer to that outcome, one of which is our technology assisted review process, which we have just talked about.

There are other things that we are doing; for example, we are looking at trying to procure a new case management system for the SFO. That is something that has been a long time coming and will assist us greatly in ordering and processing data and information more quickly and more reliably. There is environmental scanning and looking at other opportunities that we have to learn from others. There is a whole raft of things that we are going to try to do this business year to take us closer to being truly able to exploit what technology can offer. It changes all the time; you are quite right. Part of the trick is to keep watching what other people are doing. You cannot invent it all yourself.

Q56 **Edward Timpson:** Last year, the Economic Crime and Corporate Transparency Act was put on the statute book, increasing the number of powers that enable the SFO to investigate, including the failure to protect. We are talking about really serious economic crime. As this is a new provision—it provides you with greater scope for intervening in a potential investigation—what are your plans as to how you will make the best use of what Parliament, hopefully, intended, which was to bring successful prosecutions in the future?

Nick Ephgrave: It is a great question. The ECCTA, the Economic Crime and Corporate Transparency Act, was an important piece of legislation from our perspective because it brought in, as you said, a number of measures that will help us. We are already using some of those provisions, which are active now. It extended the use of our section 2 powers to allow us to require information from institutions and individuals in a broader range of cases. I know we are using that actively as I speak. That has allowed us to get information more quickly in cases where we would not have been able to do that pre-investigation. That is a really helpful provision.

The change to the identification doctrine is an important element for us. We have not used it in anger yet, but it is an important change because it allows us to pursue corporates more easily where there has been a failing but we cannot pin it on the chief exec or somebody. Now there is a much simpler path to culpability for a corporation. That is an important provision that we are keen to understand how to use best.

On failure to prevent fraud, there has to be a code of practice published first before it becomes effective. It is a very exciting provision. It mirrors the duty to prevent bribery offence. It only applies to large businesses at the moment, as we know. Still, I am very keen to understand how we can use that, and not just in the enforcement sphere, because part of our five-year strategy talks about us understanding what role we have, if any, in preventing crime. The duty to prevent fraud is a piece of legislation that might help us prevent. While it is not our statutory purpose, we cannot just pretend that we have no part to play in it. At the least, we need to be a strong deterrent, and this legislation will help us do that. Equally, if we can help educate corporations on how best to behave and how best to regulate, alongside the FCA, that is a space we

should move into, resource allowing, of course. There is plenty of scope for moving my organisation forward using some of the provisions that are in ECCTA.

Q57 **Edward Timpson:** I take it from that that your intent is to try, where it merits it, to find and investigate a case that leads to a successful outcome by virtue of those extended powers.

Nick Ephgrave: Yes. Perhaps rather predictably, I want the SFO to be the first organisation to take a prosecution forward based on the duty to prevent fraud. That would be a wonderful thing to do.

Edward Timpson: Watch this space.

Chair: We have talked a lot about your RUSI speech. It was very helpful and a very useful way of setting out a lot of your thoughts coming into office, Mr Ephgrave. A final point I want to touch on is this. You made the point in that speech that SFO cases have victims and that those are often ordinary people—investors or people who have lost jobs when companies have collapsed and so on. By the nature of it, you are probably dealing with victims on a greater scale in relation to an individual case than might normally be the case in a prosecution. What particular approaches do you need to take in dealing with your victims given the number, potentially, in any case and the length of time your investigations take? What particular approaches do you take to make sure you meet your obligations under the victims code and so on?

Nick Ephgrave: You are quite right; our cases involve large numbers of victims. I will give you a sense of scale. If you take just the five investigations that we have opened since I started, together it totals approximately 50,000 victims, broadly, in this country, who have lost between them £300 million. Those are large numbers of victims. Of course, the victims code is designed, quite rightly, on the basis that there is a personal relationship between an investigating officer and a victim, as there might be in a robbery or a burglary. Of course, that is impracticable at that scale, but we make provision for that.

We will obviously be dealing with individual victims who have lost an awful lot of money or there might be an awful lot of people who have lost a relatively small amount of money that totals up, so we cater for both. We have a very well-regarded victim liaison team who work directly with our victims and our witnesses, to make sure that particularly those who are giving evidence or are somehow involved in ongoing prosecutions are properly supported and kept updated. For the broader range of victims who are not directly involved in a prosecution but have been a victim, at some point, of the fraudster we have taken to court, we have updates on our website regularly so that they can look at where the case that involves them has got to.

Of course, in the victims Bill there is a fresh provision being drafted at the moment, and we are engaged in consultation with the provisions

within it to make sure that the SFO is able to fulfil its obligations, given our particular scale and the nature of our victims.

Q58 **Chair:** How many people do you have in your victim liaison team?

Nick Ephgrave: It is small. It is three or four people.

Q59 **Chair:** Is that adequate to deal with that scale?

Nick Ephgrave: In terms of supporting people, primarily it is around providing support for victims who are coming forward to provide evidence, or witnesses. The number of trials that we have at any one time is small because of our cases, so they are able to cope with the practicalities and logistics of looking after those individuals. That is where we rely on the website for broader reach across the many thousands of people who will not be coming into court.

Q60 **Chair:** Does the website enable victims to give feedback?

Nick Ephgrave: Do you know what? I don't know. I should know, shouldn't I? But I don't.

Q61 **Chair:** Perhaps you can let us know. Do you have any other feedback arrangements for victims?

Nick Ephgrave: We of course do victim impact statements. We get a good sense of the impact that a crime has had on a victim from those. We routinely use those to demonstrate how victims have suffered. They are very powerful documents. I read a variety of them fairly recently. If you ever wanted motivation for doing the job, they provide it. These are generally elderly people or people later in life who have worked hard all their lives and all they wanted to do was provide for their family or their kids or their old parents, or they are looking forward to some well-earned retirement enjoyment, and all of a sudden it is gone. When you see what that does, it is very motivating.

Q62 **Chair:** You talked about ensuring compliance with the revised victims code as an objective. Are there any other proposed changes or enhancements that you are thinking of in relation to victims?

Nick Ephgrave: Other than the contributions that we are making to the revisions, I don't think there are, no.

Q63 **Chair:** Fair enough. It has been a very useful session. We have covered quite a bit of ground. You are seven months into what I think is a five-year term—renewable, touch wood. I am sure it will be. There is a bit of a way to go yet. Are there any further thoughts that we have not touched on about what your strategy will be over the five years or so, and what you think you might have to contend with that we ought to be aware of?

Nick Ephgrave: Resourcing is always going to be an issue. We are keen to take whatever opportunities present themselves at spending review time to put forward a compelling case. One thing that I would say, wouldn't I, is that we offer great value for money? On the average over

the last five years, we have returned to the Treasury three times what it costs to run us. If you are just looking at an invest-to-save kind of argument, there is a strong argument for continuing to support the work of the SFO.

The strategy is pretty bold and ambitious. It is a five-year strategy, so it is going to take us a while to get there. I want the SFO to be a world leader in the fight against corruption, bribery and fraud. We have a good reputation now, so we are not starting from ground zero. I want to enhance that so that we are the real centre of excellence. This country will benefit from that and, hopefully, fewer people will become victims of crime as a result. That is the intention anyway.

Q64 **Chair:** Is there more that we could do to work on the international stage?

Nick Ephgrave: I am putting a lot of effort into that, hence my trip to America to build some bridges there. It is not all about going abroad; we do a lot of stuff through Teams and phone calls as well. Fostering good relations with our sister organisations in different jurisdictions is important because, so often, if you want to get something done, it is much easier to pick up the phone to your counterpart in the FBI and say, "Look, I wonder if you could help with this." Without breaching protocols, it can often help things happen more quickly.

There is that kind of informal network. Then there is the more formal stuff that we are getting. The Home Office COPO initiative, which is all about an enhanced way of exchanging information, is an important initiative that we are really keen to jump on top of. There is plenty to be done in the international space, but there are good routes already established.

Q65 **Chair:** It is about building on those.

Nick Ephgrave: Yes.

Q66 **Chair:** Unless any of my colleagues have any further questions, Mr Ephgrave, thank you very much for taking the time to give evidence to us today.

Nick Ephgrave: Thank you very much for listening.

Q67 **Chair:** It has been very helpful to us. If there is any additional material that you want to provide us with—anything that dawns on you after you have left—do by all means just write to us and send that in. We wish you the very best and every success in your tenure of office. Even if we may not see you again in the current make-up of the Committee, I am sure our successors will look forward to that. We look forward to working with you while we are still here. You may be here longer than some of us are.

Nick Ephgrave: Thank you very much, everyone. It has been a pleasure being here. Thank you.

Chair: Thank you very much. The meeting is concluded.