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Rt Hon Mel Stride MP
Chair, Treasury Select Committee
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Dear Mel,

TREASURY COMMITTEE REPORT - ECONOMIC CRIME: CONSUMER VIEW – UPDATE ON THE POLICE RESPONSE TO FRAUD

Your Committee's report entitled Economic Crime: Consumer View, published on 1st November 2019, recommended that the Government provide the Committee with an update on how the police response to fraud is improving. I am writing to you on progress with particular reference to the implementation of recommendations made by Her Majesty's Inspectorate of Constabulary, Fire and Rescue Services (HMICFRS) in their thematic inspection of fraud.

HMICFRS report on fraud

HMICFRS report, published in April last year, identified twenty one recommendations and areas for improvement. I can report that nineteen of these have been implemented and one is close to being finalised. I have attached as an annex to this letter a breakdown of all the recommendations and the actions in place. The one outstanding recommendation is that relating to the National Police Chiefs' Council Coordinator for Economic Crime who was due to publish a timetable for implementing the revised Know Fraud system (the analysis system of the National Fraud Intelligence Bureau (NFIB)). Unresolved technical issues, arising from the contract between City of London Police (CoLP) and the supplier, have meant that it has not been possible to complete this recommendation. However, a decision is due to be made in May on the future of the managed service contract.

I turn now to some of the key recommendations that should make a significant, demonstrable difference to the police response to fraud.

By 31 March 2020, the National Police Chiefs' Council Coordinator for Economic Crime and chief constables should ensure that forces have processes in place to accurately and efficiently report fraud outcomes to the National Fraud Intelligence Bureau.

Those processes have been developed and implemented by CoLP and police forces. This has enabled direct matching between dissemination of cases from NFIB and outcomes, which in turn provides the necessary detail to support performance management and accountability by senior police leaders and Police and Crime Commissioners. This basic, but essential matching function means that CoLP can clearly see the impact of the work they are undertaking and respond accordingly. Compliance has vastly improved as all forces provide a return every month.,

By 30 September 2019, the Home Office should publish information concerning its agreement with City of London Police to act as the national lead force for fraud. The published information should include (as a minimum) descriptions of:

- **the aims and objectives of the agreement;**
- **the funding arrangement;**
- **accountability and governance processes; and**
- **City of London Police's performance against the agreement.**

The Home Office published information on its agreement with the City of London Police to act as the National Lead Force for Fraud. This included information on the aims and objectives of that agreement, the associated funding, accountability and governance agreements, and the City of London's performance in line with that agreement. It was published on the Home Office pages of the Government's official website (gov.uk):

<https://www.gov.uk/government/publications/national-lead-force-for-fraud/national-lead-force-for-fraud>.

The National Police Chiefs' Council (NPCC) Coordinator for Economic Crime, in consultation with the Home Office and the Director General of the National Economic Crime Centre, should develop a national policing strategy for fraud and, by 31 March 2020, secure its approval by the NPCC for adoption by all police forces.

A policing strategy has been developed in consultation with stakeholders from 43 police forces and nine Regional Organised Crime Units. It has been adopted by the National Police Chiefs' Council, published, and is being implemented across policing. The strategy provides a clear set of objectives for policing. This new strategy will make the policing response to fraud much more joined up from the reporting, triage, and investigation, through to the victim care response. The strategy and its implementation will be reviewed at the end of 2020.

With immediate effect, the National Police Chiefs' Council Coordinator for Economic Crime, working with the College of Policing, should take responsibility for identifying, evaluating and disseminating best practice advice on the police response to fraud.

Structures have been implemented to facilitate identifying, evaluating and disseminating best practice. This includes creation of an online knowledge sharing platform and digital network, College of Policing evidence based policing network champions, appointment of regional fraud development officers to provide a conduit between local forces and City of London Police, international benchmarking, and frequent engagement events. The investigation of fraud is often a complex, time consuming, and specialist function but the improvement in best practice advice should bring uniformity of approach, consistency, and efficiency across the investigation response.

With immediate effect, the National Police Chiefs' Council Coordinator for Economic Crime, when issuing to police forces advice on fraud protection that is to be given to the public (including alerts and campaigns), should take responsibility for evaluating the effectiveness of how that advice is given to the public and the effectiveness of the advice.

A network of SPOCs in each force has been identified to increase the reach of protect advice, and measures are in place to evaluate reach and frequency of channels. The police response to fraud is not only about the investigation and arrest of fraudsters. Keeping the rate of growth in fraud in check relies on measures to reduce the incidence of fraud, such as via the provision of advice to victims. The police have a key role to play in that and implementation of this recommendation will give an improved picture of effectiveness and consequently how they can adopt their advice and approach to giving advice.

With immediate effect, the Director General of the National Crime Agency [NCA], in consultation with the National Police Chiefs' Council Coordinator for Economic Crime, should ensure that the tasking powers of the National Crime Agency are used effectively in the case of serious and organised fraud.

In its report HMICFRS alighted on the importance of effective tasking. This was not only in respect of the dissemination of cases from CoLP to forces, but from the National Crime Agency. The Government is seized of the importance of driving down the incidence of fraud, including serious and organised fraud.

A "voluntary tasking" request was made in December 2019 by the Director General of the NCA to police forces and law enforcement agencies under section 5(1) of the Crime and Courts Act 2013, to catalyse a whole system approach to fraud. The request was made through the National Strategic Tasking Group in coordination with the Director General of the National Economic Crime Centre, hosted by the NCA, and City of London Police. This resulted in coordinated action to tackle a high harm fraud targeted at vulnerable people (courier fraud). In tandem, a protect campaign was launched with social media messaging that reached 13 million accounts. Following the campaign, courier fraud offences in West Mercia, as an example, reduced from 150 in December to five in January, which is indicative of the impact that is possible. Further evaluation of crime reduction is in

progress. The aim is to replicate the approach outlined here for other high harm frauds during 2020.

With immediate effect, the National Police Chiefs' Council Coordinator for Economic Crime should:

- **carry out (and subsequently evaluate) a campaign to raise the public awareness of the existence and role of Action Fraud; and**
- **provide chief constables with a description of the role of Action Fraud for uploading to force websites.**

HMICFRSs report identified misconceptions that both the public and police forces have about the role of Action Fraud. Implementation of this recommendation will address those misconceptions to help ensure that the public and forces have a better understanding of Action Frauds responsibilities in relation to reported fraud.

Forces have been provided with a description of the role of Action Fraud and websites will be audited in the coming months to ensure this is uploaded and available. Radio and sports stadium advertising were purchased and protect messaging incorporates references to Action Fraud to encourage reporting. Early assessment by CoLP suggests that the campaign activity appears to be having some success in raising awareness of Action Fraud: there has been notable increases in engagement across Action Fraud social media channels, an increase of new visitors to the website, and a month-on-month increase in members of the public submitting online reports compared to the same period last year. Whilst it can be difficult to fully attribute such increases to any single campaign activity, these improvements more broadly are encouraging.

Areas for improvement

The HMICFRS report also identified areas for improvement (as set out in the Annex).

Acting on these areas for improvement is for individual Chief Constables to set timelines and report to HMIC and their PCCs. CoLP have written to HMICFRS to request them to provide independent assurance of implementation of the areas for improvement. Additionally, CoLP have built all the areas for improvement into their force engagement and peer review work.

Other measures to improve the response to fraud

Beyond the additional activity set out above to respond to the HMICFRS' recommendations, the Department has also been working hard with stakeholders to carry out a number of more detailed reviews to consider where long term, strategic improvements might be made.

Amongst these, the Department is currently considering:

- A) The City of London Corporation's Police Authority Board/CoLP commissioned review of Action Fraud, which was carried out by Sir Craig Mackey and published on 24 January 2020: (<https://www.cityoflondon.gov.uk/about-the-city/about-us/Documents/action-fraud-report.pdf>).
- B) The independent Serious and Organised Crime Review, which was also carried out by Sir Craig Mackey.

Based on these reviews, and additional work under way within the Department, we are considering what more could be done to help support and facilitate law enforcement investigation into this pernicious and damaging crime.

I hope the Committee finds this update helpful.

*Yours sincerely,
James Brokenshire*

Rt Hon James Brokenshire MP