

Kuldeep Maan – Written evidence (FDF0016)

Fraud Landscape

1. What fraud risks are UK a) individuals, b) the Government and c) businesses particularly vulnerable to today, and what are the reasons for this?

- 1.1 Fraud Risks to individuals – Personal information is being sold legally and illegally. This information is sold by Charities, Government Organisations and businesses that are bought by marketing companies. This information is then sold very cheaply to fraudsters.
- 1.2 Message to the reader. I am able to find out where your elderly parents / grandparents live, what their home number is, whether they live on their own, own their house, what operations they have had via NHS, what benefits they receive, whether they have a blue badge. I can then use this information to target them and make them believe I am from NHS, Council, offer investments, target their pension etc.
- 1.3 The sale of personal data facilitates majority of the fraud in the UK
- 1.4 Also, for individuals, Trading Standards are seeing increased complaints concerning S.4 – abuse of a position of Trust, in particular Carer fraud, where the carer of a vulnerable or elderly individual financially abuses them.
- 1.5 Fraud Risks to Government –
 - Benefit Fraud
 - Covid Grant Fraud
 - Government Energy schemes, where the application forms are fraudulently filled out by businesses
- 1.6 Fraud Risks to Businesses –
 - Copycat Websites are increasing
 - Scam services where scammers then sue businesses for none payment of scam service
 - Businesses being victims of scams, however there is no Agency that investigate the matter. Trading Standard's primary concern is consumers, however there is limited Legislation to protect businesses.

2. What future economic and technological developments are likely to impact how fraudsters seek to commit crime over the next five to ten years, and how might these be prepared for and mitigated? What role can technology and tech companies play in combatting fraud across this timescale?

- 2.1 Continuation of the sale of personal data will increase the amount of fraud committed.
- 2.2 Vouchers bought such apples Itunes cards/ vouchers etc are a large problem, where fraudsters direct consumers to purchase the cards and

direct consumers to disclose the details on said cards, to enable them to transfer the monies from the card.

- 2.3 Companies that offer such cards are aware of their services being used by fraudsters and should place additional security checks, to prevent fraudsters exploiting them.
- 2.4 New online banks, are also not carrying out adequate checks. We have found fraudsters using a range of online banks to open bank accounts to solely commit fraud
- 2.5 To combat fraud in general, banks should submit intelligence of fraudsters, which Enforcement bodies have access to. There are some at the moment, but only available via financial investigators making requests.

3. Is fraud and its victims treated as a priority? If not, what are the reasons for this. The Committee is particularly interested in responses that can explain any barriers preventing effective counter-fraud cooperation within Government, law enforcement, the public sector and the private sector.

- 3.1 West Midlands Police do not investigate fraud in most cases, therefore are not treated as a priority
- 3.2 At Dudley Trading Standards, we treat victims of fraud as a priority however have no powers under the Fraud Act 2006 Legislation to investigate fraud. Trading Standards investigate under the Consumer Protection from Unfair Trading Regulations 2008 and should they obtain enough evidence of fraudulent activity by using this Legislation, issue summons under Fraud Act 2006.
- 3.3 A large barrier is Action Fraud / NFIB. It appears to be a black hole, where complaints are received, and nothing further comes out. At the very least Action Fraud / NFIB should submit and sanitise intelligence that is disseminated to appropriate partner Agencies on each complaint received.

4. What is the role of international actors in the UK's fraud landscape? What are the barriers to tackling borderless fraud?

4.1 In my experience, there are frauds where monies are transferred abroad and in some cases, transferred back in to the UK. The time it takes to discover this information may take some time. On a positive note, the information does come.

Action to Tackle Fraud

5. How effective is the current structure for policing fraud? How successful are the City of London Police, including Action Fraud and the National Fraud Intelligence Bureau, at executing their role as the lead police force for fraud?

5.1 I have nothing positive to say about Action Fraud / NFIB.

5.2 See 3.3

5.3 Above Agencies should be submitting intelligence, disseminating intelligence and responding to intelligence requests more effectively.

6. Are sufficient resources available to Government organisations (such as the Serious Fraud Office and Crown Prosecution Service) and wider police forces to tackle fraud and support victims, and how should this be addressed if not? Answers need not be limited to financial resources.

6.1 Unable to comment

7. What are the responsibilities of the private sector in protecting the public against digital fraud? How can a balance be achieved between the need to tackle digital fraud whilst supporting the growth of these sectors? To what extent is work done to combat fraud across the private sectors undermined by siloed or independent working practices?

7.1 unable to comment

8. What are the legislative or regulatory impediments to sharing fraud risk data across and between the private and public sectors? For example, to what extent does General Data Protection Regulation (GDPR) limit data sharing?

8.1 The argument of data sharing restrictions is common, in particular from NFIB. However, should NFIB have information that a resident in a particular area is a victim of financial abuse, they should have a duty to complete an adult safeguarding referral to the local Authority they live in, with the appropriate information. This will allow the Local Authority, who under the Care Act 2015 have a duty to ensure there is an investigation in to alleged financial abuse is taking place; ensure the victim is safe, target hardened to prevent from being financially abused again and carry out an investigation in to Fraud where appropriate.

9. What is the role of the individual in relation to fraud? Are consumers well informed about the risks of fraud and how to prevent them? If not, which bodies or organisations should do more to ensure this? What are the most effective methods of educating the public about fraud crime and prevention?

9.1 Take 5 and friends against scams are good scheme that may be worthy to focus on to inform consumers of fraud.

9.2 At Dudley Trading standards, we have a dedicated scams unit that visit consumers, who have been identified responding to scams. We use a range of methods to prevent future scams such as target harden, using both telephone and mail preference services, installing call blockers for free, installing door cams on the most vulnerable, signing up consumers, councillors and employees to friends against scams and scam marshals.

Legislative Remedies

10. What is your assessment of the Fraud Act 2006? What has been the impact of the Act and is it having any unintended consequences; if so, what are these?

10.1 Fraud act is a good piece of Legislation. However, as detailed throughout this document, it must be appreciated within this Legislation that there are other Enforcement bodies that investigate Fraud.

11. Is existing legislation effective in tackling the increase in modern forms of fraud? If not, is there a legislative remedy, or should fraud be addressed primarily through implementation of existing provisions? Answers may refer to existing mechanisms such as increasing the scope and powers of regulators. You may refer to any legislation and are not limited to the Fraud Act 2006

11.1 Please amend the Legislation to allow Enforcement Agencies such as Trading Standards / Local Weights and Measures Authority to have the following powers under the Legislation

- A) Inspection of business premises
- B) Inspection of domestic premises that are not wholly used for domestic premises (i.e. some parts used for business purposes such as storing stock)
- C) Production of documents that are requested (from suspects or any other person or business who may have documentation to identify offences, support investigations etc)
- D) Production of Information that are requested (from suspects or any other person or business who may have documentation to identify offences, support investigations etc)
- E) Obstruction offences for failing to allow inspection and responding to requests for documents and information
- F) Definition of business premises to include vehicles, containers and domestic premises that are also used (wholly or partly) for business purposes
- G) Definition of documents to include electronic documents including cctv

12. Is the current system in place for prosecuting fraud cases working effectively? If not, what are the key barriers to prosecution?

12.1 For prosecution of individuals and companies, legal arguments are always made that a company (in particular limited companies) is not 'operative' in committing a fraud, therefore these offences are often dismissed, and we are left with prosecuting individuals only. This is difficult when the guiding minds of the company have implemented business practices that are fraudulent.

13. Are sanctions and penalties for criminals who commit fraud an effective deterrent against future criminal activity, and if not, what might be more successful? Respondents may choose to refer to penalties imposed by the judicial system or by specific sectors.

13.1 There should be provisions of within the Legislation referring to criminal behaviour Orders, in attempt to restrict certain type of business practices committed by individuals or persons acting on their behalf. The aim of this being to prevent similar offences being committed after initial conviction.

Best Practice

14. What lessons can be learned from effective policy interventions and schemes both in the UK and overseas?

14.1 nothing to comment.

15. Can you suggest one policy recommendation that the Committee should make to the Government?

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- K) Production of Information that are requested
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21 April 2022