

Professor Mark Button – Written evidence (FDF0032)

Introduction

I am very happy to submit brief evidence for this committee to consider. I focus upon the impact of fraud on individuals and the suitability of policing structures for fraud.

Impact of fraud on individuals

I have been involved in several studies that have explored the impact of fraud (and attempted) frauds on individuals. These include the research for the National Fraud Authority on fraud victims, research on online fraud victims for the Sentencing Council and more recently victims of computer misuse for the Home Office. These projects together have involved face-to-face interviews with over 100 victims and survey data from over a thousand. Fraud without physical violence or even a loss can cause severe impact on victims. Some of the impacts include:

- **Disruption:** frauds for both organisations and individuals can be disruptive, from the initial investigation, identification of what happened, and rectifying the situation. The costs of dealing with the aftermath in organisations can be very high.
- **Psychological and emotional:** a wide range of psychological impacts on individual victims have been noted, including anxiety, stress, and embarrassment.
- **Health:** the stress and impact of fraud can lead to physical health and mental health problems. Some fraud victims have even committed suicide as a result of the incident.
- **Secondary impacts:** for both organisations and individuals, frauds can lead to secondary impacts such as damage to reputation, and it can often lead to changes in behaviour, such as not going online or avoiding e-banking if that is where the fraud occurred.

Fraud is very clearly not a victimless crime and the financial cost is just one component of harm.

Policing structures

Frauds against individuals (and attempts via computer misuse) alone account for around half of all crime. This excludes organisational victims too, which would probably increase the portion of crime which is fraud even further. Yet of police resources there are probably around 1500 specialist officers/staff. The Department for Work and Pensions has around 8000 specialist staff and perhaps more depending upon the definition for one type of fraud. The resources, however, are only one aspect of the challenge:

- Fraud is low priority in most police forces;
- Not enough specialist training is provided to the police in fraud/economic crime;
- Intelligence collected by NFIB is not utilised quick enough in disrupting/preventing fraud;

- Fraud is cross-border force boundaries and international borders and current structures are designed for traditional crimes; and
- There is extensive private, voluntary and hybrid capacity investigating/preventing fraud which could work together better.

Reforms

In my view the following should be pursued:

- More resources should be dedicated towards state policing of fraud;
- NFIB capacity should be increased with resources for faster disruption/prevention activity to be deployed;
- Police investigation of fraud should move to either regional or a national structure;
- Greater use of civilians in investigation/prevention/disruption should be utilised;
- Structures should be created to better integrate wider fraud policing in private, voluntary and hybrid sectors in working together to tackle fraud, perhaps drawing upon the Cabinet Office work of bringing together central government.

References to relevant work

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