

Written evidence submitted by Victim Support

Introduction

Victim Support is an independent charity dedicated to supporting people affected by crime and traumatic incidents in England and Wales. We provide specialist services to help people cope and recover and to empower them.

In 2022/23 we supported 9,600 victims of fraud across England and Wales. In some areas we have services with specialist fraud caseworkers, we provide a dedicated support line for the customers of several national high street banks and have developed fraud-specific resources to help people after they have been a victim of fraud. We are also involved in several Operation Signature initiatives in conjunction with local police services.

As well as helping address wider impacts such as deterioration of mental health, improving victim support will help prevent re-victimisation, significantly reducing the volume and harm of fraud. The 18% of fraud victims who are repeat victims each year account for 35% of all fraud. By exploring what works best to help those most at risk, and reducing the number victimised again, we will improve outcomes for victims and reduce the harm of fraud.

Victim Support welcomes the Home Affairs Select Committee's Inquiry into fraud. We have confined our responses to those areas relevant to the experiences of fraud victims with whom we have contact.

The prevalence of fraud

How offenders are committing fraud and the impact of this fraud on victims

Fraud is now the most common crime in the country (41% of all crime), with an estimated 3.5 million fraud offences taking place last year.¹ Over the same time period, 1.1 million fraud and computer misuse offences were recorded by the police.² Indicative data such as the Crime Survey for England and Wales (CSEW) 2023³ suggests over 11% of victims were victimised more than once, and a recent study found 22% of people surveyed had been a victim of fraud within the previous 12 months.⁴ However, there is growing evidence that fraud is a significantly under-reported crime and we expect repeat fraud is particularly underreported. The true scale of fraud is not fully known.

Even where financial impacts are minimal, many frauds still have devastating and long lasting impacts on victims, their families and friends.^{5,6} The focus on the impact of fraud is often orientated around financial costs to the economy or specific sectors, and less attention has been paid to the impact on individual victims.⁷ However, we know from providing services to victims that fraud has a wide impact across all aspects of life. Studies have showed that impact of fraud goes beyond financial loss and extends to emotional and psychological wellbeing, physical safety and health, relationship breakdown, changes in

¹ [Crime in England and Wales - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk/crimeandjustice/crimeandjusticearticles/crimeinenglandandwales)

² Ditto

³ Table 6, [Nature of fraud and computer misuse in England and Wales: appendix tables - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk/crimeandjustice/crimeandjusticearticles/natureofcrimeandcomputermisuseinenglandandwales)

⁴ Page 7, [Tackling online fraud - polling findings report \(usrfiles.com\)](https://www.usrfiles.com/USR/2023/03/20230301_Tackling_online_fraud_polling_findings_report.pdf)

⁵ Spalek, B. (1999). Exploring the impact of financial crime: A study looking into the effect of the Maxwell scandal upon the Maxwell pensioners. *International Review of Victimology*, 6, 213-230.

⁶ Button, M., Lewis, C., & Tapley, J. (2014). Not a victimless crime: The impact of fraud on individual victims and their families. *Security Journal*, 27(1), 36-54.

⁷ Levi, M., & Burrows, J. (2008). Measuring the impact of fraud in the UK: A conceptual and empirical journey. *British Journal of Criminology*, 48(3), 293-318.

daily routines, and impaired reputation and social standing.^{8,9} We regularly work with fraud victims who are impacted to the extent that they are off work with poor mental health, are unable to continue with a course of study or otherwise disengage from the people and activities that normally contribute colour and shape to their lives.

There is an emerging body of evidence that links the impacts of fraud with suicide and other mental or physical health harms. For example, the tragic deaths of Ian Davis of Dunshalt, Fife,¹⁰ in April this year, and 'Alice' in Kent,¹¹ who were both experiencing the adverse impacts of fraud. Victim Support caseworkers regularly hear from people who are so traumatised by the fraud they have experienced and its impact on their lives, that they feel suicidal. We use grounding tools to help people reduce their heightened emotional state, but our staff still have occasion to call local police and other emergency services in order to attend where victims are at high risk of or are in the act of self-harm. We also routinely refer vulnerable adults into local social services where they appear unable to protect themselves from harm.

Through our victim services we have also found some variations in the impact of fraud depending on its nature. For example, victims of romance fraud can have wider effects due to the impact of the loss of the relationship and level of deception they experienced.¹² Victims of identity theft can experience long-term psychological and somatic affects.¹³

Vulnerabilities and personal biases are often exploited to commit fraud, which can contribute to the effects of the fraud. For example, we are working with a community of people with learning disabilities who were systematically defrauded, whose case has not been taken forward by the CPS. We also support a high number of victims whose situational vulnerability has been exploited by fraudsters.

Research undertaken by Which? in 2022 found that frauds were successful when victims were beyond their emotional 'window of tolerance', meaning they were particularly stressed, tired or distracted or otherwise facing situational vulnerability.¹⁴

Diane had nearly £25,000 - her entire life savings - stolen through a cost of living fraud. One Friday afternoon she received a text message, supposedly from Gov.uk, which claimed to be offering help with energy bills. "It looked so genuine [...] I'd just found out that my sister had cancer so my head was a bit all over the place." Diane followed the link and put her card details in. Once she had done this, the fraudsters had enough information to contact her again and impersonate an official body*

How the emergence of new types of technology, such as artificial intelligence, is being used to commit fraud and the role of internet providers and social media providers in enabling or preventing fraud and actions they could take

A key way to tackle fraud is to design it out of the system - banks, tech companies, and the telecoms sector all have critical roles to prevent fraud at source. Security improvements

⁸ Kerr, J., Owen, R., McNaughton-Nicolls, C., & Button, M. (2013). *Research on sentencing online fraud offences*. London: Sentencing Council.

⁹ Button, M., Lewis, C., & Tapley, J. (2014). Not a victimless crime: The impact of fraud on individual victims and their families. *Security Journal*, 27(1), 36-54.

¹⁰ [Ian Davis of Dunshalt, Fife - Early Day Motions - UK Parliament](#)

¹¹ [Safeguarding Adult Review 'Alice' \(kmsab.org.uk\)](#)

¹² Whitty, M., & Buchanan, T. (2012). *The Psychology of the Online Dating Romance Scam*. Retrieved from https://www2.le.ac.uk/departments/media/people/monica-whitty/Whitty_romance_scam_report.pdf

¹³ Sharp, T., Shreve-Neiger, A., Fremouw, W., Kane, J., & Hutton, S. (2004). Exploring the Psychological and Somatic Impact of Identity Theft. *Journal of Forensic Science*, 49(1), 131-136.

¹⁴ [The Psychology of scams: Understanding why consumers fall for APP scams \(which.co.uk\)](#)

such as Confirmation of Payee and two factor authentication have been welcome developments, but more needs to be done, especially in the spaces where social engineering is the prime driver of fraud.

We strongly believe that social media companies must be held to account for the use of their platforms to perpetrate fraud, and in particular they must take responsibility to swiftly identify and remove fraudulent advertising, and where appropriate to assist with investigating and prosecuting fraudsters. The Online Safety Bill is a welcome step towards this, but its success will depend on the extent to which the regulator Ofcom is able to dedicate resources to ensuring compliance. Along with other agencies we saw a significant increase in WhatsApp frauds in 2021/22, and think that social media companies have an additional responsibility to continually inform and educate their users about the types of fraud they may be exposed to.

We are to a much lesser extent aware of the use of deep fake photos being used to suggest legitimacy in fraudulent advertising, and we have not yet seen use of artificial intelligence in perpetrating fraud through our role in supporting victims of fraud.

The cross-cutting nature of fraud

We see examples where victims are defrauded in multiple ways, which can complicate steps to get money back and also lead to greater financial losses. Recovery fraud, for example, where the fraudster calls up as if from the bank about the fraud they were originally victim to and elicits further money from the victim, is a regular feature of repeat victimisation.

*We have been working recently with Jakob*¹⁵ who was a victim of authorised push payment fraud. This occurred when a fraudster masquerading as an employee of Jakob's bank contacted him to say his account was at risk from internal bank branch fraud. As well as transferring his own savings to a bank account controlled by the fraudster he was also deceived into transferring money onwards that the fraudster had deposited into his account. Jakob told us that the fact that money was deposited into his account made it all the more credible that he was dealing with his own bank. Jakob subsequently had his accounts suspended and was then investigated himself by his bank, as they believed him to be a 'money mule'. Jakob also received calls from fraudsters pretending to be fraud recovery companies that could help him get his money back.*

Francis was approached on her doorstep and offered 'a good deal' on having her defective guttering repaired. The fraudsters took down the guttering from the rear of her house. They drove her to her local bank where she withdrew £4,000 to pay for the repairs. The fraudsters did not return to install new guttering. Over the coming months Francis had other callers to her home, asking if she wanted to sell her car, or have pollarding carried out on the trees in her garden, and she became a victim of repeated fraud.*

Reporting, investigating and prosecuting fraud

The effectiveness of the current system for reporting, investigating and prosecuting fraud, including work with international partners in tackling fraud

Only one in seven (15%) fraud incidents were reported to Action Fraud or the police.¹⁶ The 2019 CSEW found that victims may not report fraud for a variety of reasons. For example,

¹⁵ * real names not used

¹⁶ Office for National Statistics, Nature of fraud and computer misuse in England and Wales, March 2019, Appendix table 13, available at: www.ons.gov.uk/peoplepopulationandcommunity/crimeandjustice/datasets/natureoffraudandcomputermisuseinenglandandwalesappendixables

fraud victims think the offence is too trivial or not worth reporting, or that it is a private matter that they can deal with themselves. We know through our work supporting fraud victims that negative experiences of reporting or not being believed or reimbursed for their losses is a significant contributing factor to under-reporting.

According to a recent report by the National Audit Office, under-reporting complicates the ability to collect data and thus understand the impact of fraud on different demographics.¹⁷ It is vital that efforts are made to increase reporting of fraud through improving experience of reporting, tackling victim-blaming messaging, increasing confidence that reports will be investigated and improving mechanisms for reimbursement.

Victim Support welcomes a single national fraud reporting service, in order to centralise the reporting of fraud due to its non-geographical nature, to enable systematic collection of evidence and to facilitate a consistent response to victims. We understand from supporting victims through the process of reporting, that there are also some practical difficulties with using the Action Fraud portal to submit new or additional evidence, once their case has been 'closed'. The purpose of and remit of Action Fraud is also often unclear to victims who have reported, who often assume their case is being investigated and consequently feel let down when they realise it is not. Victims tell us they rarely get information back from Action Fraud or the police after reporting and even fewer are told what has happened as a result of their report. We think this lack of feedback is a disincentive to victims reporting.

Victim experiences of reporting fraud to their banks is varied. From encountering practical difficulties such as getting through to customer services by telephone, through to judgemental questioning about what has happened and 'why', to having to repeat their experiences to different bank departments. Each of these experiences can act as a barrier to people reporting future fraud to their bank.

Fraud is often highly complex and involve a range of agencies. It increasingly has digital components and international dimensions that can further complicate investigations. There is a need to invest in the policing capabilities and infrastructure to properly tackle and investigate fraud. The resources currently allocated to tackling fraud do not go far enough to meet demand, and capacity to investigate fraud needs increasing. We are aware of instances where police investigations into large-scale fraud that took place in the UK have not received the investment required or requested by the investigating team, against competing priorities, and the police have had to abandon the case after several years. This meant that no justice outcomes were achieved and there were significant financial and emotional consequences for those victims waiting for justice. Without investment of police resources into investigating these large-scale frauds, confidence in the justice system will continue to remain low and fraudsters will continue to perpetrator fraud against other victims.

Given that nearly two-thirds of fraud cases in England and Wales are cyber-related, directives and regulations such as the Budapest Convention are critical in assisting law enforcement and justice systems to share evidence and information. Improved international cooperation and partnership may assist victims' to feel supported and receiving the justice they deserve.

The response of the criminal justice system to rising fraud

We believe the justice system is under-resourced and under-equipped to tackle fraud. The scale and complexity of fraud must be matched with a specialised and well-resourced police function as well as international co-operation.

¹⁷ [Progress combatting fraud \(nao.org.uk\)](https://www.nao.org.uk/publications/2017/progress-combatting-fraud/)

Only around 4% of reported frauds receive a criminal justice outcome.¹⁸ Without convictions, fraudsters will continue to adapt their tactics in response to efforts to design out fraud, and they will continue to believe they can act with impunity. Currently, prosecution and conviction rates are low and cases sometimes take years to get to court. This also partly explains why fraud is under-reported and victims lack confidence in the system.

In addition, Victim Support caseworkers who directly support victims of fraud report that the police often do not refer victims to victim support services, fail to offer the victim an opportunity to make a Victim Personal Statement and in some cases do not provide any entitlements under the Code.

The Government also needs to do more to tackle the court backlog which is negatively affecting justice outcomes and victims of fraud. We are supporting victims of a timeshare fraud where the criminal investigation has taken five years and the crown court hearing only commenced in October 2023. Due to the nature of this fraud many of the victims are elderly and in declining health. The shortage of specialist law enforcement and criminal justice resources for investigating and prosecuting fraud means that justice is delayed for victims, or sometimes denied entirely. We are aware of some very long investigation times, and in an example from 2022 the investigating police force abandoned a significant fraud case after four years as it could not secure the necessary resources to bring the suspects to trial. With the scale of the court backlog it is likely that long waits for trial will increase and victim attrition accordingly. It is vital that the Government steps up its efforts to significantly reduce the current court backlog.

Government's response to fraud

The Home Office's progress to date on tackling fraud

A key approach the Government have to blocking fraud is through sector charters. Their ethos is that industries, including the tech sector, have a responsibility to create safe systems, platforms and services to protect users from fraud and money muling activity. Government and industry have a core responsibility to design out fraud, for instance by improving the identity and verification checks and other on-boarding systems to better understand their customers and to keep bad actors out of financial processes. Banks and building societies should invest more in customer behaviour and financial transaction analytics in order to better identify potential fraud. They also have a role in creating mechanisms, especially for vulnerable customers, to enable delays and tailored checks on transactions, to reduce the likelihood of becoming a victim of fraud. Although public awareness is an important part of fraud prevention, fraudsters are skilled manipulators and often deliberately target victims based on potential vulnerabilities. The charters are limited by being voluntary, with no ability to hold industry to account for compliance. The fraud strategy reiterates the government commitment to engage with senior industry leaders on action from the technology sector.

Whether the recently published Fraud Strategy does enough to combat fraud and whether the current machinery of Government is sufficient in tackling fraud

The Government's fraud strategy, published in May 2023, focuses on keeping the public safe and reducing the threat of fraud, rather than the support available for the increasing number of victims. The main ambition is to cut fraud by 10% of 2019 levels by the end of 2024 by pursuing fraudsters, blocking frauds and empowering the British people. We do not believe this is clear or ambitious enough.

¹⁸ <https://www.justiceinspectorates.gov.uk/hmicfrs/wp-content/uploads/fraud-time-to-choose-an-inspection-of-the-police-response-to-fraud.pdf>

One of the eight priority actions in the fraud strategy is the launch a new National Fraud Squad. We support the setting of a national specialist team. We are pleased that the Strategy recognises that the resources currently allocated to tackling fraud do not meet demand, and capacity to investigate fraud needs increasing. However, 400 specialist investigators to make up the new National Fraud Squad (NFS) is not sufficient to deal with the current volume and complexity of fraud. We also want to see change across the fraud landscape and with the adoption of the Strategic Policing Requirements there is a key opportunity for more strategic collaboration between the MoJ, HO, BIS policing and other government department. The Government need to go further.

We welcome the Government's ambition to improve Action Fraud and are monitoring the changes that the new service will bring to victims.

We welcome action to make it harder to commit fraud and therefore commitments in the fraud strategy to ban SIM farms, make it harder to stop 'spoof' calls, and extend the cold calling ban.

Much work on fraud prevention in the UK has focused on raising awareness about the risk of fraud so that individuals and organisations can better protect themselves. Public education messaging on the prevention of fraud needs to acknowledge that fraud is sophisticated and often highly technical, and that everyone is vulnerable. Criminals manipulate victims and capitalise on situational vulnerability as well as targeting vulnerable people. Too narrow a focus on consumer fraud prevention advice contributes to the narrative that victims are to blame when they succumb to fraud. This compounds the stigma and shame associated with it and reduces the likelihood they will report to the police or inform their banks. We support the government's commitment to awareness raising campaigns around fraud, but these need to be victim-led not victim-blaming. It is also vital that victims receive specialist support, and that services are resourced to work with victims to prevent re-victimisation.

What the Fraud Strategy lacks is a commitment to ensure that victims of fraud will receive the support they need to recover from the wide-ranging impact of fraud. The main mention of investment in support services within the Fraud Strategy is further funding for the NECVCU, which does not provide a service which we recognise as a victim support service. In our understanding, the NECVCU service does not by design address the significant and long term harms fraud can causes for some people, or provide the intensive support needed by some. NECVCU processes are set up to identify harms and vulnerabilities, but from our insight in supporting victims who have used the service it primarily provides sign-posting and preventative advice, plus local police referrals for highly vulnerable people. Although fraud is mentioned in many Police and Crime Plans, there are few dedicated resources for fraud victims across England and Wales.

The Fraud Strategy could be significantly enhanced by reaching out to other government departments, such as the Ministry of Justice to ensure a joined up, end-to-end approach for supporting victims and preventing fraud. The Fraud Strategy also offers an opportunity to join up initial fraud reporting, fraud prevention advice, and referral into local specialist fraud support that is delivered by a range of organisations across the UK. In our view more needs to be done to ensure that the scale of damage caused by fraud is met with an adequate support system for affected victims.