The Treasury Committee has heard evidence that banks may be understating the level of fraud in the banking system.

In an evidence session on 5 November 2014, the Committee was told by Dr Richard Clayton that, while the banking industry (through Financial Action Fraud UK) regularly publishes figures showing the total money lost to online banking fraud, these figures do not include money which has been taken fraudulently from accounts but subsequently recovered. The Committee was also told that banks do not collate figures showing how much money is 'at risk' from fraud—that is, the combined balance of all the accounts which criminals are known to have been capable of accessing fraudulently.

The Committee would be grateful to know whether HSBC collates this information, and what other information you consider necessary to give a proper reflection of the scale and risks of fraud in the banking system. It is important that banks are transparent about these matters and do not, as previously, solely report the sums which are irretrievable.

I will be placing this letter, and in due course your reply, in the public domain.

ANDREW TYRIE
CHAIRMAN OF THE TREASURY COMMITTEE