Briefing note on JFT for PAC | October 2017

About Cifas

Cifas is a fraud data sharing organisation. In operation for over 25 years, Cifas enables over 440 organisations from a range of sectors to securely and legally share data for the prevention and detection of fraud and protection of citizens. In order to enable this arrangement, Cifas designed, built and provides secure systems, connectivity, and governance arrangements, data-matching and analytic tools to its partner organisations.

Cifas’ partner organisations share confirmed fraud data to a standard of proof which would support a report to the police on a reciprocal basis. Data is also ingested from a range of other sources which support investigations and profiling, including false and Fraudulently Obtained Genuine documents shared by police and government, law enforcement alerts, fraudulent Royal Mail redirects and deaths data. Cifas also facilitates the sharing of Home Office immigration data and the details of vulnerable individuals who are at risk of identity takeover or subject to a court order of protection under the Mental Capacity Act 2005.

In each of the last five years, organisations using Cifas’ secure systems have reported fraud prevention savings of over £1bn.

JFT Challenges

Cross-Sector

The Joint Fraud Taskforce is predominantly banking focussed. Cifas is the only body that has a reach beyond the banking sector present within the JFT’s management and oversight boards.

Our own data clearly shows that fraud does not just affect the banking sector. Last year, our telecoms members recorded 43,325 frauds, online retailers recorded a 52% increase in fraud last year with 37,534 cases of fraud, and our insurance members recorded 7,923 frauds. We know this is just the tip of the iceberg, as many frauds go unreported and undetected; and while Cifas does have a significant reach into these sectors, it is not a complete reach.

56% of fraud cases recorded to Cifas were identified through cross-sector data matching.

We believe that if the JFT is to be successful in tackling and preventing fraud it needs a cross-sector focus and to do that it needs a range of cross-sector members.

National Measure of Fraud Loss

The JFT can help prevent fraud in the UK through sponsoring and putting in place a new national measure of fraud loss.

The last government sponsored national measure of fraud loss took place in 2013, by the now defunct National Fraud Authority (NFA). The NFA reported in 2013 that the UK had suffered over £52 billion of fraud in that year. Our experience since 2013 is that fraud has increased significantly. However, there is no national measure to corroborate this.

We believe that if we are to be able to effectively tackle fraud and see if actions to stop and prevent this crime are effective, then there needs to be a universally recognised measure of fraud loss through which actions are measured.
Government is the right organisation to convene and sponsor such a measure with the broad support of industry and the third sector. We feel this measure would be most effective and efficiently run if organised biennial. This measure could then be used to determine how effective the response to these crimes have been.

**Law Enforcement Response**

The other area we feel the JFT can do more to tackle fraud in the UK is by empowering and challenging UK law enforcement to do more to tackle and prevent fraud.

Fraud is now the single largest crime by volume in the UK and it is increasing every single year. Despite this, the figures we have for fraud at the moment are only the tip of the iceberg, as much fraud goes unreported or undetected.

Law enforcement's response to this crime is simply not commensurate to the scale of the problem.

Cifas sends around 1,000 cases of fraud a day to the National Fraud Intelligence Bureau run by the City of London Police. The cases we send to the NFIB are counted as crimes under Home Office counting rules and are only one of a number of different data sets from different sources that get reported to NFIB. From all the cases that then get disseminated as crime packages to various UK police forces – less than 500 a year are carried through to a resolution by law enforcement – a drop in the ocean compared to the scale of the problem.

It is clear that local policing is not efficiently resourced to deal with this issue. Times are difficult and resourcing is scarce, but just because something is difficult does not mean it should not be done. Policy makers and law enforcement risks losing the public's trust in their failure to tackle this epidemic.

If you have any questions on the points raised in this briefing, please contact:

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