

To: Kent and Medway Police and Crime Panel

Subject: Update on Fraud

Date: 16 June 2022

Introduction:

1. Fraud is the most commonly experienced crime in the UK. It costs the UK many billions of pounds every year. The impact of fraud and cyber-enabled related offences can be devastating, ranging from unaffordable personal losses suffered by vulnerable victims to impacting the ability of organisations to stay in business.
2. That is why, in the [Making Kent Safer](#) Plan, the Police and Crime Commissioner (PCC) expects the Chief Constable to 'have the right resources with the right skills to investigate all crimes, and where possible, bring to justice those who harm individuals and businesses'. It is also the reason that the PCC commits to 'working with local and national partners, including the Police Digital Service, to ensure policing is able to exploit the advantages that technology can offer to better safeguard and protect communities'.
3. This report provides an overview of how fraud is reported and handled in Kent, local and national activity to safeguard victims and also outlines how the PCC holds the Chief to Constable to account.
4. The PCC is grateful to Kent Police for its assistance with this paper.

Fraud reporting:

5. If a person is scammed, defrauded or experiences a cyber crime in England, Wales or Northern Ireland, they should report it to [Action Fraud](#). Action Fraud is the UK's national reporting centre for fraud and cyber crime and takes crime and information reports on behalf of the police and also provides advice and fraud prevention guidance.
6. Victims can report a fraud or cyber crime and find help and support via the [online reporting service](#) which is available any time of the day or night. Help is also available over the phone through the Action Fraud contact centre by calling 0300 123 2040.
7. Action Fraud does not investigate cases and cannot advise on the progress of a case, but reports taken are passed to the National Fraud Intelligence Bureau (NFIB).
8. The NFIB sits alongside Action Fraud within the City of London Police (CoLP) which is the national policing lead for economic crime. All reports of fraud and cyber crime reported to Action Fraud, whether they are identified as a crime report or an information report, are received into the NFIB and assessed to determine the most appropriate action.
9. Experienced reviewers assess each report to determine whether there is enough information to send to a police force in order to progress an investigation. Not all crime reports received by the NFIB are sent to forces; for instance, some will be circulated as intelligence only, while others will be sent to their Prevention and Disruption Team to allow for the fraud enabler (such as telephone number, website address) to be blocked to prevent others from becoming victims.
10. The allocation of an investigation is based on where an offender lives with the same force responsible for supporting the victims wherever they may reside. Therefore, the level of support provided to Kent victims is often outside the control of the Force and locally commissioned services. It should also be noted that police forces are not compelled to accept a crime report sent to them by the NFIB for investigation; they will review the report themselves and decide on a course of action.

11. In addition to reports from individuals and small businesses (either direct or via a police force) made to Action Fraud, the NFIB also receives data from industry and the public sector and a variety of intelligence sources including, but not limited to, national and international police crime/intelligence systems.
12. Whilst not every report results in an investigation, every report helps to build a clearer picture. This contributes to making the UK a more hostile place for fraudsters to operate and helps to keep other potential victims safe.

Volumes and types of fraud:

13. Action Fraud has taken over the recording of fraud offences on behalf of individual police forces. The number of reports recorded in Kent was as follows (please note 2021/22 data has not been published):
 - 2016/17 = 7,860
 - 2019/20 = 10,720
 - 2020/21 = 12,509
14. Nationally, 2020/21 saw a 27% increase in reported fraud.
15. In 2020/21, Kent had the highest level of reports regionally and was ranked 7th highest for victim referrals per 1,000/population nationally, with an estimated reported loss of £56.3 million.
16. Of the 12,509 frauds recorded, the NFIB disseminated 738 to Kent for further investigation – a 22% increase on the previous year.
17. Positive outcomes are lower than other crime types. However it is important to understand that unlike other crimes, where it is the same crime type and suspect it will be recorded on one report. An example being an investment fraud involving over 2,000 investors with 500+ reporting to Kent as victims. This would be recorded as one investigation with one positive outcome overall.
18. The NFIB only record judicial outcomes for NFIB referrals. Alternative outcomes such as Cease and Desist Notices are not currently recorded as a positive disposal by the CoLP, but are being looked at and will likely feature as a positive outcome going forwards.
19. The pandemic led to offenders diversifying their tactics, exploiting online services and committing particularly cruel 'romance' frauds. For example, in December 2020 there were 1,161 reports across the region compared to 700 in December 2019.
20. Nationally there has been a rise in consumer based fraud and this is replicated in Kent with it being the highest reported fraud type.
21. The top 3 reported fraud types nationally are investment fraud; cheques, online banking and plastic card fraud; and boiler room fraud. Kent's Serious Fraud Team is currently investigating in excess of £80m of losses within these crime types.
22. The highest harm threats are identified as courier, romance, investment, payment diversion and online banking.
23. Nationally, evidence suggests that repeat victims account for approximately 21% of overall losses and will on average suffer losses more than 4 times that of single incident victims.

Tackling fraud:

24. In Kent, the Serious Economic Crime Unit (SECU) within the Serious Crime Directorate is made up of several teams that work together to tackle and prevent fraud:
 - Fraud Triage Team - review and carry out initial investigations of all NFIB fraud referrals into the Force to assess if there are viable lines of enquiry prior to allocating to the relevant team/department.
 - Financial Intelligence Team - support the Force in relation to financial enquiries and financial intelligence for investigations.
 - Economic Crime Team - manage NFIB referrals that have been reviewed by the Fraud Triage Team and have clear lines of enquiry which will either lead to safeguarding of victims, recovery of losses or prosecution of suspects.

- Serious Fraud Team - investigate complicated high value frauds with multiple victims or cases which are sensitive in nature involving bribery or politics.
 - Proceeds of Crime Team - manage asset recovery through different methods such as POCA, confiscation orders, account freezing orders and financial Investigative orders. They also deal with cash seizures made under POCA and provide advice relating to any type of asset or cash seizure.
 - Cyber Crime Unit - manage cyber dependant crime and provide assistance with all cyber enabled crime, including those connected to crypto currencies.
25. Nationally, the CoLP own the fraud portfolio. Crimes reported through Action Fraud are owned by the CoLP and allocated to forces for investigation. Therefore, crimes where the offender lives in Kent are investigated by the Force on behalf of the CoLP.
26. As the lead force for fraud and cyber crime, the CoLP provides direction on national initiatives that tend to focus on high harm fraud offences, such as:
- Courier fraud
 - Rogue traders
 - Romance fraud
 - Investment fraud
 - Mandate fraud
27. They also run intensification periods during which forces are required to target specific offence types, increasing pursue and prevent activities and prioritising the arrest of offenders where identified. A recent example of this was an investigation into courier fraud in East Kent.
28. The Eastern Region Special Operations Unit (ERSOU) also works with regional forces to ensure a united approach to tackling fraud. A regional action plan is managed by ERSOU, but requires forces to coordinate their activities to ensure a consistent regional approach

Safeguarding victims:

29. The National Economic Crime Victim Care Unit (NECVCU) is a team of specialist advocates working within the CoLP that supports vulnerable people who have fallen victim to fraud and cyber crime, with the aim being to make them feel safer and reduce the possibility of them becoming a repeat victim.
30. The NECVCU assesses each reported fraud and offers a three-tiered response. Every force receives Tier 3, but forces assesses the service level they wish to sign up to in terms of Tier 1 or 2:
- Tier 3 – extremely vulnerable; victims are referred immediately to the appropriate force for bespoke contact. In Kent, contact is made directly with the Force Control Room (FCR) for patrol attendance. The NECVCU operator remains on the line with the victim until the FCR takes ownership. SECU will also receive a notification so they can follow up on relevant safeguarding.
 - Tier 2 – vulnerable; victims are contacted by telephone by the NECVCU team.
 - Tier 1 – non-vulnerable; victims are sent a letter by the NECVCU team.
31. Kent also receives a weekly victim data list from the NFIB; upon receipt, a Victim Care letter is sent to all those who have provided an email address.
32. Of note, the NECVCU are developing a two-week bespoke victim justice training programme to deal specifically with vulnerability and victims of fraud which they hope to roll out to forces to support staff in safeguarding who have no previous fraud or victim care background.
33. Under Operation Signature - a national initiative aimed at reducing fraud within communities and providing additional support to vulnerable victims of fraud - the NFIB data is also separated into the three Kent Divisions and sent to the divisional Fraud Prevention Co-ordinators. The Co-ordinators review every report and assess whether additional support is necessary. A telephone call or face to face visit is conducted and consideration is given as to whether further support (e.g. social services referral) or signposting is required.
34. Forming part of a wider Prevent and Protect Team, Kent Police also has a Fraud Prevent and Protect Officer who ensures that both national campaigns (e.g. Take 5) and local fraud protect messages are shared across Kent. The officer also develops contacts and intelligence sharing between the police and external agencies/charities/organisations, as well as providing bespoke presentations to a diverse range of victims,

groups and businesses on how to protect against fraud. They support the Fraud Co-ordinators by delivering fraud protect messaging in direct response to issues identified.

35. Kent Police aims to improve knowledge and therefore strengthen protection against fraud. It provides advice and awareness to the public through a multitude of methods, including:
- Kent Fraud Alert System (KFAS) which provides members with regular alerts on current scams and threats, together with Protect advice and signposting as to where/who to contact. It is open to individuals, organisations and groups and is free of charge.
 - Bespoke fraud protect and prevent advice for victims of crime.
 - Training awareness for individuals / organisations and internal team training.
 - Presentations and public speaking at events.
 - Through information published on the [Kent Police website](#).
36. The Force also has a Cyber Prevent and Protect Officer; their role is to:
- Provide advice to businesses and the public on how to change their cyber behaviours.
 - Offer bespoke cyber protect advice and support for victims of cyber dependant crimes.
 - Deliver training and awareness packages for individuals and businesses.
 - Train police officers and staff so they have the knowledge and are equipped to share cyber crime prevention advice.
 - Work closely with partners, to help develop capabilities and enhance reach.
 - Regularly deliver presentations at business events.
 - Promote National Programmes (i.e. Police Cyber Alarm, Cyber Digttools).
 - Support national campaigns via the @KentPoliceCyber Twitter pages.

Holding to account:

37. One of the principle ways the PCC holds the Chief Constable to account is through the quarterly Performance and Delivery Board.
38. Open to Panel Members and the public on a non-participating basis and also live streamed, the meeting is chaired by the PCC and papers are submitted by the Force in advance and published [here](#). The Chief Constable is required to attend the meeting in order to present and discuss the papers and answer questions about delivery of the [Making Kent Safer](#) Plan and policing generally in the county.
39. The PCC will continue to also hold the Chief Constable to account via their regular weekly briefings which allow discussion of a wide variety of subjects.
40. Supplementing the above:
- the Association of PCCs (APCC) regularly circulates data primarily focused on matching disseminations from the NFIB to outcomes returned by each force to inform discussions with Chief Constables; and
 - on a quarterly basis the Chief Executive attends the Force Performance Management Committee where the Deputy Chief Constable rigorously challenges performance internally.
41. Whilst many forces have reduced or withdrawn their specialist fraud teams in favour of a regional response, the PCC believes Kent Police are in a good position in terms of dedicated skilled investigators, the SECU and its Prevent and Protect Team.
42. However, the PCC also believes the policing response across the UK in recent years, not because of the efforts of individual officers and staff, but in terms of process and management has been disappointing. Unfortunately, the process itself lets victims down – it is not sufficiently joined up at a national and local level and victims receive a service based on where an offender lives. This means it can be a postcode lottery based on the resources allocated by the local police force tasked with investigating it.

Recommendation:

43. The Kent and Medway Police and Crime Panel is asked to note this report.