

To: Kent and Medway Police and Crime Panel

Subject: Update on Fraud

Date: 27 June 2023

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 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. Further to the paper presented at the June meeting last year, this report provides an overview of how fraud is reported and tackled in Kent, trends in types of fraud, local and national activity to safeguard victims and 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. Fraud is reported to the Force in two ways, via Action Fraud or as a call for service.

Action Fraud

6. 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.
7. 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.
8. 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).
9. 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.
10. Experienced reviewers assess each report to determine whether there is enough information to send to a police force 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.

11. 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.

Call for service (C4S)

12. This covers the following:

- Offenders arrested by police
- Offender is committing, or has recently committed an offence, at the time of the call for service
- There is a local suspect - sufficient details to identify and apprehend an offender at the time of the report
- A vulnerable victim requires an immediate policing response

13. These are allocated from the Force Control Room (FCR) to Division and investigated by the appropriate resource, depending on complexity. Those investigations which require specialist knowledge, such as rogue trader series, romance fraud, mandate frauds, and investment/boiler room frauds will go to the Economic Crime Team.

14. Most fraud and cyber crime offences are reported via Action Fraud.

Tackling fraud:

15. 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 (FTT) - review and conduct 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 (FIT) - support the Force in relation to financial enquiries and financial intelligence for investigations.
- Economic Crime Team (ECT) - manage NFIB referrals that have been reviewed by the FTT and have clear lines of enquiry which will either lead to safeguarding of victims, recovery of losses or prosecution of suspects.
- Serious Fraud Team (SFT) - investigate complicated high value frauds with multiple victims or cases which are sensitive in nature involving bribery or politics.
- Proceeds of Crime Team (POCT) - 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.

16. 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.

17. As the lead force for fraud and cyber crime, the CoLP 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.

18. 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.

Volumes and types of fraud:

19. Nationally, Action Fraud recorded a 15% increase in reported fraud in 2021/22. However, Kent saw a decrease of 8% from 12,509 reports in 2020/21 to 11,468 in 2021/22 and a further 20% decrease to 9,164 in 2022/23, bucking the national trend.

20. Approximately 5% of reported cases are disseminated to Kent by the NFIB, and following an initial investigation by the FTT, approximately 20% are assessed as viable investigations and allocated to the ECT or SFT to pursue.

21. Of the 11,468 frauds recorded by Action Fraud in 2021/22, the NFIB disseminated 533 to Kent for further investigation – a 27% decrease on the previous year.
22. Increasingly though, fraud is being reported directly to Kent Police as a C4S. In 2020/21, 791 C4S were recorded but in 2021/22 this increased by 27% to 1,094.
23. The effect of Covid on fraud has remained. Changes in reporting levels and losses continued to be experienced nationally across several fraud types in the first half of 2021/22. As the year progressed, many fraud types saw decreases; however, some offences remained higher than pre-pandemic, such as dating fraud and investment fraud. Concerned by the rising cost of living, it is highly likely that the number of investment fraud victims will continue to grow, lured by suspects spurious promises on potential returns.
24. The most prevalent crime types in Kent replicate those nationally:
- Investment fraud
 - Dating fraud
 - Mandate fraud
 - Courier fraud
 - Cheque, Plastic Card & Online Bank Account fraud
25. In terms of victim typology, generally:
- those aged 20-29 years are most at risk of online shopping and auction fraud, rental fraud, ticket fraud, and other investment and lender loan frauds;
 - those aged 40-59 are most at risk of corporate employee fraud, dating fraud and consumer phone fraud;
 - those aged 60 and over are most at risk of door-to-door sales and bogus tradesmen, computer software service fraud, fraud by abuse of position of trust and fraud recovery scams.
26. Nationally, there has been an increase in investment-based fraud of 18%; this increase was replicated in Kent which experienced a 23% increase in 2021/22 from 2020/21.
27. The SFT is currently investigating more than £85 million of losses linked to investment-based fraud and other similar crimes. They have two significant cases with CPS awaiting charging decisions and have a third large scale investment fraud which already has more than 200 reported victims. This is a significant investigation spanning across numerous businesses that will potentially require the employment of financial experts and impact on resources.
28. The SFT work closely with insolvency practitioners and the POCT to support the restraint and return of funds where possible. Victims in these cases often suffer significant losses and have made lifestyle choices based not only money parted with, but expected returns, and clearly offences can have devastating consequences.
29. Nationally, courier fraud remains a high harm fraud with vulnerable older victims being targeted for large sums of money and valuable goods. The Force continues to work closely with the Regional Proactive ECTs and also takes part in national initiatives. This crime type is predominately facilitated through organised crime groups (OCGs) outside of the county and the Force therefore has a clear focus on protect campaigns to raise awareness and reduce and recover losses whilst supporting the intelligence picture.
30. The Force has also created a nationally recognised trigger response to courier fraud. If three or more similar crimes are reported within a geographical area, notifications are sent to users via 'My Community Voice' and through UK Finance to make local banks aware and vigilant to potentially vulnerable people in the area seeking to withdraw suspicious levels of cash from their accounts. Since April 2022 it has been triggered 12 times in Kent, and the following figures for February to December 2022 provides a snapshot of the impact:

No. of reports	Victims reporting a loss	Offences prevented	Protect success rate
303	47	256	85%

These figures reflect the success/efforts of not just Kent Police's messaging but also the banks via the Banking Protocol and other partner agencies.

31. The Force continues to pursue justice for victims and strives to improve judicial outcomes. Although judicial outcomes are often lower than other crime types, it is important to understand that unlike other crimes, the focus is often on disruption and recovery of losses. Recording of fraud is also different to other crime types. There will often be numerous victims subject to the same type of fraud by the same suspect(s) but on different occasions 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.
32. At present the NFIB only record judicial outcomes for NFIB referrals, but alternative outcomes such as Cease and Desist Notices are currently under consideration.
33. Fraud is often perpetrated by OCGs. The SECU is currently managing five OCGs and in 2021/22 recorded 31 disruptions. As a result, it has obtained two Criminal Behaviour Orders which the department now manages.
34. Examples of notable convictions and pleas include:
- An operation involving courier type fraud offending where the suspects stole £120,000 during a conspiracy which saw 47 elderly victims targeted. Pensioners were targeted in Gravesend, Dartford, West Kingsdown, Maidstone and Penshurst within Kent but also in Essex, Hertfordshire, Hampshire, south London and Northamptonshire. Although the criminality spanned a large area, the modus operandi remained very consistent – a victim would be phoned by a person claiming to be from their bank and told that a courier was coming to collect their card due to an issue. Once the cards had been collected, they were used to withdraw large sums of money or purchase goods at shops close to the victims' homes. On occasions the card would also be used at businesses and cash machines close to the offenders' homes.
Result:
 - Offender 1 was sentenced to five years, which included around 100 identical offences committed across the country. He is estimated to have gained £62,696.
 - Offender 2 was sentenced to three years and two months. He is estimated to have gained £43,180.
 - Offender 3 received a 20-week suspended sentence. He is estimated to have gained £18,166.
 - UK Power Networks (UKPN) reported offences to Kent Police in early 2019 alleged to have been committed by the manager of their distribution centre in Maidstone. The offences suspected were the theft of a large amount of cable belonging to UKPN and the manipulation of records to cover up the theft. A full audit completed on behalf of UKPN showed the potential losses to be more than £1.2 million. Suspected offences investigated were theft and false accounting.
Result: The offender pleaded guilty and is awaiting sentencing.
 - An investigation was launched relating to an individual falsely purporting to be a qualified solicitor. They represented multiple individuals in Kent, Norfolk and Metropolitan Police areas, claiming to be a fully qualified solicitor both in police custody and to the courts. The offender provided some very concerning advice, with a statement from one individual detailing how he was advised to put laces around his neck, so the individual could push the panic button to assist with his release. They set up a business in Kent and attended Magistrates' and Family courts. The offender left the area and changed their name; however, they were located by officers living in Norfolk at the beginning of 2020.
Result: The offender was found guilty and is awaiting sentencing.

Safeguarding victims:

35. 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.
36. 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 FCR for patrol attendance. The NECVCU operator remains on the line with the victim until the FCR takes ownership. The SECU also receives 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.

37. 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.
38. 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.
39. By way of example, Fraud Prevention Co-ordinators engaged with a vulnerable victim of fraud who was scammed after receiving calls on their mobile telephone which led to them losing over £90k. Physical visits by the Co-ordinators identified vulnerabilities which had led to them becoming a victim. They worked with the victim so they could understand how the situation had developed. The Co-ordinators helped them understand that the "investment" they had made was a scam and that their bank account had been used to launder criminal money. Over several months, the Co-ordinators worked with the banking sector to reduce the victim's access to large sums of money and engaged with Health Services, Adult Services and the family. This multi-agency approach has ensured safeguards are now in place to protect the victim from further harm.
40. In Kent, there has been an overall reduction in losses from victims of fraud from approximately £60m in 2020/21 to approximately £40m in 2021/22.
41. Communication is critical in the prevention and reporting of fraud offences. The Prevent and Protect Team play an important proactive role in the Force's attempts to reduce the number of economic crime victims.
42. The Team sent out 401 advisory Tweets in 2022 which had 1.5 million views. Additionally, the Kent Fraud Alert System (KFAS) sent 114 alerts. Each of these reached an estimated audience of more than 150,000.
43. An example of the Team's work was the Christmas fraud campaign - 12 Frauds of Christmas - which had more than 46,000 reads across all Kent Police social media and reached an audience in excess of 250,000 per alert on KFAS, potentially achieving a total read of three million. In terms of results, there was a reduction in Action Fraud reports in December 2022 compared to the previous year of 18% (from 870 to 710) and a reduction in losses of 29% (from £2.7m to £1.9m).
44. The Team 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 Prevention Co-ordinators by delivering fraud protect messaging in direct response to issues identified.
45. The SECU supported the national fraud enforcement campaign known as Op Henhouse. During the last initiative which was for the month of February 2023, the Force increased arrests and disruptions of fraudsters, submitting over 44 investigations to CPS for charging authority, with 11 so far authorised. £200,000 was seized and over £100,000 of assets recovered. The Force also promoted awareness with a live broadcast on BBC South East News regarding romance frauds, three live public events promoting fraud prevention, 14 social media alerts and five email alerts reaching approximately 150,000 people.
46. Kent Police is committed to the prevention and recovery of losses through protect and prevent campaigns along with supporting the Banking Protocol. On average this prevents losses of approximately £100,000 per month. A recent example saw the SECU assist with the recovery of £18,000 for the victim of an online purchase fraud who bought a camper van via a cloned company website.
47. 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.
 - Promote National Programmes (i.e. Police Cyber Alarm, Cyber Digitools).
 - Support national campaigns via the @KentPoliceCyber Twitter pages.

Holding to account:

48. One of the principle ways the PCC holds the Chief Constable to account is through the quarterly Performance and Delivery Board.
49. 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.
50. Most recently, the PCC received a comprehensive update on fraud at the Performance and Delivery Board held on 15 March.
51. The PCC also holds the Chief Constable to account via their regular weekly briefings which allow discussion of a wide variety of subjects.
52. 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.
53. 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.
54. Unfortunately, the PCC 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. It has let victims down by not being sufficiently joined up at a national and local level and the service being based on where the offender lives. As a result, there has been a postcode lottery based on the resources allocated by the local police force tasked with investigating it.
55. However, the Government published their Fraud Strategy in May which includes proposals to:
- replace Action Fraud;
 - reduce the number of scams reaching people by banning 'SIM farms' and cold calling for sales of financial products;
 - introduce a new 400 strong National Fraud Squad; and
 - increase cross-border work between UK intelligence and international partners to disrupt overseas fraud operations.
- Kent Police are part of the working group helping to steer delivery by the CoLP and heavily involved to ensure what is delivered provides a quality service to victims.
56. The PCC welcomes the Fraud Strategy and Kent Police's involvement in its delivery as it has prevention and enforcement at its heart. He also believes it will address the historic issues with Action Fraud and most importantly, improve outcomes for victims.

Recommendation:

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