Cifas recorded frauds in 2014

276,993

Identity fraud dominates

Almost 114,000 instances of identity fraud were recorded, representing a 5% increase.

Identity fraud was recorded in 41% of cases.

Fraud victims

- 18.1% Over 60
- 18.7% 31-40
- 23% 41-50
- 23.5% 21-30
- 15.7% 51-60
- 1% Under 21

Fraud in 2014: what you need to know

Data still the key to most identity crimes

Fraud is increasingly organised

The true scale of fraud is unknown
Cifas recorded frauds

### Nearly 277,000 frauds were recorded in 2014: a 25% increase from 2013

This year’s report includes data from 245 organisations. There have been considerable increases yet it is only part of the picture. The UK does not have a single measure for fraud. Without accurate reporting across the UK, it is impossible to get a true sense of the fraud problem. Collating reports of fraud across all 5.4 million organisations and identifying how many of the 60 million plus people in the UK have suffered fraud will be a challenging task, but it is a vital one.

### Identity crimes remain the biggest challenge, accounting for almost a half of all frauds.

As taking over existing accounts has become more difficult, fraudsters have focused on using other people’s identities to open new ones. Almost 114,000 instances of Identity Fraud were recorded: representing a 5% increase from 2013 and constituting 41% of all fraud recorded through Cifas in 2014. The need to protect personal data is stronger than ever.

### In the internet age, fraud and technology are intimately linked.

With data driven fraud like identity crimes dominating, it is unsurprising that technology played a major role in 2014. While the internet offers a fantastic opportunity for fraudsters to attempt fraud on an industrial scale, technology is also the reason for several successes in preventing fraud. The introduction of enhanced security procedures has made it far more difficult for fraudsters to take over existing accounts – demonstrated by the reduction in Facility Takeover Fraud. In addition, technological enhancements used by organisations have enabled them to record frauds that previously were not able to be recorded – as seen by the increase in Misuse of Facility Fraud.
With almost 105,500 recorded victims in 2014, the problem of identity crimes cannot be understated. During the past five years, identity crime has fluctuated year on year, but has consistently remained the biggest fraud threat. 2014 saw increases in all age groups over 21. The average age of an Identity Fraud victim is 46. However the group that has seen the most consistent year-on-year rise is young adults, between 21 and 30 years of age. This suggests that as digitally savvy young people enter their twenties and increase their access to financial products, they are increasingly becoming targets.

Education and awareness are key in the fight against fraud.

Fraud prevention relies as much upon an individual’s awareness as it does upon technology or an organisation’s security. The need for better societal understanding must become a priority for UK plc.

Criminals continue to adapt - and fraud looks increasingly organised

The continuing rise in Identity Fraud is further evidence of the increasingly organised nature of fraud. Identity Fraud is an organised business: criminals are setting up operations, obtaining data and either using or selling it, before moving on to use identities to steal money or goods. These crimes are not committed by individuals working in isolation.

Prevention works better together

Cross sector approaches work. An estimated £1 billion of fraud was prevented through the CIFAS National Fraud Database in 2014. 63% of fraud detected through CIFAS systems was identified by matching data across different sectors. These are significant successes and demonstrate the power of a joined-up approach.
Our recommendations for 2015

1. The UK needs a national measure of fraud losses and fraud levels.
   Government needs to work with industry to re-establish this measure. Until we understand the scale of the loss, society cannot truly tackle it.

2. Greater research is needed into the exact point at which data is compromised.
   Cifas Members cannot always know at what point their customers’ identities have been compromised, and individuals often do not know themselves. Yet, this information would be vital in focusing prevention efforts.

3. Further research into the involvement of organised criminals in fraud.
   This year’s data provides further evidence that organised criminals are behind numerous fraud trends. More research is needed to verify and better understand the involvement of organised criminals in fraud and the extent to which money obtained through fraud is used to fund further criminal activity.

4. A co-ordinated education and awareness campaign on fraud, led jointly by Government and industry.
   People of all ages need to be savvier to frauds, and fraudsters, in order to protect themselves better. Fraud trends suggest that some may be allowing their details and accounts to be used by criminals, without a full understanding of the seriousness of the crime.

5. A comprehensive review of the sentencing guidelines for fraud.
   The public must have faith that when frauds are reported, criminals are punished appropriately. This will also encourage people to report fraud, adding to our overall understanding of the UK’s fraud profile.

About Cifas
Cifas aims to make the UK a safer place to do business, by enabling organisations in every sector to prevent fraud and protect the public through the sharing of confirmed fraud data. Cifas has over 300 Members spanning the public and private sectors.

To talk to Cifas about what we do or about the information in this publication, please visit our website at www.cifas.org.uk