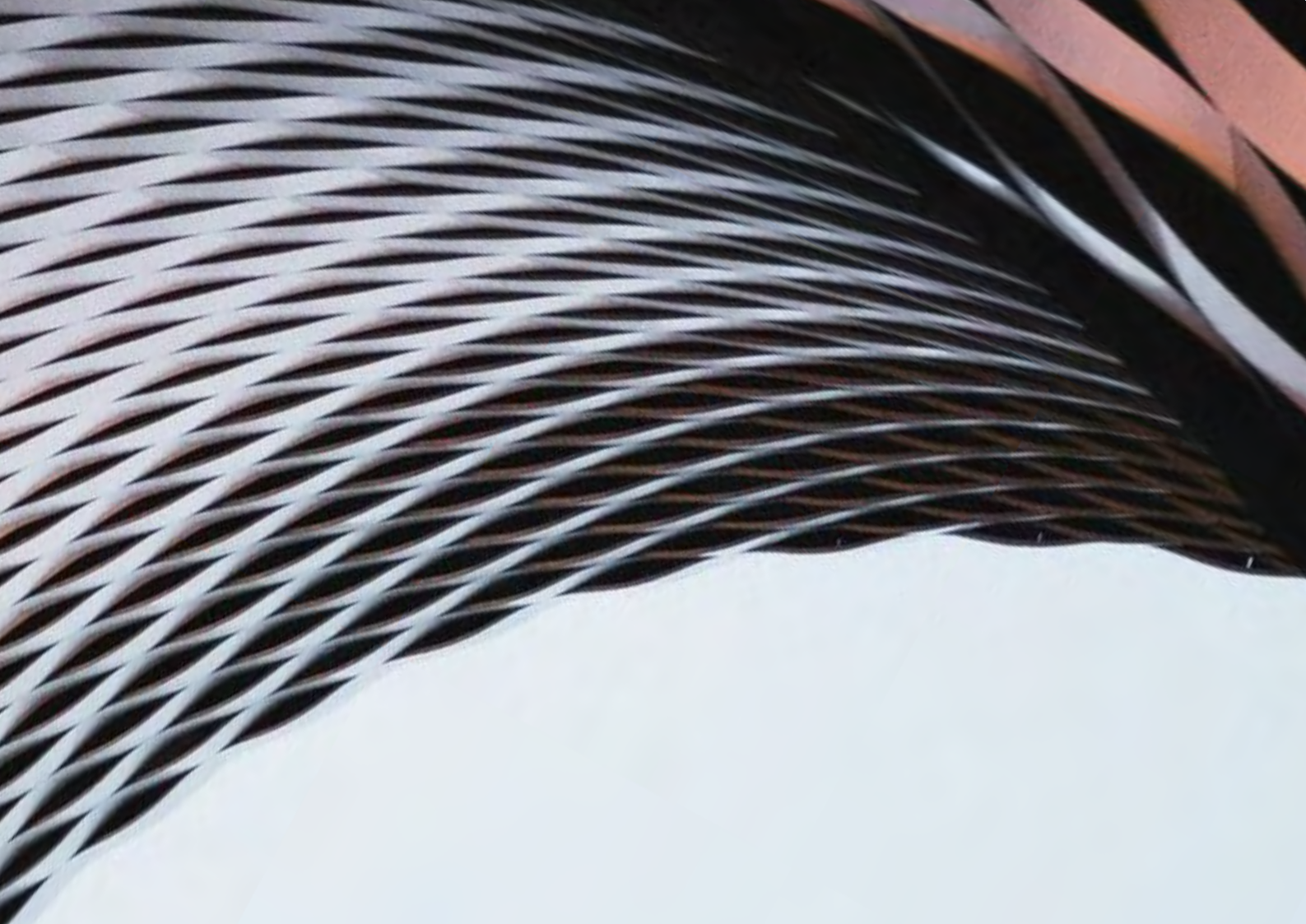




IMPACT OF FRAUD REACHES UNPRECEDENTED UK LEVELS



Navigating a Complex Landscape

The latest Fraudscape 2024 Report published by CIFAS* illustrates that the impact of fraud on individuals, businesses and the public sector has reached unprecedented levels. Whilst filings to the National Fraud Database (NFD) fell by 9% in 2023 to 374,160 cases, this should be set against the context that post Covid saw a surge in filed cases to over 400,000 in 2022. 2023 volumes represent an overall 4% uplift on 2021, with organisations recording a case to the NFD every two minutes, on average.

Ongoing uncertainty surrounding the UK economy and the rise in the cost of living provide fractures that organised criminal gangs can exploit. Meanwhile, financial difficulties can sometimes lead individuals to take desperate measures, committing fraud to generate income.

Identity Fraud On The Rise

Identity fraud represented 64% of filings at 237,642 cases and continues to be the leading case type recorded to the NFD. An increase of 12% was seen across personal bank accounts. Concerns raised were exploitation of the cost-of-living crisis by social media enablers and the growing threat of AI and sophisticated data harvesting techniques.

Growing sophistication and ease of access to AI is making identity fraud detection harder and enabling organised, industrial scale fraud to be perpetrated by criminal gangs and opportunistic pre-meditated fraud by individuals.

Detecting false identity documents is becoming increasingly difficult due to higher quality falsifications (particularly UK driving licenses) through access to AI generated images. Fake identity profiles are being built over extended periods to bypass Know Your Customer (KYC) checks. AI voice manipulation is also reportedly being used to overcome biometric checks.



False Application

19,840 cases of false application were recorded to the NFD in 2023, a decrease of 17%, linked to a reduction across the bank account sector dropping from 53% of cases in 2022 to 44%. However, there was an uplift recorded against the loan (+36%), insurance (+20%) and telecommunication sectors (+17%). False documents, usually bank statements (31%) and utility bills (28%), were the main filing reasons, with individuals filed for providing false information or omitting details to obtain products and services. Falsifying proof of no claims rose 100% compared to 2022 and now accounts for 9% of cases compared to 4% in 2022.

The cost-of-living crisis creates greater temptation for individuals to provide false information or omit key details to obtain products and services. This might include falsifying pay slips to pass affordability checks or failing to disclose address histories because adverse credit history is present.

The rising cost of insurance premiums is a likely driver behind the increase in filings for falsified no claims discounts. Research suggests 33% of motorists have changed at least one material detail on their application to save money and 17% admit to insuring a car in their name when someone else is the main driver to reduce the premium.

CRIF has a suite of solutions designed for the banking and insurance sectors which help to equip organisations to prevent and detect identity fraud and false application fraud.



Secure Digital Customer Onboarding

CRIF Digital Onboarding Solution is a remote digital onboarding tool that accompanies consumers and business customers from registration to digital signature, streamlining time and costs while increasing security. It enables live identity detection through automatic digital face acquisition, including suggestions to correct user mistakes.

It also performs real time template acquisition and verification on uploaded customer documents whilst robustly conducting rigorous credit, anti-fraud and anti-money laundering checks, qualifying company solvency and providing a digital signature facility.



Identity Verification and Risk Assessment

CRIF ID Check is a user-friendly identity verification tool which can be deployed at any stage in the customer journey, point of quote/sale, post-sale or point of insurance claim. The tool uses a three-stage process to rapidly check the individual's identity and generate an easy to understand 3 digit 'Know Your Customer' profile for every customer screened. The actionable summary includes: Residency – Name and Address Verification; Identity – Date of Birth Confirmation; and Alerts – PEP & Sanctions, Dow Jones Data, Deceased (Halo) and Fraud (CIFAS members) Risk Indicators. Insurers using ID Check can also instantly verify the validity of paper proof-of-identity documents by verifying driving license and passport numbers.

ID Check is available as a stand-alone solution; however, it can be used alongside CRIF's AML Check for those companies wishing to confidently conduct due diligence for anti-money laundering purposes. AML check supplements the personal profile information contained in ID check and fulfils obligations as instructed by the Joint Money Laundering Steering Group (JMLSG).

Instant and more accurate credit check via Open Banking

CRIF Open Banking Suite provides a secure and efficient way to access payment accounts, accelerating creditworthiness evaluations for both businesses and consumers.

Banks, insurers and lenders can easily access current account transactions and categorise real-time data for targeted profiling, KYC/KYB, improved risk management and loss mitigation techniques. This dynamic process profiles spending behaviours for affordability assessment, credit risk evaluation and product personalisation.

CRIF's credit scoring solution utilises open banking technology with the customer's permission to securely connect to their current account and access real-time, in-depth information on their financial situation.

CRIF then categorises this data to profile spending behaviours, financial health, affordability, identity, cashflow forecast and credit risk.

Anti-fraud Solutions For The Financial Sector

Sherlock Investigation delivers counter fraud intelligence to investigators in one click, reducing investigation times by circa 30% and controlling costs via its 'pay as you go' model. Data sources include linked addresses with over 30m records; 100% UK coverage for vehicle history/description/finance; wide coverage of phone numbers and credit file address confirmation.

Sherlock Detection is for insurers looking to make informed claims decisions based on easily assimilated, evidence-based intelligence rather than relying on traditional, unexplained black box rules. Insurers can integrate any internal or external information source, analyse the results using innovative machine learning and AI-driven risk assessment capabilities and complete a claims risk assessment in under three seconds.

CRIF has a suite of fraud prevention, pricing sophistication and digital solutions aimed at supporting insurers in properly identifying new customer as well as preventing and detecting insurance fraud.

CRIF is a global Fintech company specialising in the development and management of credit bureau services, business information systems and credit solutions. CRIF has an international presence, operating across four continents (Europe, America, Africa and Asia) and supporting over 10,500 banks, 600 insurance companies and more than 82,000 business clients in 50 countries.

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