

A letter dated 15 May 2019 to HM Treasury on the draft public-private economic crime plan.

© Fraud Advisory Panel 2019

All rights reserved.

This document may be reproduced without specific permission, in whole or in part, free of charge and in any format or medium, subject to the conditions that:

- it is appropriately attributed, replicated accurately and is not used in a misleading context;
- the source of the extract or document is acknowledged and the title and Fraud Advisory Panel reference number are quoted.

Where third-party copyright material has been identified application for permission must be made to the copyright holder. For more information email: [info@fraudadvisorypanel.org](mailto:info@fraudadvisorypanel.org)

15 May 2019

Head of Economic Crime Reform  
Sanctions and Illicit Finance  
HM Treasury  
International Group, 2 Blue  
1 Horse Guards Road  
London  
SW1A 2HQ

VIA EMAIL

## DRAFT ECONOMIC CRIME PLAN

Thank you for inviting us to share our views on the draft public-private economic crime plan dated 05 May 2019. We welcome the opportunity to contribute to HM Government's thinking on this subject and fully support your commitment to make economic crime a key crime control priority for the UK. We hope our comments are informative and useful in shaping your work.

We note that the current focus of the plan is predominantly on money laundering and terrorist financing. While we recognise the importance of these issues (and of the need to deal with the findings of the recent Financial Action Task Force mutual evaluation), coverage of other economic crime types, especially fraud, is, in our opinion, insufficient given what we know about the nature and extent of the threat and the fact that it is a predicate offence.

Economic crime is now committed on an industrial scale and has a significant impact on the UK harming our people, communities, businesses and the public purse as well as our international reputation. Fraud and cybercrime (both cyber-enabled and cyber-dependent) are now among the most prolific crimes in this country, and often fuel other forms of serious and organised criminality including money laundering.<sup>1</sup> Our response, therefore, needs to be equally wide-ranging and all-encompassing to be truly effective.

We note that the public and private partnership set out by the plan is essentially one between government and UK Finance – a banking and finance industry body<sup>2</sup>. Yet the tentacles of fraud and economic crime extend well beyond financial services alone. Public policy must reflect this and the broader interests of society as a whole. A wide public consultation including all parts of the public, private and third sectors would ensure this happens and also strengthen the overall integrity of the final plan.

---

<sup>1</sup> *Fraud and cybercrime (both cyber-enabled and cyber-dependent) now account for more than half of all reported crime in this country. A growing body of research clearly shows the devastating effects they can have on both individual and corporate victims.*

<sup>2</sup> UK Finance. *About Us*, available from <https://www.ukfinance.org.uk/about-us>

In our view it is essential that the composition of the proposed governance structure is sufficiently broad enough to be truly representative of all those who can be affected by fraud. This will help alleviate any concerns about potential policy capture and conflicts of interest (for example, in mapping law enforcement capabilities and determining how resources will be allocated), and make it much easier to hold individual stakeholders to account where necessary and/or appropriate. We would also like to see proposals to map capabilities and on education and training extend beyond law enforcement and financial institutions.

We welcome proposals to improve information sharing within and between sectors (both regulated and unregulated) and to consider powers to repatriate funds to victims. In 2017 we outlined to the Joint Fraud Taskforce (JFT) some of the barriers faced by fraud victims wanting to secure information from third party banks (via their legal representatives) for the sole purposes of seeking redress (where viable) through the civil courts (and thus alleviating some of the pressure on the criminal courts). We understand that advice was sought from the ICO but are unaware of any further progress made to date.

Consideration should also be given to the existing tools available to the wider private sector (beyond financial services) to take action against fraudsters and recover funds for victims. These are presently underused and can provide a non-recourse resource for government. We would be happy to facilitate a conversation about these tools.

We understand that it is intended that the JFT will sit somewhere underneath the economic crime strategic board. We would be interested to learn more about the future plans for the JFT and whether there is any intention to widen the scope of its management board beyond those predominantly from law enforcement/trading standards and bodies representing or regulating financial services<sup>3</sup> and to publish its aims and outcomes for the same reasons stated above. In January, the Minister of State (Home Office) (Security) said that the JFT '*will continue to operate, working as a public and private partnership to tackle fraud and to protect victims*' and that its management board '*will publicly report on their new approach shortly*'.<sup>4</sup> As far as we are aware, this report, and its final threat assessment report (due in September), are yet to be published.

We look forward to the official response to the HMICFRS's recommendations on the policing response to fraud set out in its recent report '*Fraud: Time to Choose*'<sup>5</sup> (to which we contributed as an external reference group member), and to the findings of its current thematic inspection on cyber-dependent crime.

The Fraud Advisory Panel is an independent and non-political organisation which works exclusively to raise awareness of fraud and financial crime and to improve resilience through practical and effective solutions. Our members work in all sectors of the economy – public, private and voluntary – and are at the forefront of tackling fraud.

---

<sup>3</sup> GOV.UK. *Joint Fraud Taskforce Management Board*, available from <https://www.gov.uk/government/groups/joint-fraud-taskforce-management-board>. Also see minutes of the last management board meeting held on 20 June 2018, [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/721328/2018\\_06\\_21\\_\\_06\\_Minutes\\_.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/721328/2018_06_21__06_Minutes_.pdf).

<sup>4</sup> UK Parliament. *Joint Fraud Taskforce*. Questions asked by Gordon Marsden (Blackpool South) on 22 January 2019 and answered by Mr Ben Wallace on 29 January 2019, available from <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2019-01-22/211122/> and <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2019-01-22/211121/>

<sup>5</sup> HMICFRS (02 April 2019). *Fraud: Time to Choose. An inspection of the police response to fraud*, available from <https://www.justiceinspectorates.gov.uk/hmicfrs/publications/an-inspection-of-the-police-response-to-fraud/>

We would welcome the opportunity to contribute further to this important work and to be involved in future discussions, particularly in relation to fraud.

Kindest regards

David Clarke  
**Chairman**