



ATTORNEY GENERAL'S OFFICE
20, VICTORIA STREET
LONDON SW1H 0NF

Tel: 020 7271 2465/2440 Fax: 020 7271 2432

NEWS RELEASE

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Fighting Fraud Together – the Attorney General sets out a new vision for tackling fraud

Today, the Government gave the green light to a groundbreaking initiative to protect business, taxpayers and the public from fraud.

Over £28 million of new funding has been committed to help make the UK the world's hardest target for fraudsters.

Welcoming the announcement of the extra funds, the Attorney General, Baroness Scotland, said:

“Fraud drives up costs to business; exploits the vulnerable; and robs taxpayers of the public services they have paid for. Business and criminal justice experts strongly welcomed our proposals for a tougher approach to fraud and the new investment announced today means we can put them into practice”.

City Minister, Kitty Ussher said:

“The government is determined to protect the public from crime and keep the UK an honest, fair-dealing place to do business. We're putting concrete measures in place to protect firms, taxpayers and the public from dishonest criminals who seek to exploit their trust. This is good news for the financial services sector and for the economy as a whole”.

Funding announced as part of the Comprehensive Spending Review paves the way for the key recommendations of a major government review of fraud to be rolled out in the year ahead. These include:

- a new National Strategic Fraud Authority, which will drive forward a comprehensive strategy for tackling fraud that brings together the Government, criminal justice practitioners, business and the public. The NFSA will have a key role in increasing the UK's resilience against fraud and ensuring the effectiveness of the UK's response;
- a new Lead Force, centred on the City of London Police, which will act as a centre of excellence to increase the UK's capability to investigate fraudsters and bring them to justice;
- a National Fraud Reporting Centre, hosted by the Lead Force, which will radically streamline the way that cases of fraud are reported and which will analyse reports to maximise their intelligence value – informing the National Strategy and helping to target investigations and anti-fraud work in the future;
- innovative pilots to measure the impact and cost of fraud, to help identify priority areas for change and assess the impact of anti-fraud effort;
- reforms to the criminal justice system to make sure that fraudsters are brought to justice efficiently and victims are better able to get redress.

Welcoming the announcement as a significant boost to the UK's financial services industry, Michael Snyder, Chairman of the City of London's policy committee said:

"I am delighted that the Government has decided to make the City of London Police the lead force in the country for tackling fraud and economic crime. Based in the world's leading international finance centre, the Square Mile, it has just the right specialist knowledge and expertise for this work. The City of London Corporation, as the City's Police Authority, will shortly be deciding its own additional funding for this vital work".

City of London Police Commissioner and ACPO lead for Economic Crime, Mike Bowron, said:

"With this funding, the City of London Police will be able to make serious inroads into reducing the estimated £20 billion a year that fraud is currently costing this country."

"This is an irresistible opportunity for the Force to take a lead role in making the UK a place where fraudsters don't want to operate."

Notes for Editors

The Government published a major review into arrangements for tackling fraud in July 2006, which was established to assess:

- (a) the scale of the (fraud) problem;
- (b) the appropriate role for Government in dealing with fraud;
- (c) how resources could be spent to maximise value for money in this.

Following a public consultation, a shortlist of the Fraud Review's major proposals was identified for development as part of the Comprehensive Spending Review. The CSR announcement this week confirmed the go-ahead for these with the provision of over £28 million of ring-fenced new funding.

A National Fraud Strategy

The Government Fraud Review identified that the economic and social cost of fraud is severe, and separate research¹ has estimated that *reported fraud alone* costs the economy and society at least £13.9 billion a year.

To tackle this threat, the Fraud Review argued for the creation of a national coordinating body – the National Fraud Strategic Authority - to deliver a comprehensive programme that attacks fraud through the entire pipeline of deterrence, prevention, detection, investigation, sanction and redress to victims. The NFSA's anti fraud strategy will be designed to ensure that:

- knowledge of fraud is managed effectively – through proper measurement and information sharing - to drive national improvement in tackling it;
- activity between government, business, regulators, and the criminal justice system is properly coordinated for maximum impact;
- law makers and law enforcers work together to radically change the balance of risk and reward against the fraudster.

The Review also identified:

- scope – through a National Fraud Reporting Centre - to streamline the reporting of cases of fraud and use these to build the UK's intelligence picture of the threat;
- an opportunity to establish the City of London Police as a lead force and centre of excellence to build the UK's capacity to investigate fraud;

¹ The Nature, Extent and Economic Impact of Fraud in the UK; ACPO March 2007

- areas where better trial management, specifically the creation of a specialist financial court, could increase efficiency in bringing fraudsters to justice.

The CSR funding means that these key proposals will now be rolled out in the coming months.

For media enquiries contact Charlotte Phillips, Senior Press Officer, on 020 7271 2465 or charlotte.phillips@attorneygeneral.gsi.gov.uk.