

Fraudscape 2022

9 Month Figures



Overview

- Over 309,000 cases of fraudulent conduct were recorded between January and September 2022 – up 17% on the same period last year and up 11% on pre-pandemic levels.
- Identity fraud cases are up 34% (210,886 cases) on the same period for 2021 and up 23% on pre-pandemic levels. Although most identity fraud cases are online, there have been increases in cases through dealer and retailer channels.
- Misuse of facility accounts for nearly a fifth (52,299 cases) of cases with a large proportion in relation to misuse of bank accounts which show intelligence indicative of mule activity.
- Facility takeover accounts for 8% (27,858 cases) of cases with the telecoms and online retail sectors heavily targeted, and a significant increase in takeover of plastic cards accounts.
- False applications are up 45% (17,777 cases), mainly impacting the banking sector but there are increases in the asset finance, loans and mortgage sectors.
- 225 individuals were recorded for internal fraud – up 25% on the same period last year (+45 individuals). Most cases were in relation to false employment application (unsuccessful) and dishonest actions.



National Fraud Database cases

Just over 309,000 cases of fraudulent conduct recorded – up 17% on last year and 11% on pre-pandemic levels. The increases can be attributed to a rise in identity fraud – up 34% on last year and 23% on pre-pandemic levels. There is also a noticeable increase in false application, up 45% on 2021:

Case type	2019	2021	2022	Change 2022 vs 2021	Change 2022 vs 2019	Proportion 2019	Proportion 2021	Proportion 2022
Asset conversion	364	485	247	-49%	-32%	<1%	<1%	<1%
Facility takeover	23,307	30,298	27,858	-8%	20%	8%	11%	9%
False application	19,273	12,241	17,777	45%	-8%	7%	5%	6%
False insurance claim	887	408	325	-20%	-63%	<1%	<1%	<1%
Identity fraud	171,046	157,773	210,886	34%	23%	61%	60%	68%
Misuse of facility	63,923	63,594	52,299	-18%	-18%	23%	24%	17%
Grand total	278,800	264,799	309,392	17%	11%			

Identity fraud

- There were 210,886 cases of identity fraud – up 34% on the same period in 2021 – which accounted for 68% of cases recorded to the National Fraud Database.
- 86% of cases were through online channels, but increases were identified through dealer and retailer channels.
- The telecoms sector has seen a significant increase during 2022 recording a 455% increase (+26,286 cases) in the targeting of mobile phone products. This is mainly through fake phone dealer and upgrade scams.
- The plastic card sector has also seen an increase this year, recording a 133% increase (+16,687 cases) in the targeting of personal credit cards (92%) and personal store cards (5%). However, personal pre-paid cards have also seen an 82% increase (+759 cases).
- Every age group has seen an increase in identity fraud, however the most significant increase is for those aged 31-40 years (up 41%).
- There has been a 38% increase in the number of companies recorded as victims of impersonation. This mainly involved telecom products (49% - all mobile phone products), as well as loans (21% - mainly company loans unsecured) and asset finance products (19% - mainly asset finance hire purchase products).

Sector	2019	2021	2022	Change 2022 vs 2021	Change 2022 vs 2019
All in one	20	33	66	200%	230%
Asset finance	648	945	7,499	794%	1057%
Bank account	38,329	42,331	37,604	89%	-2%
Insurance	4,501	15,220	18,875	124%	319%
Loan	19,387	13,154	13,661	104%	-30%
Mortgage	34	16	15	94%	-56%
Online retail	16,250	19,280	24,265	126%	49%
Other	12,413	8,804	7,938	90%	-36%
Plastic card	69,172	50,585	67,272	133%	-3%
Telecoms	10,292	7,405	33,691	455%	227%
Grand total	171,046	157,773	210,886	134%	23%

Age group	2021	2022	Volume change	Change	Proportion 2021	Proportion 2022
Under 21	2,426	3,433	1,007	42%	2%	2%
21-30	17,804	26,790	8,986	50%	13%	14%
31-40	27,064	38,112	11,048	41%	19%	20%
41-50	27,497	38,122	10,625	39%	20%	20%
51-60	32,619	39,900	7,281	22%	23%	21%
61+	32,504	39,704	7,200	22%	23%	21%
Grand total	139,914	186,061	46,147	33%	100%	100%

Misuse of facility

- Over 52,000 cases of misuse of facility were recorded in the first nine months of 2022 – down from the same period in 2021 – but still accounting for nearly a fifth of cases recorded to the National Fraud Database.
- Misuse of facility cases continue to impact the bank account sector (84%), with 68% of misuse of facility cases related to bank accounts holding intelligence indicative of money mule behaviour.
- Misuse of loan products showed a 208% increase in the volume of cases (+1,304 cases) and are also up 37% on pre-pandemic levels. These increases are across personal loans unsecured products (+157%) and personal loans deferred credit (+460%).
- Notably, there has been a 50% rise in fraudulent faster payments transactions and a 42% increase in evasion of payment.

Sector	2019	2021	2022	Change 2022 vs 2021	Change 2022 vs 2019
All in one	53	27	11	-59%	-79%
Asset finance	1,294	956	1,024	7%	-21%
Bank account	44,218	56,294	43,674	-22%	-1%
Insurance	22	56	44	-21%	100%
Loan	1,411	627	1,931	208%	37%
Mortgage	42	22	21	-5%	-50%
Online retail	11,724	2,096	92	-96%	-99%
Other	24	346	1,275	268%	5213%
Plastic card	2,592	2,668	3,569	34%	38%
Telecoms	2,543	502	658	31%	-74%
Grand total	63,923	63,594	52,299		

Money mules focus

Of the bank accounts recorded for misuse of facility, 68% of cases have intelligence that indicate mule activity. A large proportion are in relation to personal current accounts (87%), but there has been a 39% increase in personal savings accounts. Overall, 43% of cases are filed within six months. Those aged between 21-30 years make up the majority of those recorded for this type of behaviour (41%).

Age Group	2021	2022	Change	Proportion 2021	Proportion 2022
Under 21	10,838	6,321	-42%	26%	21%
21-30	18,336	12,305	-33%	43%	41%
31-40	7,830	6,406	-18%	18%	22%
41-50	3,534	2,994	-15%	8%	10%
51-60	1,341	1,274	-5%	3%	4%
61+	450	401	-11%	1%	1%

Facility takeover

- There were nearly 28,000 cases of facility takeover - an 8% reduction compared to 2021, but volumes are up 20% on pre-pandemic levels. Facility takeover accounts for 8% (27,858) of cases.
- 64% of cases are through online channels and 26% through telephony channels. Of note, there are increases through dealer and retail channels.
- 45% of cases relate to online retail, with 27% in relation to telecoms products, however, there has been a significant increase in facility takeover on plastic card products (+44% increase, +1637 cases).
- Overall, most filing reasons are in relation to unauthorised security/ personal details change (30%), as well as unauthorised dispatch of goods instruction (20%). Unauthorised facility delivery instruction has increased by 503% (+11,443 cases - mainly seen by the telecoms and online retail sectors).

Channel	Proportion 2021	Proportion 2022	Change 2022 vs 2021	Change 2022 vs 2019
Broker	0%	0%	33%	-43%
Combination	4%	3%	-39%	-68%
Dealer	0%	0%	26%	-43%
Face to face	1%	1%	64%	-81%
Mail	0%	0%	-46%	-53%
Online	47%	64%	23%	168%
Other	3%	4%	8%	34%
Retail	1%	2%	71%	-43%
Telephone	43%	26%	-44%	-30%

Sector	2019	2021	2022	Proportion 2022	Change 2022 vs 2021	Change 2022 vs 2019
All in one	232	250	236	1%	-6%	2%
Asset finance	24	7	8	0%	14%	-67%
Bank account	3,145	3,293	2,195	8%	-33%	-30%
Communications	11,971	11,835	7,486	27%	-37%	-37%
Insurance	3	6	3	0%	-50%	0%
Loan	347	113	65	0%	-42%	-81%
Mortgage	3	6	5	0%	-17%	67%
Online retail	2,425	10,973	12,425	45%	13%	412%
Other	25	82	65	0%	-21%	160%
Plastic card	5,132	3,733	5,370	19%	44%	5%
Grand total	23,307	30,298	27,858			

Age group	2021	2022	Volume change	Change	Proportion 2021	Proportion 2022
Under 21	348	181	-167	-48%	1%	1%
21-30	3,640	4,071	431	12%	12%	15%
31-40	6,088	6,521	433	7%	21%	24%
41-50	7,042	6,282	-760	-11%	24%	23%
51-60	6,629	5,356	-1,273	-19%	23%	20%
61+	5,675	4,778	-897	-16%	19%	18%
Grand total	29,422	27,189	-2,233	-8%		

False application

- There were nearly 18,000 cases of false application, up 45% on last year. Although a large proportion of cases are through online channels, there has been a 17% increase in the use of broker channels.
- False applications are mainly impacting the banking sector, but there have been increases across a number of sectors.
- False applications on bank accounts have risen 85%, with personal accounts seeing 41% increase (+3,845 cases) and company accounts seeing a 713% increase (+492 cases).
- Mortgages have seen a 42% increase (+379 cases), with a 48% rise in false applications on personal mortgages (+398 cases).
- Loans have also seen a 37% increase (+257 cases), particularly on personal loans unsecured with a 46% increase (+268 cases).
- 34% of filing reasons were in relation to false documents, 21% in relation to undisclosed address with adverse and 13% in relation to altered documents. False employment income has also seen a 366% increase (+575 cases).
- There has been a 51% increase in those aged between 21-30 being filed for false application and a 38% increase in those aged between 31-40 years.

Channel	Proportion 2021	Proportion 2022	Change 2022 vs 2021	Change 2022 vs 2019
Broker	17%	9%	17%	9%
Combined	1%	2%	1%	2%
Dealer	7%	5%	7%	5%
Face to face	4%	4%	4%	4%
Mail	0%	0%	0%	0%
Online	67%	76%	67%	76%
Other	0%	0%	0%	0%
Retailer	0%	0%	0%	0%
Telephone	3%	3%	3%	3%

Product	2021	2022	Change	Proportion 2021	Proportion 2022
All in one	1	2	100%	0%	0%
Asset finance	1,764	2,050	16%	14%	12%
Bank account	4,956	9,149	85%	40%	51%
Insurance	2,142	1,955	-9%	17%	11%
Loan	690	947	37%	6%	5%
Mortgage	906	1,285	42%	7%	7%
Online retail	40	13	-68%	0%	0%
Other	1,261	1,761	40%	10%	10%
Plastic card	112	231	106%	1%	1%
Telecoms	369	384	4%	3%	2%
Grand total	12,241	17,777	45%		

Age group	2021	2022	Change	Proportion 2021	Proportion 2022
Under 21	481	964	100%	4%	5%
21-30	4,190	6,308	51%	33%	36%
31-40	4,105	5,658	38%	32%	32%
41-50	2,500	2,993	20%	20%	17%
51-60	1,060	1,317	24%	8%	7%
61+	386	387	0%	3%	2%



Insider threat

- 225 individuals were recorded to the Internal Fraud Database – up 25% on last year (+45 individuals).
- Most cases relate to false employment application (unsuccessful) (117 cases) and dishonest actions (97 cases).
- Most individuals worked in a contact centre (42%), which is up 22% on 2021. This is followed by those working within a branch (40%).
- Most individuals recorded for dishonest conduct were aged between 21-30 years (45%), however there has been a 52% increase in those aged 31-40 years.
- Most individuals had been in employment for 2-5 years (39%) when dishonest conduct was identified.

Case type	2021	2022	Change	Proportion 2021	Proportion 2022
Account misconduct	18	18	0%	9%	7%
Being bribed	1	1	0%	0%	0%
Dishonest action by staff to obtain a benefit by theft or deception	90	97	8%	43%	38%
False employment application (successful)	2	3	50%	1%	1%
False employment application (unsuccessful)	79	117	48%	38%	46%
Unlawful obtaining or disclosure of commercial data	4	5	25%	2%	2%
Unlawful obtaining or disclosure of personal data	16	14	-13%	8%	5%



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