



FRAUDSCAPE 2023

6 Month Update

Overview

- Just over **186,500** cases of fraudulent conduct recorded – down **6%** on the same period in 2022.
- Identity fraud is down **10%** on 2022, but there has been an increase in the targeting of plastic cards (**up 7%**), asset finance (**up 69%**) and credit file requests (**26%**).
- There has been a **180%** increase in the number of companies targeted for identity fraud – particularly for telecoms and loans products.
- Misuse of facility accounts for nearly a fifth of cases and a large proportion are in relation misuse of bank accounts. **66%** of cases against bank accounts hold intelligence indicative of money mule behaviour.
- Facility takeover has seen a **22%** increase as threat actors target existing products. Key products targeted include telecoms, online retail and bank accounts.
- False application is down **23%** which may be due to a number of organisations reducing their product offering and reviewing their affordability checks in light of the current economic climate.
- Dishonest actions is up **4%** on the Internal Fraud Database, with theft related offences up **31%** overall.

National Fraud Database cases and insights

186,549 cases of fraudulent conduct recorded – down 6% on the same period of 2022. Facility takeover saw the most significant increase (+22%), followed by misuse of facility (+5%). Asset conversion also saw an increase of 105%:

Case type	2022	2023	% change	Volume change	Proportion 2022	Proportion 2023
Asset conversion	162	332	105%	170	<1%	<1%
Facility takeover	15,539	18,969	22%	3,430	8%	10%
False application	12,374	9,473	-23%	-2,901	6%	5%
False insurance claim	214	227	6%	13	<1%	<1%
Identity fraud	136,649	122,743	-10%	-13,906	69%	66%
Misuse of facility	33,279	34,805	5%	1,526	17%	19%
Grand total	198,217	186,549	-6%	-11,668		

Focus on identity fraud



- Over 122,700 cases of identity fraud – down 10% on the same period of 2022 and accounting for 66% of cases filed.
- 89% of cases are through online channels.
- 55% of cases are successful, which is lower than 2022.
- 36% of cases target the plastic card sector, which has seen a 7% increase. In 90% of cases, personal credit cards are targeted. Pre paid cards has seen a 161% increase in the first six months (+1,150).
- There has been a 29% increase in “other” products. 87% are in relation to credit file requests, which is up 26%.

Product group	2022	2023	Percent change	Volume change	Proportion 2022	Proportion 2023
All in one	30	19	-37%	-11	<1%	<1%
Asset finance	2,702	4,572	69%	1,870	2%	4%
Bank account	26,376	26,603	1%	227	19%	22%
Insurance	12,690	7,032	-45%	-5,658	9%	6%
Loan	9,396	9,753	4%	357	7%	8%
Mortgage	10	16	60%	6	<1%	<1%
Online retail	14,957	12,658	-15%	-2,299	11%	10%
Other	4,870	6,292	29%	1,422	4%	5%
Plastic card	41,928	44,762	7%	2,834	31%	36%
Telecommunications	23,690	11,036	-53%	-12,654	17%	9%
Grand total	136,649	122,743	-10%	-13,906		

- Most filing reasons are for impersonation – current address fraud (77%), however there have been some significant increases in false documents (68%).
- 23% of victims are aged over 61, but there has been a slight increase in proportion of those aged 31-40 years:

Age band	2022	2023	Percent Change	Volume change	Proportion 2022	Proportion 2023
Under 21	2,245	1,904	-15%	-341	2%	2%
21-30	16,747	15,043	-10%	-1704	14%	14%
31-40	24,428	22,009	-10%	-2419	20%	21%
41-50	24,277	20,687	-15%	-3590	20%	19%
51-60	26,012	22,509	-13%	-3503	22%	21%
61+	25,509	23,976	-6%	-1533	21%	23%

- Those aged under 21 are more likely to be victims of impersonation for online retail than any other age group.
- Those under 30 are more likely to be victims of impersonation for telecoms products.
- Those aged 21 to 30 are more likely to be victims of impersonation for online retail.
- Those aged between 31 and 40 and 61+ are more likely to be victims of impersonation for plastic cards.
- Those aged between 51 and 60 are more likely to be victims of impersonation for insurance products.
- There has been a 180% increase in the number of companies recorded as victims of impersonation (+301). Companies in the first six months of 2023 have mainly been targeted for telecom products (55% - all mobile phone products), but also for loans (27% - mainly company loans unsecured).

Key identity fraud observations:

- Threat actors have been taking advantage of the rise in mortgage rates by sending emails to consumers purporting to be from a genuine mortgage provider to offer low-rate mortgages on time limited deals. The emails contain a malicious link to harvest personal and financial information.
- Small businesses have also been a target for threat actors in relation to the current economic climate. Gross lending to SMEs in 2022 was £65.1billion¹, up 12.8% from 2021 as businesses struggle with energy and living costs. With lenders tightening their criteria, SMEs are being targeted by threat actors posing as brokers offering them help to obtain a personal loan whilst harvesting KYC / KYB information through the process. This information is then used to set up a website using the company information to add legitimacy prior to applying for a loan.
- Consumers have been targeted by numerous cost of living themed phishing campaigns. Some of these campaigns include refunds for energy bills and impersonating well known retailers offering “rewards” or offering the opportunity to win an item by filling out a survey. All of these have the intention to harvest personal and financial information, with a quarter of UK adult internet users losing money as a result of an online scam².
- As of March 2023, 1.2 million UK adults had a second job in order to cope³ with household finances. A number of fake job adverts or opportunities have been identified, exploiting those looking for ways to supplement their income. The victim either applies for a role they see on an online job board or is cold called about an opportunity and is encouraged to share their personal details for the job. Unfortunately, this information is then used to order goods or open accounts.

¹ [UK Business Statistics 2023 - Business Facts and Stats Report | money.co.uk](#)

² [Scale and impact of online fraud revealed - Ofcom](#)

³ [LFS: Workers with second jobs: UK: All: Thousands: SA - Office for National Statistics \(ons.gov.uk\)](#)



**Focus
on
misuse
of
facility**

- Over 34,800 cases of misuse of facility, a 5% increase in filings in 2023 compared to 2022 and accounts for nearly a fifth of cases.
- Mainly impacts the bank account sector (75%), with 66% of misuse of facility cases on bank accounts holding intelligence indicative of money mule behaviour.

Product group	2022	2023	Percent change	Volume change	Proportion 2022	Proportion 2023
All in one	3	28	833%	25	<1%	<1%
Asset finance	547	1,265	131%	718	2%	4%
Bank account	28,360	26,194	-8%	-2,166	85%	75%
Insurance	26	11	-58%	-15	<1%	<1%
Loan	1,149	1,470	28%	321	3%	4%
Mortgage	11	14	27%	3	<1%	<1%
Online retail	34	151	344%	117	<1%	<1%
Other	611	1,919	214%	1,308	2%	6%
Plastic card	1,958	3,321	70%	1,363	6%	10%
Telecommunications	580	432	-26%	-148	2%	1%
Grand total	33,279	34,805	5%	1,526		

- Plastic cards has seen a 70% increase in the volume of filings (+1,363), with 52% of cases against pre-paid cards and 44% against personal credit cards. 38% of filing reasons for these cases are in relation to payment fraud.
- 82% of misuse of “other” products is in relation to stimulus packages, which is up 212% (+1,073). Filing reasons are mainly in relation to evasion of payment.
- Asset finance has seen a 131% increase in volume of filings (+718), mainly targeted ire purchase / conditional sale products. Over half of filing reasons are in relation to evasion of payment and 40% in relation to theft of the asset.

- Loans has seen a 28% increase in volume of filings (+321), mainly targeting unsecured personal loans and deferred credit. There has also been a 154% increase in company loans (+97). A large volume of filing reasons are evasion of payment.

MULES:

- Over 17,200 cases have intelligence indicative of mule activity.
- A large proportion are in relation to personal current accounts (89%).
- Most filing reasons for cases indicative of mule activity are funds received – conduct unexplained (43%) or retaining wrongful credit (33%).
- Overall, 40% are recorded within 6 months. Of note:
 - Personal instant or easy access savings accounts are more likely than other products to be recorded between 1 and 2 months.
 - Company instant or easy access savings account are more likely than other products to be recorded between 3 and 6 months.
 - Company current accounts are more likely than other products to be recorded between 6 months and 1 year.
- In terms of those recorded for this type of activity, most are aged between 21 and 30 years:

Age group	2022	2023	Percentage change	Volume	Proportion 2022	Proportion 2023
Under 21	4,062	3,881	-4%	-181	21%	22%
21-30	8,093	7,134	-12%	-959	42%	41%
31-40	4,093	3,601	-12%	-492	21%	21%
41-50	1,900	1,679	-12%	-221	10%	10%
51-60	794	756	-5%	-38	4%	4%
61+	244	235	-4%	-9	1%	1%
Total	19,186	17,286	-10%	-1,900		

Key misuse of facility observations:

- As more households feel the economic strain, they may be tempted by ways to recoup their money. A number of forums and social media platforms have guides on how to falsely claim a refund for goods or services or even how to commit fraudulent exchanges where the item exchanged is not the item ordered.
- As the Payment Service Regulator has confirmed new requirements for banks and payment companies on reimbursing victims of Authorised Push Payment, the financial sector may look to enhance their checks on transactions. This means that threat actors will look for alternative ways of payment through digital channels such as virtual cards, ewallets and crypto wallets.

The background features a vibrant blue color with a complex pattern of overlapping, nested geometric shapes in a lighter green shade. These shapes include triangles and trapezoids, creating a sense of depth and movement. The overall effect is modern and dynamic.

Focus on facility takeover

- Nearly 19,000 cases of facility takeover, which is up 22% on filings in 2022.
- 61% were through online channels, however 20% were also through telephony channels.
- 38% of cases relate to telecom products, which is up 43%. Most filing reasons are in relation to unauthorised security or personal details change (42%), unauthorised facility upgrade (35%) or unauthorised addition of a facility (17%).
- 30% of cases related to online retail products, which is up 10%. Most filing reasons are in relation to unauthorised security or personal details change (53%), unauthorised facility delivery instruction (17%) or unauthorised dispatch of goods instruction (7%).
- There has been a 22% increase in takeover on bank accounts. Most filing reasons are in relation to unauthorised security or personal details change (49%), unauthorised electronic payment instruction (29%) or unauthorised addition of a facility (16%).
- There has also been a significant increase in “other” products – this is mainly due to an increase in targeting credit file requests. Most filing reasons are in relation to unauthorised security or personal details change (98%).

Product group	2022	2023	Percent change	Volume change	Proportion 2022	Proportion 2023
All in one	120	517	331%	397	1%	3%
Asset finance	5	12	140%	7	<1%	<1%
Bank account	1,213	1,485	22%	272	8%	8%
Loan	43	90	109%	47	<1%	<1%
Mortgage	3		-100%	-3	<1%	<1%
Online retail	5,163	5,683	10%	520	33%	30%
Other	39	559	1333%	520	<1%	3%
Plastic card	3,862	3,360	-13%	-502	25%	18%
Telecommunications	5,091	7,263	43%	2,172	33%	38%
Grand total	15,539	18,969	22%	3,430		


- 23% of victims are aged over 61:

Age band	2022	2023	Percent change	Volume change	Proportion 2022	Proportion 2023
Under 21	111	151	36%	40	1%	1%
21-30	1,984	2,270	14%	286	13%	12%
31-40	3,327	4,043	22%	716	22%	22%
41-50	3,533	4,051	15%	518	23%	22%
51-60	3,150	3,851	22%	701	21%	21%
61+	2,977	4,358	46%	1,381	20%	23%

- Those aged under 21 are more likely to be victims of takeover for bank accounts than any other age group.
- Those aged 21 to 30 are more likely to be victims of takeover for telecom products and credit file requests than any other age group.
- Those aged 31-40 are more likely to be victims of takeover for online retail products than any other age group.
- Those aged over 61 are more likely to be victims of takeover for plastic card products.

Key facility takeover observations:

- With service providers looking to change their new account opening criteria in light of concerns of a potential recession, threat actors will look to target existing products and services. utilising personal information stolen from data breaches to socially engineer customers and target accounts that have good available credit.
- With individuals struggling with living costs, some may be susceptible to “too good to be true” offers. One example is through “mobile dealer fraud”, whereby customers are contacted with attractive deals for new devices or upgrades and are social engineered to reveal their personal and financial information for access to accounts.
- Dual attack methods are increasing in sophistication, particularly through bank impersonations. Perpetrators attempt to socially engineer credentials from their targets or convince them to make payments to a “safe account” due to fraud or suspect payments being identified. In several cases the victims received a scam verification text from a vendor or supplier immediately prior to the phone call which perpetrators used as a lure to commence the fraud.



**Focus
on
false
application**

- Over 9,000 cases of false application, down 23% on the same period in 2022.
- A large proportion come through online channels (71%), however there has been a 7% increase in the use of dealer channels.
- 45% of cases relate to bank account products. Most filing reasons are in relation to false documents (47%) and undisclosed address with adverse (39%).
- 14% of cases relate to asset finance products. Most filing reasons are in relation to altered documents (38%), undisclosed address with adverse (27%) and false documents (16%). Fronting a finance agreement has increased by 667%.
- There was a 20% increase in false applications on loans products. Most filing reasons are in relation to false documents (34%), altered documents (22%) or undisclosed address with adverse (13%).

Product group	2022	2023	Percent change	Volume change	Proportion 2022	Proportion 2023
All in One	1	1	-	-	-	-
Asset finance	1,329	1,310	-1%	-19	11%	14%
Bank account	6,342	4,298	-32%	-2,044	51%	45%
Insurance	1,434	1,156	-19%	-278	12%	12%
Loan	583	697	20%	114	5%	7%
Mortgage	910	725	-20%	-185	7%	8%
Online retail	9	3	-67%	-6	< 1%	< 1%
Other	1,329	813	-39%	-516	11%	9%
Plastic card	137	113	-18%	-24	1%	1%
Telecommunications	300	357	19%	57	2%	4%
Grand total	12,374	9,473	-23%	-2,901		

- Most subjects are aged between 21 and 30 years, however there has been a slight increase in those aged over 61:

Age band	2022	2023	Percent change	Volume change	Proportion 2022	Proportion 2023
Under 21	645	457	-29%	-188	5%	5%
21-30	4,300	3,387	-21%	-913	36%	34%
31-40	3,931	3,290	-16%	-641	33%	33%
41-50	2,070	1,786	-14%	-284	17%	18%
51-60	857	723	-16%	-134	7%	7%
61+	237	268	13%	31	2%	3%

- Under 21s are more likely to be recorded for false application on bank accounts than any other age group, mainly for providing false documents (69%).
- Those aged between 21 and 30 are more likely to be recorded for insurance products than any other age group, mainly for false no claims discount (61%).
- Those aged 41-50 are more likely to be recorded for mortgage products than any other age group, mainly for altered documents (42%).

Key false application observations:

- The number of incidents involving falsified bank statements, pay slips and unverified proof of deposits continue to grow in the light of the economic crisis as individuals look to influence lending decisions. The use of unregulated brokers to make applications is a real concern, as they may charge high fees to consumers and then supply false documentation with inflated income to apply for products and services.
- With the UK potentially going into recession, a number of financial services and lenders will look to tighten some of their lending criteria over concerns of affordability. As a result, individuals will look for ways to make themselves seem more credit worthy, utilising free document manipulation software to alter documents such as bank statements.
- Individuals are going to greater lengths to identify where they can get better rates for products and services. They may make multiple applications with different providers but alter information on each one to see which one gives them the best deal, such as removing the number of dependents that they have or issuing false no claims discounts. Research⁴ suggests that for products such as insurance, 33% of motorists have changed at least one material detail on their insurance application to save money and 17% admit to insuring a car in their name, even if someone else (such as their child) is the main driver.

⁴ <https://www.aviva.com/newsroom/news-releases/2022/12/aviva-reports-16-percent-rise-in-application-fraud-over-same-period-in-2021/>



**Internal
Fraud
Database
cases
and
insights**

- 151 individuals recorded – down 7% on the same period of 2022 (-12).
- 46% of cases were in relation to dishonest actions and 39% in relation to false employment application (unsuccessful). Unlawful obtaining or disclosure of personal data has increased by 9%:

Case type ⁵	2022	2023	Percentage change	Volume change	Proportion 2022	Proportion 2023
Account misconduct	13	6	-54%	-7	7%	4%
Being bribed	1	3	200%	2	1%	2%
Dishonest action by staff to obtain a benefit by theft or deception	71	74	4%	3	38%	46%
False employment application (successful)	2	2	-	-	1%	1%
False employment application (unsuccessful)	83	62	-25%	-21	45%	39%
Unlawful obtaining or disclosure of commercial data	4	2	-50%	-2	2%	1%
Unlawful obtaining or disclosure of personal data	11	12	9%	1	6%	7%


- Overall, most individuals were working within branch (44%), which is up by 11%. 31% of individuals worked within a contact centre, which is down 23%.
- Most individuals were aged between 21 and 30 years (46%), however there has been a 22% increase in those aged 41-50 years.
- Unlike other reporting periods, this period has seen a large number of individuals being well established in their roles, primarily with their employer for over ten years (26%).
- 63% of conduct was discovered through internal controls (up 13%).

⁵ One individual can be filed for multiple case types



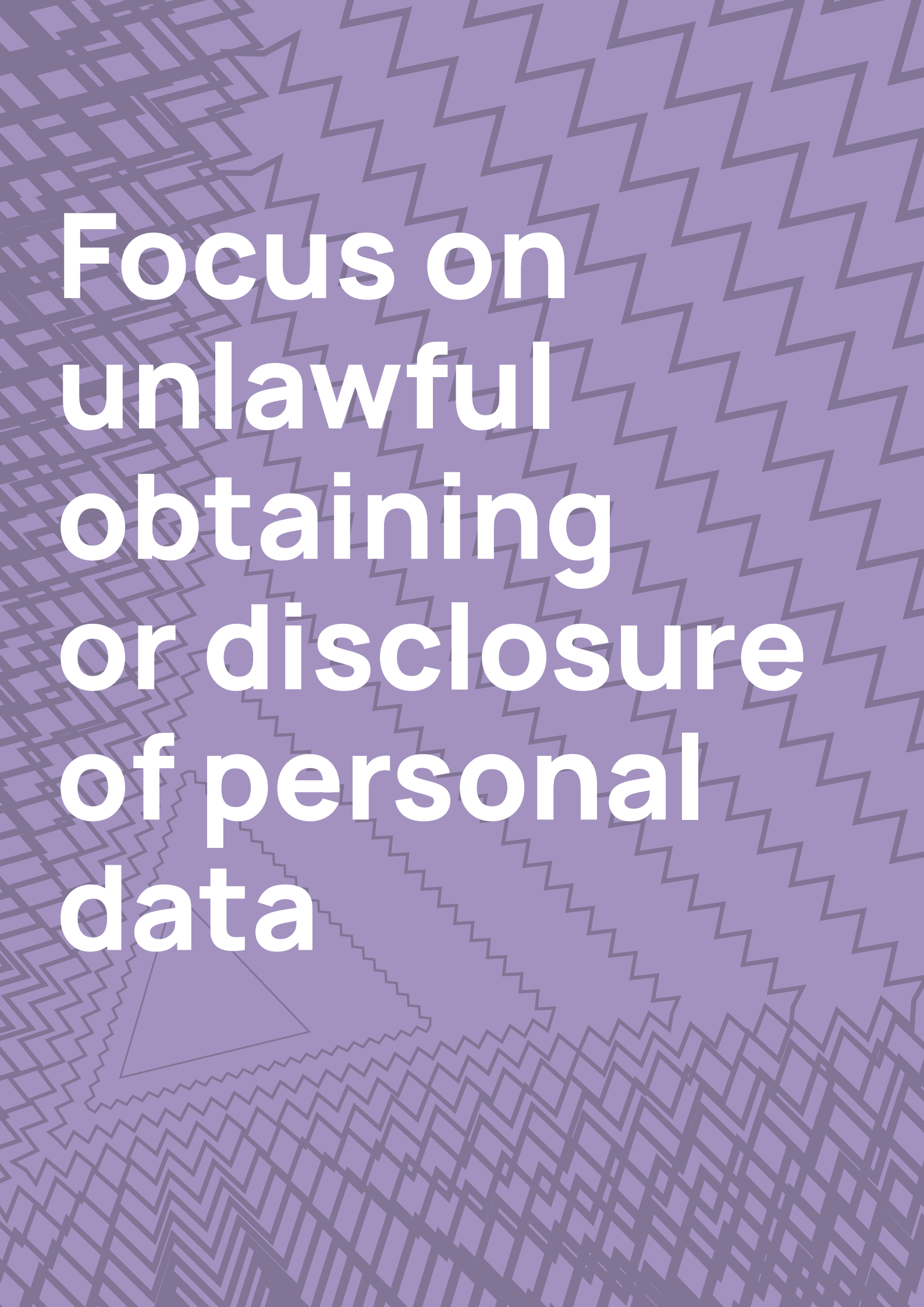
**Focus
on
dishonest
actions**

- Cases are up 4% on the same period in 2022.
- Most filing reasons are in relation to theft of cash from employer (17%), which is up 38%. Other filing reasons include abuse of company time (7%, up 14%) and theft of stock (7%, up 300%).
- Overall theft related offences are up 31%.
- Although most individuals are aged between 21 and 30 years (43%), there has been a 120% rise in those aged between 41 and 50 years.
- Most individuals had worked with their employer for over 5 years (50%).



**Focus
on
false
application
(unsuccessful)**

- Cases are down 25% on the same period last year.
- Most filing reasons are in relation to concealed adverse credit history (53%), followed by concealed employment history (20%, up 88%).
- Most individuals are aged between 21 and 30 years (52%).



**Focus on
unlawful
obtaining
or disclosure
of personal
data**

- Cases are up 9% on the same period in 2022.
- Most filing reasons are in relation to contravention of systems access policy (35%), which is up 17%. Other filing reasons include disclosure of customer data to a third party (20%).
- Although most individuals are aged between 21 and 30 years (50%).
- Most individuals had worked with their employer for either under a year (30%) or over 10 years (30%).

Key internal fraud observations:

- Research⁶ suggests that the number of UK households struggling with debt has increased by two thirds since 2017, with almost 13 million adults now struggling to pay bills. Financial pressures may drive individuals to supplement their income by stealing against their employer and this has been identified particularly within the older age groups who may be struggling with food prices, energy prices and being able to pay their mortgage.
- Some organisations are seeing the impact of individuals working across multiple employers, falsely claiming to work their contracted hours when not and accessing customer information to help support them in their second role. Employees may also be proactively seeking an alternative income, which may make them susceptible to staff approaches.
- There has been an increase in employees abusing their knowledge of systems and processes in order to recoup money for themselves or for friends and family. Examples include fraudulently claiming higher mileage expenses to supplement their income, offering their staff discount on social media platforms and abusing corporate cards for personal expenses.
- Applicants are turning to ChatGPT to create CVs to help them with their job applications for specific roles. However, in order to get certain roles, ChatGPT may provide falsehoods based on meeting the necessary job criteria.

⁶ [Almost 13 million adults now struggling to pay bills, debt charity warns | UK cost of living crisis | The Guardian](#)

