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| <b>Title &amp; version</b>     | MPS Central Specialist [Economic] Crime Command Fraud Policy |
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## **1. Introduction**

- 1.1 Fraud offences are recognised as being one of the most frequently reported and complex crimes for the Police to investigate. Victims are not always immediately aware that they have been targeted and the speed at which criminals can transfer funds out of the UK banking system makes identifying and holding offenders to account challenging for law enforcement and other agencies.
- 1.2 Fraud is estimated to cost the UK £190billion pounds a year and that is despite assessment by the National Economic Crime Centre (NECC) that only 20 per cent of fraud incidents are actually reported <sup>1</sup> Much of the proceeds of fraud are laundered overseas using a complex series of networked accounts, sometimes referred to as ‘mule accounts’. This makes the tracing and recovery of stolen monies extremely difficult. Fraud is also increasingly being committed via the internet, enabling fraudsters to exploit victims in London without ever having to enter the UK.
- 1.3 Investigations of economic crime and fraud in London are undertaken either by a Local Policing Team or by one of four investigation Hubs aligned to the Central Specialist [Economic] Crime Command. Those investigation Hubs are located in North London (Hendon), South London (Lewisham), East London (Barking) and West London (Putney). Broadly speaking the Economic Crime Command will lead on the more complex investigations whilst supporting Local Policing Teams dealing with cases that require more straightforward enquiries.
- 1.4 Other fraud related allegations such as Electoral Fraud and cyber-dependent offences are also dealt with by teams within the Metropolitan Police Service (MPS) Central Specialist Crime Command.
- 1.5 This policy forms the basis of the MPS response to economic crime and specifically fraud. It has taken in to consideration the Government’s Serious and Organised Crime Strategy, the Economic Crime Plan 2019-2022, Police and Crime Plan 2017-2021 and guidance from the City of London Police, National Crime Agency and NECC.

## **2. Reporting Fraud**

- 2.1 Fraud offences committed by suspects who are believed to reside in London are predominately reported to the MPS via Action Fraud.
- 2.2 Action Fraud is the national reporting centre for fraud. Other than offences for the Banking Protocol and Calls for Service (detailed below) the vast majority of reports should be made in the first instance to Action Fraud.
- 2.3 All reports that Action Fraud receive are transferred securely to the National Fraud Intelligence Bureau (NFIB) which is run by the City of London Police who are the National Lead Force for economic crime. The NFIB hosts a sophisticated analytical database which receives information and intelligence from many other sources nationally. The Action Fraud reports received by the

<sup>1</sup> <https://www.nationalcrimeagency.gov.uk/what-we-do/crime-threats/fraud-and-economic-crime>

NFIB are analysed with the other fraud data and, where there are lines of enquiry they consider viable, referrals will be sent out to police forces to investigate.

2.4 Reports from NFIB are received in the MPS by the Crime Recording Investigation Bureau (CRIB) who create a police report based on the information received from NFIB. In accordance with Home Office Counting Rules (HOCR) CRIB will then determine which part of the MPS is best placed to conduct further enquiries. Some reports will be sent directly to Local Policing Teams and others to the Central Specialist [Economic] Crime Command where they are received by an Initial Investigation Unit (IIU).

### **3. Decision making for initial and further investigations by Central Specialist Crime**

3.1 The IIU will conduct an initial investigation of all matters received from the CRIB taking in to account:

- The seriousness of the offence.
- The effectiveness of safeguarding vulnerable victims.
- The proportionality of investigations as compared to the outcome of successful prosecutions.
- The likelihood of assets being recovered.

3.2 Considerations as to prioritising responses are based on the likely impact on the victim, for example linked to child sexual exploitation, human trafficking, serious violence or other vulnerable person(s). Decisions may also be suspect focused including whether an individual is identified as a repeat offender or associated with crimes linked to violence (including homicide), drugs, guns or knife crime. The IIU will also consider whether the offending risks damaging the reputation of the UK economy and what links might exist with organised crime.

3.3 Further factors for prioritising investigations include; whether the suspect was in a position of trust by virtue of profession or role, such as an accountant, solicitor, banker or Trustee. Specific factors that are considered exceptional circumstances may also apply. These may be where a victim is considered particularly vulnerable, where financial loss is considered catastrophic as compared a victim's financial means or where a victim has invested significant resources to prevent fraud from happening. These are not intended to be a definitive list and reports will be assessed individually on a case by case basis. In all cases the MPS will look to identify opportunities to ensure any law enforcement intervention can have a material positive and cost effective impact.

3.4 Lower priority cases will include those where the consequences of an investigation in terms of length of sentence or financial penalty are not considered to be cost effective. Other considerations might include where a victim has pursued civil litigation and either been unsuccessful or dissatisfied with that course of action. Victim conduct may also be considered where they may have contributed to the loss, particularly where they have received warnings before transactions are completed but have not acted on the advice. Also, in cases where delays to reporting would have an adverse effect on the outcome a decision might be made at an early stage not to proceed with an investigation. Cases where it may be more appropriate for another agency to lead, for example Trading Standards, or where funds have been recovered may also be considered unsuitable for further investigation by Police. The same may apply when the tangible loss to a victim is considered to be of low impact as compared their financial means or where another police force area has taken an initial lead on investigation. These are not intended to be a definitive list and reports will be assessed individually on a case by case basis.

3.5 The IIU will contact victims identified on the police report and establish if there are viable and proportionate lines of enquiry to pursue an identifiable and available suspect. This will include

determining whether the details used by the suspect can be reasonably traced back to the actual offender and, whether they can be reasonably thought to be located in the UK or overseas. The location of an offender will form part of the decision making process as to whether a law enforcement intervention can have a material positive and cost effective impact.

- 3.6 Every police report received by the IIU will be investigated and a decision made as to whether it is viable and proportionate for further enquiries by one of the four investigation Hubs.
- 3.7 Not all allegations of fraud are suitable to be reported to Action Fraud in the first instance and in particular those that should be reported directly to the police as a Call for Service.

#### **4. Calls for Service**

4.1 A Call for Service is where an immediate Police response is required. In such cases victims should dial 999 (18000 on Text Phone).

4.2 Allegations of fraud which meet the “Call for Service” criteria are:

- The offender is committing or has recently committed a fraud offence at the time of the call for service and is physically still present, nearby or known/established to live in London
- There is a vulnerable victim determined to be at risk

4.3 In such cases a Call for Service will trigger immediate attendance by a Local Policing Team. Their priorities will be to conduct an initial investigation at the scene including safeguarding victims, locating suspect(s), seeking to protect a victim’s money and gathering evidence. In these cases the attending officer will create a Crime Report and ‘double key’ the same information to submit a report to Action Fraud. Thereafter the Local Policing Team will progress the investigation, unless it is considered suitable for referral to the Central Specialist [Economic] Crime Command.

4.4 A Call for Service response will also be provided for calls arising from the Banks or Post Office under the Banking Protocol if they suspect a crime is taking place, such as Courier Fraud and Rogue Trader offences.

#### **5. The Banking Protocol**

5.1 The Banking Protocol is a partnership between:

- Metropolitan Police Service,
- City of London Police
- Major Banking institutions
- Post Office
- UK Finance
- Trading Standards

5.2 The Banking Protocol was designed to prevent bank customers becoming victims of fraud and was intended to address the issue of customers being asked to attend banks to withdraw money to then hand over to suspects. This was initially piloted in the MPS in October 2016 and has now been adopted across the UK, preventing the loss of millions of pounds from thousands of victims.

5.3 The Banking Protocol is a four stage process which can be split down as:

1. Banking response
  2. Referral to Police
  3. Primary Investigation following Police attendance
  4. Secondary Investigation
- 5.4 The instruction provides for any calls received by the bank or Post Office staff under the Banking Protocol will attract the following response from the MPS:
- I (Immediate) response - if a suspect is present or their location is known
  - S (significant) response - if a suspect is not present or their location is not known
- 5.5 In accordance with the above assessment a Local Police Unit will be assigned to attend. Upon arrival it is expected that the Unit will undertake the following actions:
- Provide victim care
  - Investigate and establish if any offences have been committed
  - Make efforts to locate and arrest the suspect
  - Record the allegation
  - If a crime was identified, ensure that it is recorded at Action Fraud and the NFRC number added to the police crime report
  - Where appropriate make contact with local Trading Standards
- 5.6 If appropriate, Banking Protocol reports can be referred to the Central Specialist [Economic] Crime Command by the Local Policing Team. This is to ensure that opportunities are not missed to identify linked offences that may be indicative of serious and organised crime. They may also identify cases that are suitable to be brought to the attention of other agencies such as Trading Standards, Age UK, Victim Support and HM Revenue and Customs.
- 5.7 Victims may have been defrauded in a number of different ways. Courier fraud, and rogue trader offences are two of the most common offences in which suspects ask the victim's to attend banks to make withdrawals or transfers. However, customers may have been the victim of another fraud, such as romance fraud or investment fraud. The Banking Protocol should be followed for any transaction which bank staff feel is unusual as they may prevent the customer losing funds to a fraudster.

## **6. Courier fraud**

- 6.1 Generally, but not exclusively, courier fraud is where a fraudster 'cold calls' the victim on the telephone and makes claims designed to encourage the victim to divulge specific personal information such as their bank account details and PIN number. Most typically they will claim to be a police officer or from the fraud department of the victim's bank and suggest that they have been the victim of a fraud or an attempted fraud. The fraudster may then either arrange a local taxi company or associate to present as a legitimate courier to collect victim's bank cards from them at a pre-arranged location. The suspect will then use the cards to withdraw cash. Reports of courier fraud have also seen fraudsters making various claims to encourage the victim's attendance at their bank or Post Office to withdraw funds, or a shop to buy items of high value, which the suspect or an associate will then later collect. The victim is unaware initially that they have been the victim of a Courier fraud but if the transaction is identified as being out of character the Bank or Post Office can trigger the Banking Protocol.

## **7. Rogue Trader**

7.1 Rogue Trader offences refer to where an individual purporting to be a legitimate 'trader' knocks on a victim's door and describes a problem with the victim's house that is in need of work or repair (i.e. roofing, guttering or pathway in poor condition). The work usually does not need doing or the subsequent work done is of poor quality when completed. The cost of the work is often excessive as compared any work completed. The victims are usually older in age, with a trusting nature and have readily available cash at home. Victims are also sometimes isolated and do not have a close support network of family or friends around them. They may also feel pressurised or be intimidated into agreeing to the work being undertaken.

7.2 Once the work is 'completed' the Rogue Trader might escort the victim to their local Bank or Post Office or arrange transport with an associate or unsuspecting third party. The Rogue Trader will wait for the victim to withdraw then handover the money before leaving. The victim is unaware initially that they have been the victim of a Rogue Trader fraud but if the transaction is identified as being out of character the Bank or Post Office can trigger the Banking Protocol.

## **8. Victim contact following fraud allegations**

8.1 Irrespective of whether an investigation is completed by a Local Policing Team, the Initial Investigation Unit or Economic Crime Command Investigation Hub, victims should be reassured that investigations have sought to:

- Establish whether funds are recoverable from within the UK jurisdiction
- Identify viable lines of enquiry that are proportionate to be pursued
- Assessed the report to identify linked trends, patterns and/or offending

8.2 Victims should also be reassured that reports not progressed for further investigation on that occasion may be subject to review upon receipt of new information.

## **9. Responses to fraud reports**

9.1 MPS fraud investigators take in to account the National Fraud Investigation Model to identify and hold offenders to account and prevent offending, following the National '4Ps' strategy for tackling economic crime and fraud.

9.2 The National 4Ps Model supports a strategy to Pursue offenders, Prevent offending, Protect the public and business and Prepare a more effective response to the investigation of offences.

- Pursue: The MPS has established and effective professional relationships, working collaboratively with other organisations to improve investigative capabilities, hold offenders to account and deprive offenders the proceeds of crime.
- Prevent: The MPS works hard to raise awareness of the reality and consequences of fraud offences, intervene to prevent repeat offending and has an established structure to support the Pursue strategy.
- Protect: The MPS works cooperatively with statutory and regulatory agencies to safeguard the public and businesses from fraud, improve resilience for investigations and make London a toxic environment for fraudsters to operate in.

- Prepare: The MPS undertakes to provide the best possible training for supporting the 4Ps strategy to support victims, undertake fraud investigations and deny criminals the proceeds of crime.

## **10. Appeals and complaints**

10.1 A victim, or person empowered to act of their behalf, may consider they have not had a satisfactory response from the MPS to having their fraud allegation investigated. In such instances an identifiable officer, of higher rank than the investigator, will act as the appeals manager. This does not preclude a victim of their right to make a formal complaint through the Independent Office for Police Conduct (IPOC) or MPS Directorate of Professional Standards. However, every effort should be made in the first instance to find an alternative route for a satisfactory and proportionate resolution.

## **11. Reviews of this Policy**

11.1 Reviews of this policy will take place periodically and from time to time before the stated formal review date. If this document is printed it may not reflect the most update version. Reference should always be made to the MPS Internet site to ensure the current and correct version is referred to.