

Fraud

**A review of the national 'lead force'
responsibilities of the City of
London Police and the
effectiveness of investigations in
the UK.**

**Sir Craig Mackey QPM/Jerry Savill
24 January 2020**

Section 1 – Executive summary

1.1 Fraud is a unique crime. It accounts for one in three of all allegations of crime and we are more likely to be a victim of fraud than any other offence. Latest losses that can be attributed to fraud amount to £130bn;¹ most offences are committed by use of the internet;² many offences involve multiple victims based all over the country;³ and, despite the level of total crime in the UK being stable, in the last 12 months the number of fraud offences has increased by half a million.⁴

1.2 Since 2006, national facilities have been in place for the reporting of fraud and the analysis of reported crime. Since 2014, the City of London Police has hosted these facilities. The national reporting centre, known as Action Fraud, is run as a managed service for the force. The analysis of reported crime (known as ‘reviewing’) is the responsibility of the force’s National Fraud Intelligence Bureau (NFIB). The NFIB is dependent on an operating system which helps to identify the cases to be referred (‘disseminated’) to police forces for investigation. Both Action Fraud and the NFIB’s operating system are contracted services provided by IBM United Kingdom Ltd.

1.3 This review was commissioned when an article in the Times Newspaper reported call handlers in Action Fraud making derogatory comments about crime victims. The article included video footage of a member of staff encouraging call handlers to mislead victims into believing that all cases would be investigated. Although this was the event that prompted the review, our terms of reference were quite far reaching. They included our opinion on the value that Action Fraud and the NFIB add to investigations; how well the volume of reporting is managed; and, whether there are sufficient resources in place to investigate fraud thoroughly.

1.4 Our overall finding was that Action Fraud and the NFIB have the potential to serve policing well in the UK. However, their operations are significantly

¹ Jim Gee and Professor Mark Button, the Financial Cost of Fraud 2019, University of Portsmouth, 2019, page 3.

² The City of London Police, *Assessment on the threat posed to the UK from fraud 2018- 2019*, page 4

³ The Police Foundation, *More Than Just a Number, Improving the Policing Response to Victim’s of Fraud*, page 23, December 2018. Available at: <http://www.police-foundation.org.uk/publication/more-than-just-a-number-improving-the-police-response-to-victims-of-fraud/>

⁴ Office for National Statistic, Crime Survey for England and Wales year ending March 2019, available at <https://www.crimsurvey.co.uk/en/SurveyResults.html>

hampered by an operating system that is not fully functional and their resourcing levels have not kept pace with increased reporting. Also, we express concern about the sustainability of a system that is dependent on the 43 police forces in England and Wales to investigate allegations of fraud properly. Rarely is fraud identified as a priority in forces; only a small proportion of officers are involved in fraud investigation; they lack the skills to investigate complex cases; and, there is no certainty that cases will conclude with positive outcomes.

1.5 For fraud to be investigated effectively, Action Fraud and the NFIB need to work seamlessly with the 43 police forces in an assured 'end to end' process. However, the reality is that when cases are sent to forces for investigation, they frequently become lost among other priorities; there are disagreements about which force should take responsibility for investigations; and, most importantly of all, rarely are there sufficient detectives available to investigate them.

1.6 On visiting Action Fraud, we found that the misconduct proceedings concerning the Times newspaper exposé had been concluded. A number of people had been dismissed, left the service or had been warned for their behaviour. We were asked to check if the behaviours revealed in the Times article were representative of the day to day culture in Action Fraud. Given the high turnover of staff and the number of employees we would have to speak to in order to get to the bottom of this, it is not possible to make a conclusive judgement on this point. What was seen during our visit to Action Fraud was an enthusiastic workforce of mainly young people starting out on their career. They are aware of the standards of behaviour expected of them. We found them to be sympathetic to the plight of victims and determined to do their best for them. There is a programme of 'quality checking' in place in Action Fraud and its objective should be to ensure these standards remain the norm.

1.7 Of more concern to us, were the operational pressures that are being experienced in Action Fraud. When compared to call centres in the police service and the commercial sector, Action Fraud is falling behind industry standards. Callers wait a long time to be answered, over a third of them hang up, call handlers have far fewer rest breaks and high staff turnover suggests that long-term employment is not an attractive proposition.

1.8 We believe the root cause of this to be the fact that the capacity to answer calls has not kept up with increased volumes of reporting. If staffing levels are to be increased, an amendment to the managed service contract would be needed. There has been no discernible action in response to this. Opinion is divided in the City of London Police whether automating more procedures or increasing staffing levels is the best way forward. Our view is that further automation is not sufficiently 'tried and tested' to guarantee the improvements in service that is needed. Also, some of Action Fraud services, particular victim care, do not lend themselves well to automation.

1.9 We are recommending that the service offered should be re-defined and brought back into line with industry standards and public expectation. Boosting staffing levels will be an inevitable consequence of this. We have also recommended that some alterations be made to the Key Performance Indicators (KPIs). Too many of them relate to 'pass or fail' measures. They should include a victim insight into service quality, staff well-being should be monitored and 'quality checks' should be used to drive forward organisational improvements.

1.10 The service of the NFIB is also under considerable strain. In common with Action Fraud, the pressure stems from increased levels of reporting. In recent years, as demand upon Action Fraud and NFIB have increased markedly, their budgets and resourcing levels have remained static. Also relevant to this, is the lack of functionality of the NFIB operating system. An integral part of the system's functionality is to link common 'entities', for example bank account and websites, which have been used in the commission of multiple offences.

1.11 NFIB staff lack confidence in the system's ability to match different crimes with common entities. Furthermore, if large numbers of reports are linked, the system overloads. This means that larger networks of offenders are effectively beyond the reach of law enforcement. To overcome these problems, NFIB employees have created a 'workaround' using Excel worksheets. It is far from ideal that an 'off the shelf' spreadsheet programme is being used to make manual searches of a system designed to do this automatically. The manual 'workarounds' are time-consuming and significant backlogs have accumulated as a consequence.

1.12 The limitations of the operating system are not the only contributor to the build up of backlogs. The NFIB has the capacity to review only about half of 19,000 crimes with 'viable lines of enquiry' that are reported every month. As a consequence, it has had to adapt how it works to manage backlogs. This includes raising the 'threshold' that determines which reports of fraud are included for review. In the short term, this makes the NFIB's workload more manageable. Additional support measures are also in place for vulnerable victims. This means that they will be connected to safeguarding services even if their case is not investigated.

1.13 However, this is not sustainable in the long term. The NFIB needs to determine the level of service that is required to manage the workload effectively. This should include scenarios that simulate future levels of reporting. Predicted volumes should be used to define case thresholds, identify the capacity needed to service demand and calculate accurate operating costs. We recommend that the City of London Police establish a programme of work to achieve this. Included in this programme, must be the negotiations currently underway to upgrade the technology that underpins the NFIB operation. The future of fraud investigation in the UK is dependent on it.

1.14 Once cases have been sent to police forces from the NFIB, the quality of investigations is uncertain and there are no guarantees of successful outcomes. As the national lead force, this puts the City of London Police in a difficult position. After a case has been disseminated for investigation, the City of London Police becomes dependent on other forces to bring prosecutions. However, the force has no mandate to direct local action and no service agreements are in place. The limits of the national lead force model are not well understood and this can lead to problems. Frequently, public dissatisfaction with a decision taken not to resource a particular investigation is reported as a problem with the City of London Police. When, more correctly, the decision has been taken elsewhere and the force has no control over it.

1.15 In overall terms, over twenty percent of cases disseminated by the force conclude with a prosecution or other criminal justice outcomes. At one level this is encouraging, it indicates that cases developed by the NFIB are giving investigators a good starting point from which to bring offenders to justice. However, this figure has to be seen in context. The twenty percent detection

rate relates only to cases disseminated by the force. Currently, disseminated cases account for about ten percent of allegations of crime reported to the City of London Police. This helps to explain why, in terms of all fraud reported to the police service in the UK, only two percent of cases are detected. In some forces, notably the Metropolitan Police Service, detection rates are high. Sizeable economic crime teams and strong leadership bring a firm focus to positive outcomes. Elsewhere, performance is unreliable. Too often cases become 'buried' under other priorities; there are disputes about jurisdiction; cases are routinely assigned to unskilled investigators; and, worse still, no force has the capacity to manage the workload. Less than one percent of UK policing's total workforce is involved in fraud investigation. Even 'big city' forces are overwhelmed by the volume of demand. For example, our visit to Manchester revealed there are 20 investigators responsible for over 1600 NFIB disseminations per year.^{5 6}

1.16 These concerns have been raised in other publications about fraud investigation in recent times.^{7 8} What is really needed is a 'new future' for fraud investigation in the UK and, given the force's unique understanding of the problem, the City of London Police should be prominent in its design. At the time of our review, a parallel review by the Home Office was bringing a much needed momentum to a 'whole system' approach to fraud investigation in the UK. This is considering how the City of London Police's lead force role should integrate with the work of the National Economic Crime Centre (NECC),⁹ the National Crime Agency, the Serious Fraud Office, HM Revenue and Customs and other organisations that have a significant role in fraud investigation.

1.17 The force is actively engaging with this review and it brings an opportunity for the City of London Police to re-define its role as the national lead force. Working alongside others, it should agree a joint system view of front-end reporting (Action Fraud), analysis and prioritisation (the NFIB) and how investigations can be best tracked through to successful conclusions.

⁵ Visit to Greater Manchester Police Economic Crime Unit, 9 December 2019.

⁶ City of London Police, *AF disseminations for the 12 months to 30 September 2019*, not dated.

⁷ The Police Foundation, page 72.

⁸ Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services, *Fraud: Time to choose – an inspection of the police response to fraud*, page 22, April 2019, available at:-

<https://www.justiceinspectors.gov.uk/hmicfrs/publications/an-inspection-of-the-police-response-to-fraud/>

⁹ The National Crime Agency, NECC Improving the UK's response to Economic Crime, not dated available at:- <https://www.nationalcrimeagency.gov.uk/what-we-do/national-economic-crime-centre>

1.18 To make investigations more effective, we believe that building capacity on regional platforms is the best way to achieve this. By design, the existing regional organised crime units (ROCU) ¹⁰ should already have a fraud investigation capability as part of national standards. The reality is that ROCUs' capacity to investigate fraud is as fragile as it is in the 43 police forces.^{11 12} Reinforcing ROCUs would certainly be an option for enhancing fraud investigation capabilities. We also think other alternatives are worthy of consideration. Given the non-geographic nature of fraud, an alternative model is a fraud investigation service 'networked' across a number of regional hubs.

1.19 The investigation of fraud would sit better with regional teams for a number of reasons. First and foremost, regional teams can get to grips with criminals who operate in numerous police force areas. Fraudsters do just that, most of their crime relies on the use of the internet¹³ and their victims are selected randomly. Many of their crimes target victims in all four corners of the country and this makes it difficult for a single police force to manage investigations effectively.

1.20 Secondly, the fight against organised crime groups (OCGs) in the UK is predominantly coordinated by regional law enforcement teams. For a number of reasons, the number of OCGs involved in fraud is underestimated.¹⁴ There can be little doubt however that many of them exist. Investigating fraud needs a different response from the police service, a response that fights criminals on their terms. The establishment of regional economic crime teams would provide the solution to this.

1.21 Beyond the establishment of regional teams, there remains a question of the role of the 43 forces in the investigation of fraud. For two reasons, we believe they need to remain involved. Despite the complex nature of most fraud, some crime involves low level 'scams' and is confined to local areas. These can quite properly be investigated locally. Secondly, all forces have a responsibility to support vulnerable victims. The City of London Police's national economic crime

¹⁰ Operational police units with regional jurisdiction and specialist capabilities to disrupt and dismantle organised crime units; officers and police staff normally are seconded to ROCUs from forces within the region.

¹¹ Conversation the National Co-coordinator's Office, National Police Chief's Council (NPCC).

¹² Visit to West Midlands Police Economic Crime Unit 19 December 2019.

¹³ The Police Foundation, page 23, December 2018.

¹⁴ HMICFRS PEEL: *Police effectiveness 2017*, page 95, March 2018, available at:-

<https://www.justiceinspectorates.gov.uk/hmicfrs/wp-content/uploads/peel-police-effectiveness-2017-2.pdf>

victim care unit (NECVCU) is already networked with several forces. The NECVCU connects vulnerable victims to safeguarding support and there are plans to expand this service. Both in terms of safeguarding local victims and pursuing local criminals, all 43 forces should continue to be involved. What we are proposing is a two-tier model; one in which regional teams manage complex cases and forces investigate offences confined to their localities and care for vulnerable victims.

1.22 Fraud is rarely identified as a priority in forces and this is a frustration for the City of London Police. The Strategic Policing Requirement (SPR) places a requirement on Chief Constables and Police and Crime Commissioners to 'have regard' to certain national threats. Bearing in mind the prolific growth of fraud and the widespread nature of offences, it would be advisable for the City of London Police Authority and the force to negotiate its inclusion with the Home Office.

1.23 Transformational change is needed in a number of areas to bring fraud back into check and serve victims well. Action Fraud and the NFIB need adequate resources and a dependable ICT platform to operate effectively. Multi-skilled economic crime teams should be assembled at a regional level to confront the rapid spread of fraud. The immediate challenge is to develop conceptual operating models for Action Fraud, the NFIB and the newly established regional capabilities. These should be stress tested and future proofed against predicted volumes of reporting in years to come. A transformation programme involving other organisations should be established by the City of London Police to take a 'concept of operation' to firm proposals and implementation. Most importantly these proposals should set out accurate operating costs; what victims of fraud should expect from British policing; and, the standards of investigations that law enforcement should aspire to.

1.24 This summary gives a brief overview of our findings and our main recommendations. A full list of recommendations is included as appendix A at the end of this report. A fuller explanation of the supporting evidence that gives rise to the recommendations can be found in the main body of the report.

1.25 Throughout the review, we were impressed with the individual determination, desire and professionalism of the staff we met in the City of London Police, at Action Fraud and in other forces up and down the country. In the face of high

workloads and in a difficult operating environment, they are all committed to providing the best possible service to the public.

Section 2 - Background to this review

2.1 The City of London Police is designated as the UK's lead force for economic crime. The force has specialist teams to investigate complex cases of national significance, intellectual property crime, insurance fraud and banking fraud. In addition to this, the force is host to a number of important functions that facilitate the investigation of fraud in the 43 forces in England and Wales. These functions include:

the National Police Coordinator's Office which sets the national policing strategy;

the National Fraud and Cyber Crime Reporting Centre (known as Action Fraud);

the National Fraud Intelligence Bureau (NFIB) which assesses and allocates allegations of crime for investigation;

the Economic Crime Academy which provides training and accreditation for law enforcement and security professionals; and,

the National Economic Crime Victim Care Unit (NECVCU), this unit networks with other forces to connect victims to support and safeguarding services

2.2 The NFIB and Action Fraud were established in response to Lord Goldsmith's Fraud Review, 2006.¹⁵ The review had a remit to find ways of reducing fraud and the harm it does to society. Amongst its findings, Lord Goldsmith recommended that a national reporting centre with the capability of screening and allocating cases to forces be set up.

2.3 The force has had responsibility for Action Fraud since the National Fraud Authority, an executive body of the Home Office, closed in 2014. At that time Action Fraud was operated as a managed service by Broadcasting Support Service (BSS), a 'not for profit' organisation. It was based in two call centres in

¹⁵ Lord Goldsmith, *Fraud Review*, Final Report, 2006, available at:- <https://webarchive.nationalarchives.gov.uk/20070222120000/http://www.lso.gov.uk/pdf/FraudReview.pdf>

Manchester and Edinburgh. In 2014, the force began a procurement process to find a commercial partner to run Action Fraud and replace the operating system that supports the NFIB's core services. The previous operating system, known as Know Fraud, was ageing and incurring increasing maintenance costs. In anticipation of it being decommissioned, a decision was made not to pay for the updates that would have been required for its continued effectiveness.

2.4 The transition from the pre-existing arrangements in the Home Office to the service hosted by the force has not been easy. In June 2015, IBM United Kingdom Ltd was awarded the contract to run Action Fraud and replace the operating system in the NFIB. Soon after this, BSS went into administration and its call centres closed. At very short notice, Concentrix (a business service provider), that formed part of IBM's successful tender, established a new Action Fraud operation in Gourock, near Glasgow. The IBM contract was signed in August 2015 and Concentrix continued to operate Action Fraud as a supplier to IBM. However, the 'start date' for the contract was held up because of delays with the replacement operating system for the NFIB.

2.5 These delays became protracted. Faced with increasing concerns about the fragility of the pre-existing operating system (Know Fraud), a decision was made to introduce the new system (known as the Strategic Analysis Intelligence Platform or SAIP). This decision was made in recognition of the risk that SAIP was not yet fully functional. A deed of variation was drawn up between the City of London Police Authority and IBM that included reference to a programme of 'deliverables that have yet to be completed'.¹⁶

2.6 Action Fraud and the NFIB are primarily financed by the Home Office as part of an annualised funding formula. In the current financial year, the service is funded to £9.5m of which £5.5m is a ring-fenced fund set aside for the IBM managed service operation. The remaining £4m funds workforce in the force associated with Action Fraud and core roles in the NFIB. Further contributions from the National Cyber Security Programme, the Home Office and the Cabinet Office fund the NECVCU (£1.5m), a NFIB service to manage 'live' cyber incidents (£1m) and a nationally networked Cyber Protect Programme (£0.6m).

¹⁶ The Comptroller and City Solicitor, Guildhall, London EC2P 2EJ, *Deed of Variation in respect of the National Fraud and Cyber Crime Reporting Centre, Action Fraud and Know Fraud system and associated services*, 5 October 2015.

This programme safeguards the public and businesses from cyber crime and fraud.

2.7 The force itself contributes £0.95m to the NFIB operation. Furthermore, a combination of funds provided by Lloyd's of London and the Home Office (£0.32m) support the intelligence development function in the NFIB. It should also be noted that the City of London Corporation contributed to the start up costs of the service in 2014.

2.8 In August 2019, alongside the difficulties and delays in the IBM contract, the force was rocked by newspaper reporting by an under-cover journalist. To gain access to Action Fraud, the journalist successfully applied for a position as a call handler with Concentrix. A front-page article was published in the Times newspaper that mocked victims referring to them as "morons", "screwballs" or "psychos".¹⁷ It also showed video footage of a trainer, employed by Concentrix, encouraging trainee call handlers to withhold information from victims of crime.

2.9 To appreciate the significance of what the trainer is saying, it is necessary to understand procedures in Action Fraud. At the point of first contact, call handlers determine whether to record the report of fraud as a crime (because the evidence reaches a certain threshold) or as an information report (because the evidential threshold is not met). In the case of information reports it is less likely that follow up enquiries will be made.

2.10 New joiners to Concentrix can be seen in the video being told not to disclose to victims that their report would be recorded for information only. This was done to mislead victims into believing that their allegation would be investigated even though it is clear that this would not be the case. It can be deduced from the video that call handlers were being instructed in this way to avoid conflict with victims. This is because a caller is likely to be dissatisfied if they are told from the outset that their report will not be investigated.

2.11 It was this reporting that prompted the Police Authority to ask for the force's national responsibilities for the investigation of fraud to be reviewed. Although

¹⁷ Paul Morgan-Bentley, Action Fraud investigation: victims misled and mocked as police fail to investigate, The Times, 15 August 2019, page 1. Available at:- <https://www.thetimes.co.uk/article/action-fraud-investigation-victims-misled-and-mocked-as-police-fail-to-investigate-wh8c6rs6>

the journalist's reporting was confined to what was observed in Action Fraud, the terms of reference for the review are broad. The full terms of reference can be found in appendix B of this report, their principal aim is:

'..to make recommendations to strengthen the Action Fraud (AF) and National Fraud Intelligence Bureau (NFIB) system, to assist in the identification of key blockers and drive improvements in the service given to victims of fraud.'

2.12 For the investigation of fraud to be effective at a national level, three distinct activities need to work well together. The 'first contact' services of Action Fraud set the tone for the victim experience and gather together lines of enquiry for investigators. The NFIB analyses and develop cases before referring them to forces for investigation. In turn, the capacity and expertise needs to be available in police forces to investigate thoroughly and serve victims professionally. It is only when these interdependent stages of the process join up effectively that victims will have confidence in the system and fraudsters will be brought to justice. For these reasons, the breadth of the review is welcome. Because of their interdependencies, looking at these activities in isolation is counterproductive. They need to join together in a seamless way, this will be referred to as the 'end to end process' in various sections of this report.

Section 3 - Summary of key findings

3.1 Fraud now accounts for one in three of all crimes and we are more likely to be a victim of fraud than any other offence. The volume of fraud reported to the NFIB is now at record levels and there has been a nine percent increase in reporting over the last 12 months.¹⁸ By contrast, law enforcement has not kept pace with the burgeoning velocity of its growth. Nationally, less than one percent of officers are directly involved in the investigation for fraud.¹⁹ Furthermore, despite nearly 2,000 fraud offences being committed every day only one in fifty result in a prosecution.

3.2 In this context, it is perhaps not surprising that this review concludes with a comment that fraud investigation in the UK needs a 'new future'. This is not to

¹⁸ City of London Police, *Assessment on the threat posed to the UK from fraud 2018- 2019*.

¹⁹ The Police Foundation, page 72, December 2018.

say that the current national facilities to report fraud (Action Fraud) and to prioritise cases for investigation (the NFIB) are broken. However, the value they add to fraud investigation is severely hampered by three factors. The demands they face and how best to serve them are not understood; as a consequence of this, they lack capacity and proper investment; finally, the technology on which they are dependent is inadequate. Action Fraud and the NFIB need to be stabilised and reinvestment will be needed.

3.3 Over and above this, the role of the City of London Police as the 'lead force' needs to be re-defined. Once cases have been sent from the NFIB to police forces for investigation, accountability for them is effectively lost. The City of London Police has no mandate to direct local action and no service agreements are in place. Too often cases become 'buried' under other local priorities, there are disputes about jurisdiction, there are no consistent procedures for the receipt and allocation of investigations and cases are routinely assigned to investigators who are not skilled for the task at hand.

3.4 Anomalies and inconsistencies up and down the country mean that there is no guarantee that cases will reach a positive outcome. Furthermore, to put this right, the City of London Police have to constantly check and test procedures 43 times over. What is worse is that, even if the force could achieve this, the capacity to investigate in police forces is, at best stretched, and sometimes non-existent. A line needs to be drawn under this, a 'new future' for fraud investigation is needed.

3.5 For these reasons, we recommend that new capacity (sufficient resources) and capability (skilled investigators) are required to investigate fraud. Where that new capacity is placed and how it is directed will need to be worked through in detail. Nonetheless, it is recognised that fraud has a 'non-geographic' nature. Fraudsters are predatory and make use of the internet to select unsuspecting victims. They operate in many force areas and, for these reasons, we recommend that this capacity and capability is built at regional level.

3.6 The City of London Police should play its part in designing the 'new future' given its unique understanding of the problem of fraud. At the time of our review, a parallel review led by the Home Office was bringing a much-needed momentum to establish a 'whole system' approach to the prevention and investigation of

fraud in the UK. While the bulk of investigations are handled by the City of London Police (Action Fraud and the NFIB) prior to investigation in forces, a significant contribution to fraud investigation is made by other organisations. These include the National Crime Agency (NCA), the Serious Fraud Office, the Financial Conduct Authority and HM Revenue and Customs. Their collective effort, coordinated by the NECC, brings a focus to allegations of fraud that are of national significance.

3.7 We are encouraged that the force is actively contributing to the Home Office review and influencing its outcomes. It brings an opportunity for the force to re-define its role as the national lead force. Its aim, alongside other representatives of the NECC, should be to agree a joint system view of front-end reporting (Action Fraud), analysis and prioritisation (the NFIB) and how investigations can be best tracked through to successful conclusions. Fraudsters currently operate with impunity and renewed commitments are needed in the police service to take the fight back to them. Fraud needs to be re-prioritised, investigative capacity needs must increase and new expertise should be introduced into the workforce.

3.8 The transition required to introduce this proposal and the enhancements that are needed in Action Fraud and NFIB should form part of a transformational change programme. A structured approach to change is necessary to bring rigour, discipline and accountability as the force moves forwards. For illustrative purposes, we refer to this as the 'New Future' programme to show how the force can seize on opportunities and transform fraud investigation nationally. The 'New Future' programme needs full-time representation from the force, contract management, HR, business support and change professionals. Any temptation to bolt these responsibilities onto people's 'day jobs' should be avoided. The scope, scale and pace of the changes needed must also be subject to top-level oversight and leadership.

Section 4 - The prevalence of fraud, the velocity of its growth and its unique characteristics

4.1 Frequent reference is made to the scale and growth of fraud in this report. To put the review into context, the enormity of fraud, the damage it does to the British economy and how it harms victims is worth more of an explanation. The

latest crime survey for England and Wales states that the levels of reported crime over the last 12 months has remained broadly static (with some increases in youth violence). Over the same reporting period, reporting of fraud has increased by half a million offences, a growth of 15 percent.

4.2 Apart from the scale of offending, fraud as a 'crime type' has other characteristics that present challenges to law enforcement. It is estimated that 86 percent of offending is 'cyber enabled' (committed through the use of the internet),²⁰ it also differs from more traditional crime because it is rare that victims and offenders physically come together. An estimated 78 percent²¹ of fraud involves offences where suspects and offenders do not live in the same police force area. The proceeds of fraud offending are also staggering, with latest losses equating to £130bn.²² All of these factors are relevant in making the case for change in how fraud is investigated.

4.3 It is also worth noting the role of other organisations in the investigation of fraud. As Action Fraud is the national fraud reporting centre it would be easy to think that the majority of fraud reporting was managed by this service. However, about half of all reports of fraud are made to CIFAS (the UK's Fraud Prevention Service), a similar proportion is made to Action Fraud and the remainder are recorded by UK Finance (the trading association for UK banking and the financial services sector). It has been traditional practice for CIFAS and UK Finance reports to be loaded into the NFIB operating system. The limitations of the current NFIB system mean that this is not currently possible. Work is underway to put this right.

4.4 Given the volume of reporting, it is easy to see why the resources available in Action Fraud, the NFIB and investigative teams in police forces are under pressure. Figure 1 gives an illustration of the accumulative reporting over the course of the year, the proportion of cases that are reviewed by the NFIB and the number of cases that are referred to forces. The features to note that are referenced elsewhere in this report are; how web and telephone reporting in

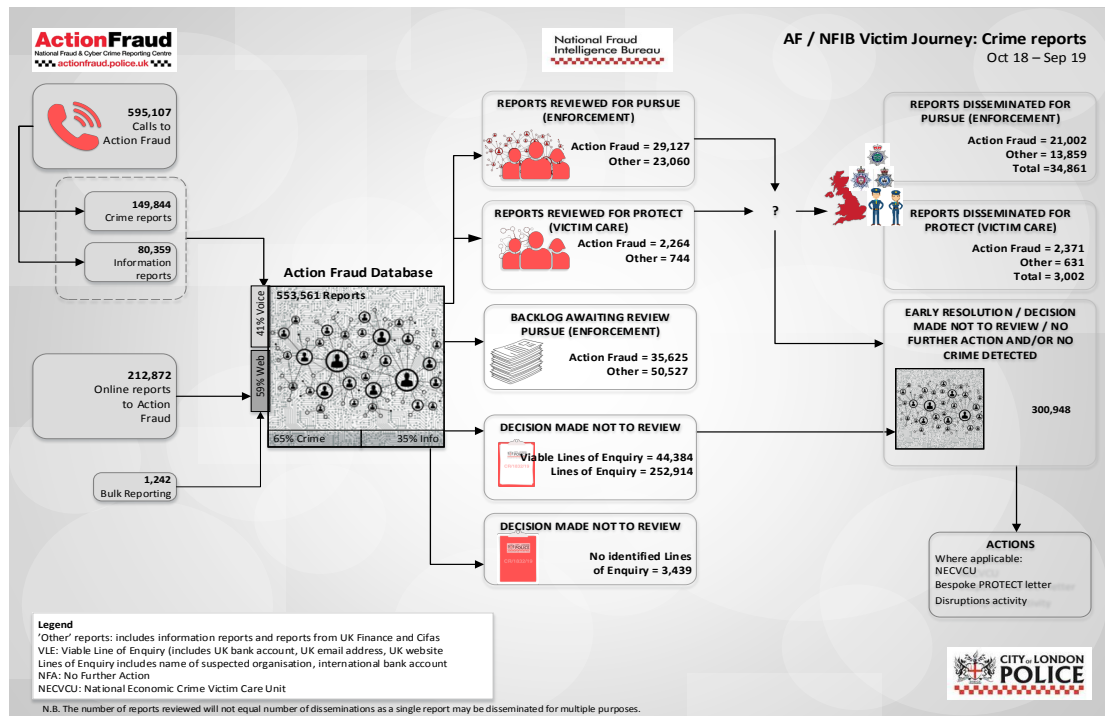
²⁰ The City of London Police, *Assessment on the threat posed to the UK from fraud 2018- 2019*, page 4.

²¹ The Police Foundation, *More Than Just a Number, Improving the Policing Response to Victim's of Fraud*, page 23, December 2018. Available at: - <http://www.police-foundation.org.uk/publication/more-than-just-a-number-improving-the-police-response-to-victims-of-fraud/>

²² Jim Gee and Professor Mark Button, *The Financial Cost of Fraud 2019*, University of Portsmouth, 2019, page 3. Available at: - <https://www.crowe.com/uk/croweuk/-/media/Crowe/Firms/Europe/uk/CroweUK/PDF-publications/The-Financial-Cost-of-Fraud-2019.pdf?la=en-GB&modified=20190711123330&hash=AF17B852C4ACFB31258C39F0703D60A8400CCB92>

Action Fraud is evenly split; the proportion of reports that are recorded as crime as opposed to 'information' only, the backlog that accumulates in the NFIB and the high numbers of 'viable' enquiries that are not disseminated.

Figure 1 – A year of fraud reporting in the City of London Police.



Section 5 - Review methodology

5.1 The steps taken in gathering information and drawing our conclusions have been wide ranging. We have reviewed documents, interviewed front line workers, spoken to senior managers, held focus groups, visited five police forces and the National Crime Agency as well as consulting with the Home Office and the City of London Police Authority.

5.2 Three days were spent in Action Fraud in Gourock where we were welcomed by the Concentrix's head of operations. We reviewed Action Fraud's strategic plans and objectives were able to 'check and challenge' them freely. Either in focus groups or 'one to one' interviews, we spoke to 23 employees involved in call handling, first line supervision, 'floor walking', quality assurance, 'web chat' management, training and victim care. We attended a quarterly 'action plan' meeting with senior leaders from the City of London Police, Concentrix and IBM and we were invited to participate.

5.3 In the NFIB, several days were spent alongside fraud 'reviewers' to understand the functionality of SAIP. We interviewed staff responsible for the triage of cases, officers responsible for the disruption and prevention of fraudulent transactions, intelligence officers, crime and business analysts, business consultants, staff responsible for complaints resolution and the bureau's senior manager. We also attended weekly performance meetings and interviewed the head of service for the NECVCU.

5.4 At a strategic level, we have been involved in conversations with the senior team of the City of London Police, the Police Authority, the City of London Corporation and the National Crime Agency.

5.5 In respect of contract management, we also had the opportunity to observe a City of London Police/IBM monthly service meeting. We also spoke with the City of London's Director of Commercial Services, the force's programme management team and the force's business partner responsible for the IBM contract.

5.6 The review recognises that not all readers of this report will have detailed knowledge of the end-to-end process of fraud investigation. As such, the findings are structured in the sequence of the service available to a victim of fraud. This will help with the understanding of pressures being experienced at Action Fraud, the NFIB and in police forces. It will also help demonstrate why we are proposing radical change and how the force should reach out to a 'New Future'.

Section 6: Action Fraud, Gourock, Scotland.

6.1 The Action Fraud call centre is a unique operation, it is the only national centre for crime reporting in the UK. It is run for the City of London Police by Concentrix, a supplier to IBM. While the outsourcing of IT services, particularly hardware, servers and networks, is common-place in the police service, only two 999/101 contact centres (in Cleveland and Lincolnshire) are managed by commercial suppliers. These contact centres differ from Action Fraud in that the ownership of the facility and control of its functions are retained by these forces. However, the City of London Police has introduced the permanent presence of a strategic

advisor in Action Fraud. This arrangement works well as a 'bridgehead' between the force and the managed service. It is the focal point of productive joint working between the force and Concentrix.

6.2 Several aspects of the review's terms of reference relate to the reporting in the Times Newspaper and the subsequent action that was taken. A gross misconduct investigation was instigated by Concentrix. Three managers resigned prior to their hearing, a call handling agent was dismissed for gross misconduct and a further agent received a formal warning. Concentrix has a comprehensive disciplinary policy that is the responsibility of its 'People Solutions' business area. The policy includes guidance of how instances of misconduct should be managed, the time limits that should be adhered to and the type of sanctions that should be imposed. We found Concentrix's disciplinary policy to be well suited to the Action Fraud environment. Swift and decisive action was taken against employees whose behaviour was exposed by the journalist.

6.3 We were also asked to determine whether the Times exposé was representative of the general culture and standards of behaviour in Action Fraud. To form a view of this, we examined the extent to which Concentrix's organisational Vision and its Code of Ethics influences recruitment procedures, training and performance in the workplace. As a benchmark, we also made reference to the criteria used by Her Majesty's Inspectorate of Constabulary and Fire and Rescue Service (HMICFRS) to assess ethical culture.²³ Although Action Fraud is not a police call centre, the similarities in its function mean that the police inspectorate's standards are relevant.

6.4 The Code of Ethics is explicit in recruitment procedures and there is a training module that 'new hires' have to complete to show how they would respond to poor standards of behaviour. Groups of call handlers we spoke to were aware of the code and expectations of behaviour. They gave examples of how they have reported poor behaviour and are confident that managers will respond positively to such complaints.

²³ HMICFRS, *Judgment Criteria, Section 9, How well does the force develop and maintain an ethical culture?*, 2019. Available at: <https://www.justiceinspectorates.gov.uk/hmicfrs/wp-content/uploads/PEEL-2018-judgment-criteria.pdf>

6.5 Our only slight reservation was the extent to which Concentrix's Vision and Code of Ethics are relevant to the Action Fraud environment. Concentrix is a multi-national organisation that provides services to industries from Financial Services to the Healthcare sector. Some of Concentrix's stated aims, for example 'having contrarian views of how to run a business'; 'a commitment to shareholders' and 'being disruptive in the market-place', are far better suited to Concentrix's global operation than they are to Action Fraud. They have little relevance to a 'new hire' in Action Fraud, most of whom are young Glaswegians starting out on their careers.

6.6 It would be advisable if Concentrix's global branding was adapted to reflect more of a public service ethos. This could be established as an Action Fraud 'Statement of Vision and Values'. Furthermore, the police inspectorate's standards could help with this development. We found Concentrix to be committed to ethical standards. Re-defining its 'Vision and Values' would help reinforce standards of behaviour as mainstream quality expected of staff.

Recommendation 1: We found that Concentrix's vision statement and its Code of Ethics are not well suited to the Action Fraud environment. They should be adapted to reflect the standards expected of a contact centre that provides a public sector service.

6.7 As well as examining standards of behaviour in Action Fraud, we saw how its performance measures up to other call centres in the private and public sector. In the IBM/City of London Police contract there are 12 key performance indicators (KPIs) that relate to Action Fraud's performance. We have concerns about these KPIs at three levels. We are not convinced they are sufficiently representative of the range of standards we would expect to find in Action Fraud. Secondly, when performance is benchmarked with industry standards, there are signs that the Action Fraud operation is under considerable strain. Finally, there is a focus on 'pass or fail' targets at the expense of organisational improvement and service quality.

6.8 Figure 2 below shows data comparing performance at Action Fraud with call centres in the police service and the commercial sector. This study was commissioned by the force and it is helpful in that it provides a rounded view of

standards we would expect to see. It is representative of both the victim experience and employee well-being.

Figure 2 – Action Fraud and other call centres, comparative data.

METRIC	PERFORMANCE		
	Commercial call centres	Police 999/1001 call centres	Action Fraud
Average Speed to Answer	35 secs	2 mins 14 secs	4 mins 37 secs
Abandoned Call Rate	14%	35%	33%
Average Handling Time	6 mins 03 secs	3 mins	19 mins
Percentage of time answering calls	83.30%	57%	98%
Staff turnover	30%	7%	72%
Average New Salaries	£17,437	£26,000	£17,264

6.9 Action Fraud is lagging behind industry standards. Callers wait too long to be answered, too many hang up, completion of calls takes much longer, average salaries are less, call handlers have far fewer rest breaks and high staff turnover suggests that employment at Action Fraud is not an attractive career choice.

6.10 Of the 12 contractual KPIs that relate to call centre performance, three of them measure abandoned call rates. The target is set at two percent abandonment rate over a twenty-four-hour period. The fact that, in an average month, between a third and a half of calls into Action Fraud are abandoned raises an alarm about the quality of the service it provides.²⁴ In the face of this substandard service, we believe that the KPIs in the City of London Police/IBM contract are too narrow. Victims of fraud will expect to be promptly attended to and this should be at the heart of Action Fraud’s service. As such, it would be advisable if call answering times, the time callers spend waiting in queues and the percentage of calls that are answered were included as KPIs.

Recommendation 2: The rate at which callers to Action Fraud ‘hang up’ when calls are not answered should be of concern to the City of London Police. To improve the ‘victim experience’, KPIs should be extended to include call

²⁴ IBM, *City of London Police Monthly Service Report, September 2019*, 14th October 2019, pages 14.

answering times, the time callers spend waiting in queues and the percentage of calls that are answered.

6.11 In common with all businesses, the degree to which Action Fraud services are successful will be dependent on the commitment and contribution of its staff. Staff well-being and development should be a core value of any employer. There are signs that Concentrix takes these responsibilities seriously. Recent developments include better training, pay increments, increased access to 'nesting' (mentoring support), help with stress management and additional 'floor walkers' who provide close access support to newly appointed call handlers. However, workforce data show some disturbing trends in absenteeism, staff turnover and the amount of time that staff spend on calls without access to rest breaks. This needs to be actively monitored and indicators of staff well-being should be included in the KPI framework.

Recommendation 3: Workforce data in Action Fraud show disturbing trends in relation to absenteeism, staff turnover and the amount of time that staff spend on the calls without access to rest breaks. KPIs should be introduced to ensure active monitoring of staff well-being.

6.12 Of particular concern, is the recognised syndrome of 'burn out' in high pressure working environments.²⁵ Burn out is known to drive a series of negative behaviours and outcomes in call centres that affect both efficiency and the quality of the service provided. These include sickness absence, a drop in productivity, high staff turnover, irritability, negativity, cynicism and rudeness. Some of these features have parallels with the behaviours exposed by the Times newspaper article. We do not suggest that burn out caused, explains or excuses what happened in Action Fraud. However, it is clear that staff face pressures in the work place and this must not be allowed to run unchecked.

6.13 Our final observation regarding KPIs is that too many of them are focussed on 'pass or fail' targets. This is at the expense measuring the quality of the service provided. We believe that opportunities for organisational improvement are being overlooked. Concentrix takes individual performance monitoring seriously, more checks are made on staff than in police call centres.

²⁵ Pauline Smith, City of London Police, *Action Fraud Benchmarking Exercise*, 10 October 2019, page 23.

Concentrix's quality assurance team monitor four calls per call handler per month. This activity is being driven by contractual KPIs and is improving individual performance. However, there is an opportunity to take this a step further. If systemic shortcomings were collated and analysed, this is likely to identify where organisational improvements could be made. Examples we found included the frequent misclassification of reports, something that could be rectified in training.

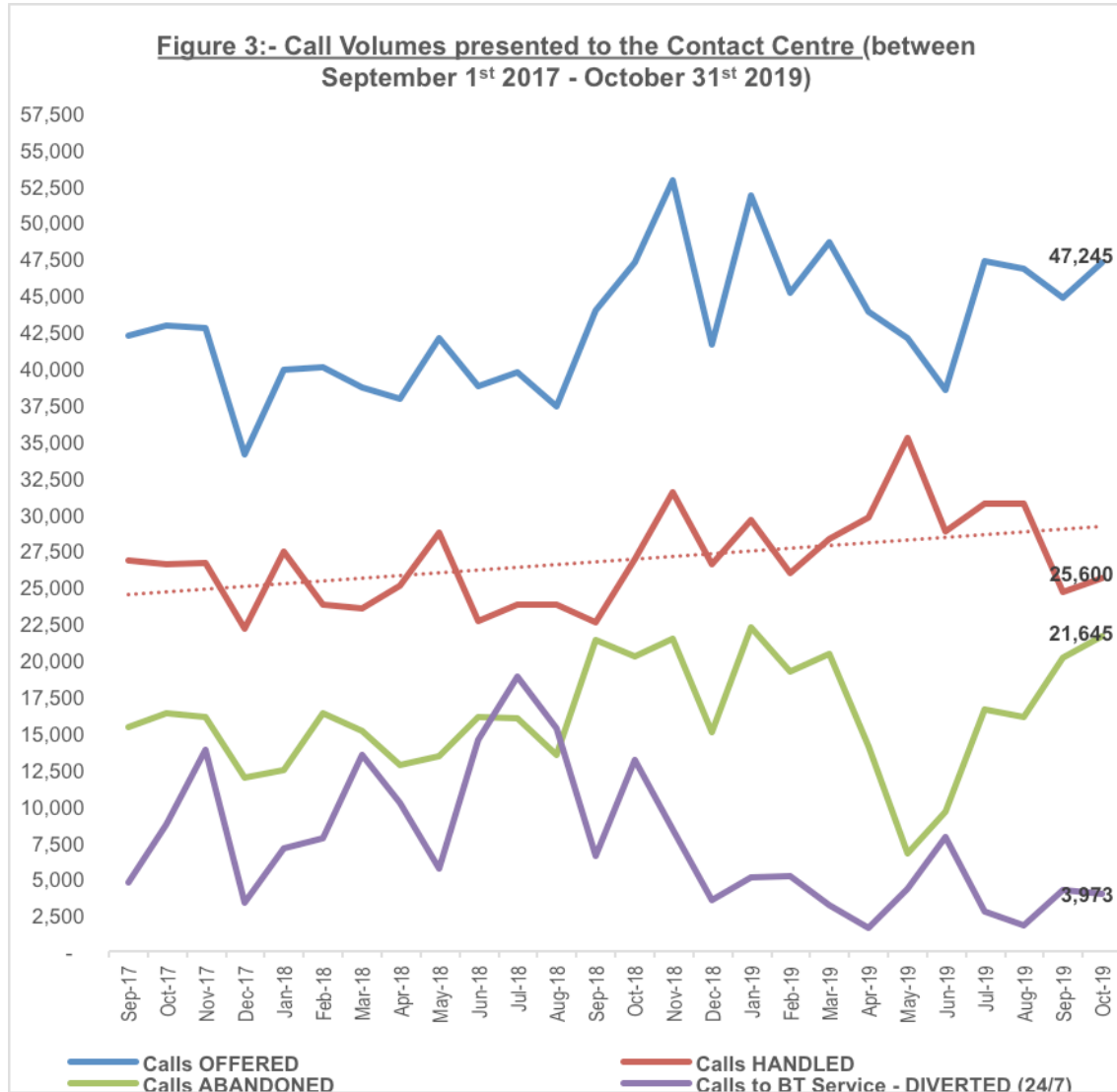
Recommendation 4: KPIs that drive quality assurance checks at Action Fraud are having a positive influence. This could be taken a step further if they were used to identify systemic failures that would lead to organisational improvement.

6.14 We also noted that KPIs do not currently monitor the victim experience. The mandating of victim surveys would provide an in-depth insight into levels of satisfaction, trust and confidence in Action Fraud's services. Since October 2018, some 4000 victims have completed 'survey monkey' questionnaires and results are positive. However, these surveys do not form part of the managed service contract. Most police forces now commission market research companies to undertake victim surveys on an annual basis. Working with the Home Office, the City of London Police have recently commissioned IPSOS MORI to survey fraud victims, this is encouraging. It would make good sense if victim surveys became part of the contractual arrangements between IBM and the City of London Police. Such surveys would form a reliable base line indicating how services can be improved in the future.

Recommendation 5: Victim surveys are used widely by police forces as a reliable insight into the satisfaction with the service and how it can be improved. A KPI should be included in the contract to ensure that surveys are periodically completed. The findings of these surveys should contribute to organisational learning and continuous improvement.

6.15 A number of references have been made to operational pressures in Action Fraud, their impact can be seen in the performance indicators set out in Figure 2. We have concerns that the operation has become overloaded and too little is being done to address this. Figure 3 shows how call volumes have increased from monthly averages of 42,000 in 2017 to the current monthly figure of 47,000. The capacity to answer calls has clearly not kept pace with this growth. From

the outset of the IBM contract, it was calculated that the number of call handlers required to manage the operation was 79. The number of call handlers is referred to as 'full time equivalents' or FTEs. In practice, more call handlers are employed than this because of part-time and flexible working arrangements.



(calls to BT service 'diverted' refer to calls that cannot be routed to Action Fraud because call volumes are excessive).

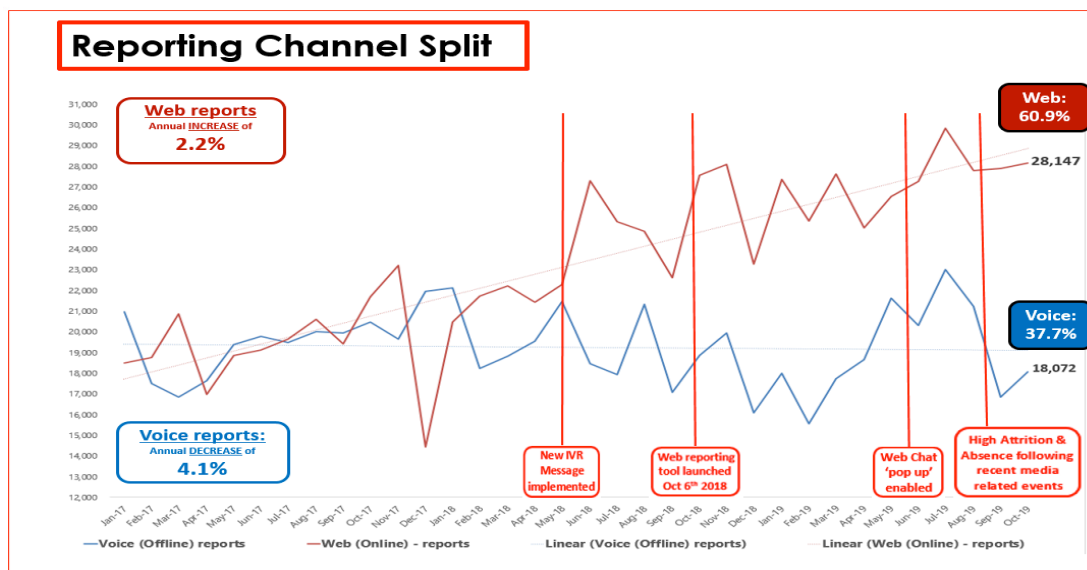
6.16 We also spoke to members of staff working for the force who were previously involved with Action Fraud when it was part of the Home Office. They recall staffing levels of over 100 FTEs at a time when the volume of reporting was far less. When presented with the above data, we were surprised that amendments to the IBM/City of London Police contract to increase the number of call handlers have never been made.

6.17 Opinions in the force are divided on this. There are strong views held by some in the force that more fraud reporting should be channelled 'on-line'. A shift towards digital channels makes good business sense in a commercial call centre. However, there are distinctions to be made between Action Fraud and elsewhere in the industry.

6.18 People making contact with Action Fraud have been exploited by unscrupulous criminals. At best, this will be a passing unpleasant experience in their life. At worst, victims will be traumatised and in crisis, some are also vulnerable to repeat victimisation. Action Fraud employees are trained to use the same structured questioning techniques as police call handlers to identify vulnerability. Channelling too much reporting into digital channels runs the risk of the needs of victims being overlooked. Such a move would also be at odds with the police service commitment to 'victim choice', an understanding that victims should be able to connect with services in a manner of their choosing.

6.19 Victim care is a distinct service that is provided by Action Fraud, all victims are different, and their needs may be complex. Their care cannot simply be assigned to call centre transactions that lend themselves readily to automation. More fraud is reported on-line than through conventional voice channels. Figure 4 shows the growth in web reporting in recent years.

Figure 4: The increase in web reporting in recent years.



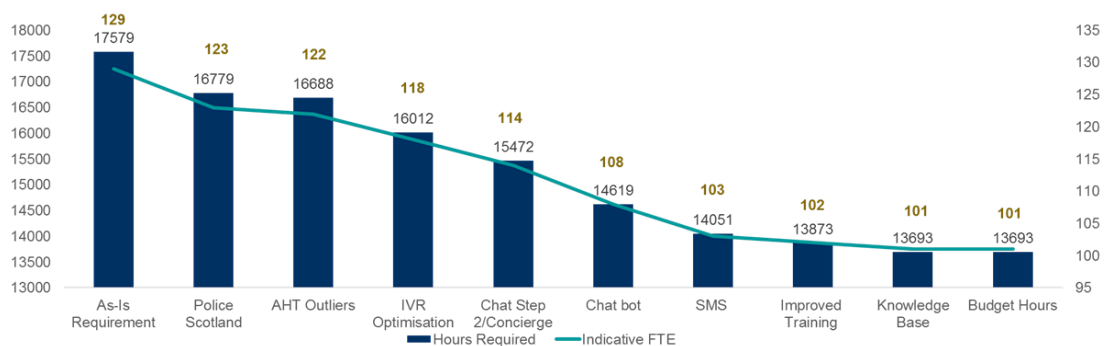
6.20 We recognise the benefits of digital channels and the intention to increase their use. However, in a drive to automate more services, the City of London Police and IBM must define which of them are best suited to voice channels and where the limits of digitalisation should be set.

Recommendation 6: We have concerns that, in the drive to digitalise more services in Action Fraud, the needs of victims may be overlooked. The City of London Police and IBM must define the services that need to be provided through voice channels and where the limits of digitalisation should be set.

6.21 Another concern identified in the course of the review is the reliance that is being placed on digital services to address the volume of calls. Concentrix is a progressive organisation. It has plans to use Chat Bots²⁶ and enhance the utility of Interactive Voice Response (IVR)²⁷ and Web Chat²⁸ to relieve pressure on call handlers. Figure 5 shows data of how a number of factors, including the use of the above technology, will reduce the number of call handler hours that are needed to run the operation.

6.22 It represents plans to reduce the current requirement from 17,000 call handler hours per month (the equivalent of 129 FTEs) to 13,000 call handler hours (the equivalent of 101 FTEs). We welcome the fact that these plans acknowledge there is a current shortfall in the number of call handlers that are needed in Action Fraud (current levels 79 FTE, projected levels 101 FTEs).

Figure 5 – plans to reduce call volumes in Action Fraud.



Police Scotland:- Action Fraud no longer has responsibility for crime committed in Scotland.

Average Handling Time (AHT) Outliers:- a programme to reduce the length of reporting times

²⁶ Software that recongises the human conversation and provides text responses.

²⁷ An automated telephony that interacts with callers and routes callers to a recipient.

²⁸ An internet service that allows people to interact with a call centre using written text message.

6.23 However, our experience of police call centres leaves us with concerns. In common with Action Fraud, these are also facilities that are facing considerable demand pressures. Backlogs, even in 999 call queues, are commonplace. Despite intense work to find better ways of working, including digital channels, there are very few proven examples of call volumes being substantially reduced in 999/101 call centres.

6.24 We have reservations about whether the increased reliance on digitalisation to reduce call volumes as set out in Figure 5 will be effective. It is ambitious but not tried and tested. We believe that it is a 'leap of faith' to assume this will ease a system which is clearly overloaded. In calculating the number of FTE needed in Action Fraud, care must be taken not to underestimate staffing levels because of an overreliance on technology.

6.25 Our most important observation about Action Fraud relates to its capacity to meet the volume of demand. Despite differing opinions in the force, we are clear that there needs to be a rapid step change in resourcing levels. The Action Fraud service needs to be re-defined and brought back in line with industry standards and public expectation.

6.26 In calculating the additional number of call handlers that are needed, a number of commercially recognised demand modelling tools exist to help identify optimal staffing levels. For example, the Erlang C calculator²⁹ can determine the number of call handlers required to provide pre-determined levels of service. This includes improvements to call answering times, increasing the percentage of calls answered and making it less likely that callers would hang up.

6.27 The force has simulated how an additional 50 call handlers (at a cost of £1.7m per annum) could improve the service to a level they have agreed with Concentrix. Erlang C and similar business tools are adaptable and fluid. Should the volumes of calls reduce as part of the plan set out in Figure 5, the required number of FTE's can be recalculated in the light of these efficiencies. It is not for the review to determine the precise level of call handling capacity that is

²⁹ Erlang C calculator, available at:- <https://www.erlang.com/calculator/erlc/>

required. However, the shortfall in staffing numbers has been apparent for a long time. Accepting that funding considerations will need to be made, the force should act now to put this right.

Recommendation 7: The City of London Police should redefine the level of service it offers to victims contacting Action Fraud. The City of London Police/IBM contract should be amended to reflect this service level. Immediate steps should be taken to boost staffing levels at Action Fraud.

6.28 Additional comments in this section relate to staffing in two critical areas of Concentrix's business. A new trainer has recently been appointed to service Action Fraud's learning and development programmes. However, she works alone and has responsibility for over 100 members of staff. In the context of recent events at Action Fraud, the importance of training should not be understated. It would be advisable if a number of 'occasional' or part-time trainers were available to cover times of unforeseen absence. In recognition of the importance of training, we also believe trainers should be accredited with adult education qualifications.

6.29 A similar position is apparent in Concentrix's quality assurance team. The value the team adds to individual development and the potential it has to drive forward organisational improvement has been referenced. However, the resilience of the quality assurance programme appeared to us to be fragile because of staffing levels. A review of this would be beneficial.

6.30 Finally, we were asked to examine vetting procedures for Action Fraud. This was in the context of a journalist being able to secure a position of employment at the call centre. Vetting of staff at Action Fraud is the responsibility of the force with some elements being undertaken by Concentrix. The force is fully compliant with national vetting procedures that are regulated by the police service's professional body, the College of Policing. As a precaution, the force has put in place an additional layer of searches for applicants seeking positions at Action Fraud. This exceeds national guidelines. We have no concerns about the security screening or background checks of applicants seeking employment at Concentrix.

Section 7: The National Fraud Intelligence Bureau

7.1 The NFIB is comprised of both police officers and police staff, it has an establishment of 87 FTE. The operating model splits the staff three ways. A third of them review reported cases prior to dissemination to forces; a further third produce intelligence products for use at regional, local and national level; and, the remaining staff work in 'early resolution'. The early resolution team is responsible for triage and taking any fast-time measures to prevent or disrupt further offending.

7.2 Although the NFIB performs a range of functions, its core role has always been synonymous with the review and enhancement of reported cases. This function includes both fraud offences (whether internet enabled or otherwise) and 'pure'³⁰ or cyber dependent crimes which are attacks on computer operating systems themselves. Less reference is made to cyber dependent crime in this report as the volume of reporting appears well managed. The NFIB review function is important. It develops the viability of cases prior to dissemination to one of the 43 police forces for investigation and enforcement action. For two main reasons, the NFIB is under considerable operational pressure.

7.3 The pressure stems from increased volumes of reporting and limitations in the SAIP operating system. When the increased volume in Action Fraud (see paragraph 6.15) is considered, it is natural to expect a corresponding increase in reporting in the NFIB. The lack of functionality of SAIP has also had a significant impact on resources. It is not part of this review to determine the origin of the SAIP inefficiencies or where fault lies. However, where there are limitations, their impact and consequences will be considered. This is both in terms of the current operation and what needs to be done to put things right in the future.

7.4 Figure 6 below shows performance data in the NFIB comparing outputs in 2018 and 2019. The five months leading to the August of each year have been deliberately chosen to highlight the impact of the implementation of SAIP (the

³⁰ Mike McGuire and Samantha Dowling, *Cyber Crime: A review of the evidence*, Home Office 2013, page 4.

system went live in October 2018). The percentage change column on the right hand side of the table shows the increase in the number of reports received in the NFIB. There has been an eight percent increase in reported crime. Of particular significance is the trend for fewer crimes to be reviewed (an average reduction of ten percent) and the number of crimes that are disseminated for enforcement action has been reduced by thirty-six percent.

7.5 Some caution needs to be exercised in drawing direct conclusions from this data. A significant contributor to the NFIB reporting volumes are reports from CIFAS. Since the SAIP 'go live' date these reports have not been 'ingested' into the system. This has artificially lowered the 2019 volumes, nevertheless the reduction in the number of cases disseminated is clearly a concern.

Figure 5 comparative performance data in the NFIB – 2018 and 2019.

April to August-2018							April to August-2019							% Change year on year		
Month	Total Crime Reports Received in month (AF)	All Reports Received in month (Action Fraud Crime and Info, UK Finance, Cifas)	Reports Reviewed (Total)	Reports Disseminations (Total)	Reports Disseminated for Pursue	% of Reports Reviewed	Month	Total Crime Reports Received in month (AF)	All Reports Received in month (Action Fraud Crime and Info, UK Finance, Cifas*)	Reports Reviewed (Total)	Reports Disseminations (Total)	Reports Disseminated for Pursue	% of Reports Reviewed*	% Change in Total Crime Reports Received	% Change in Total Reports Reviewed	% Change in Total Reports Disseminations
Apr-18	25,350	72,931	9,176	7,238	4,810	12.6%	Apr-19	27,894	57,582	9,621	5,233	2,745	16.7%	10.0%	4.8%	-27.7%
May-18	27,727	77,337	9,105	7,197	4,921	11.8%	May-19	28,477	58,037	8,860	4,443	2,138	15.3%	2.7%	-2.7%	-38.3%
Jun-18	30,696	81,189	8,816	6,810	4,849	10.9%	Jun-19	30,314	56,112	7,027	4,732	2,177	12.5%	-1.2%	-20.3%	-30.5%
Jul-18	27,056	76,942	9,102	7,430	4,628	11.8%	Jul-19	33,817	61,736	9,081	5,534	2,242	14.7%	25.0%	-0.2%	-25.5%
Aug-18	29,375	81,081	10,955	9,701	6,115	13.5%	Aug-19	31,323	55,138	7,960	4,675	1,802	14.4%	6.6%	-27.3%	-51.8%
Totals	140,204	389,480	47,154	38,376	25,323	12.1%	Totals	151,825	288,605	42,549	24,617	11,154	14.7%	8.3%	-9.8%	-35.9%

* As Cifas reports are missing from total the reports received, the percentage will be falsely inflated as the baseline of reports is smaller than pre-go-live. This means a direct comparison of percentage of reports reviewed across the two periods is not an appropriate measure of performance.

7.6 The responsibility for the review and dissemination of fraud cases rests with the NFIB crime reviewers. Spending time with them and their supervisors gives a good insight into why fewer cases are being disseminated. A number of these relate to SAIP, particularly those parts of the functionality referred to as 'Link Analysis' and 'Query Builder'. These are critical parts of the operating system that are malfunctioning. To understand a little more of this, a brief overview of

how SAIP works will be explained. SAIP links reports in the system by matching common 'entities' such as names, bank account details, websites and e-mails. These matches are clustered into a single case, or a series of linked cases, for a crime reviewer to work on.

7.7 For many years, crime reviewers have been used to being able to visualise this data on an interactive map. This is a natural starting out point for crime reviewers as it allows them to see, at a glance, the relationships in the data they are viewing. The interactive map, which is known as Link Analysis on SAIP, presents data in a graphical, easy to understand format. Interactive maps also allow analysts to manipulate the data easily, for example they can eliminate false matches and bring additional matched reports into their case.

7.8 The current experience is that Link Analysis defaults to an error dialogue box ('map is too large to be presented') if multiple common entities are linked. In this eventuality, crime reviewers can revert to SAIP's summary page where suspect entities can be found. This data is then built into a number of Query Builder searches on SAIP to find matches in other cases. This detail will start to build the crime reviewer's case for dissemination.

7.9 However, a secondary problem is that the summary page will frequently not load. In these cases, reviewers start to build their own summary in what is referred to as the 'large case workaround'. The reviewers have to conduct five separate queries (one for each entity) and the results are 'cut' from SAIP and 'pasted' into the 'large case workaround' (an excel spreadsheet). This data is then searched in SAIP for other linked reports. These are then fed back into the 'large case workaround'. The workaround has a facility to identify new reports which have not hitherto been linked. In this way, crime reviewers manually build their case for dissemination.

7.10 To explain the 'large case workaround' in more detail, a case study has been attached as appendix C. It explains the manual effort that was necessary to build a case. The workaround identified fifteen common entities when only seven were automatically linked by SAIP. It also identified a network of eleven suspects when only two were identified at the outset. This case study is by no means a complex case. However, the crime reviewer spent approximately five hours going through the manual workaround.

7.11 The inefficiencies caused by multiple keying and collating duplicate data sets is understandably frustrating for crime reviewers. The limitations of SAIP leave them feeling they can no longer work effectively to identify criminals and help bring them to justice. Cases involving 20 or more reports are not reviewable as part of the NFIB's routine workload. Additional resources from the 'complex case team' are assigned to develop these cases manually. The NFIB staff are also frustrated because they feel they were not listened to during the testing or 'user acceptance' phase of SAIP. Some of the crime reviewers have retained documented evidence of their reservations and believe the current difficulties were predictable and avoidable.

7.12 It should be noted that the 'large case workaround' was the creation of an individual crime reviewer who has exceptional software skills. The crime reviewers' resilience and determination to overcome these difficulties bears testament to their personal qualities and loyalty to the force. Without this, the current difficulties faced by the force would be many times more serious.

7.13 As one would expect, the impact on the force's workforce is not the only consequence of time-consuming 'workarounds'. Backlogs of reports have reached unmanageable levels. Eight months after the implementation of SAIP, the City of London Police reported that there were over 42,000 reports in the system that had not been reviewed. Over 18,000 had linked entities and were deemed to have 'viable lines of enquiry', however the limitations of SAIP meant they were never reviewed.³¹ At that time, there were over 23,000 reports that were backlogged in the system.³²

7.14 In the context of backlogs, it is important to note that the limitations of SAIP are not the only contributory factor. Backlogs were a common feature of the NFIB prior to the introduction of SAIP. Presently, the force calculates that over 19,500 reports with viable lines of enquiry are received in SAIP every month. The NFIB has the capacity to review about half of them. The difficulties of SAIP have come together with increased reporting levels and insufficient capacity in the NFIB. This has caused a 'perfect storm'.

³¹ The City of London Police, *Managing Demand – National Fraud Intelligence Bureau*, 2nd October 2019 page 5.

³² The City of London Police, *Summary of extra staffing costs associated with the inception of the SAIP reporting system, October 2018 – May 2019*, page 1, not dated.

7.15 The force has been alert to this situation and has introduced a new NFIB 'operating model' in an effort to make its functions more sustainable. In addition to the development of 'workarounds' described above, the main features of these changes are:-

Triage – a rapid assessment of reports to identify those that meet a viability 'threshold' and/or present the most harm to victims

Early resolution (for reports that do not reach the viability threshold) – advice/support to prevent re-victimisation and disruption activity to prevent further offending, eg. recalling fraudulent transactions, closing websites

Volume fraud team – previously reviews were allocated to teams specialising in types of fraud, for example on-line shopping fraud. The creation of an omni-competent team brings resilience and flexibility in the allocation of the workload

Complex case team – this team was set up to develop cases from reports that are associated with serious offences or are linked to organised crime groups and 'high harm' perpetrators. Support to this team is provided by specialist intelligence officers

7.16 The new operating model, it was hoped, would reduce backlogs, make workloads manageable and restore the number of disseminations back to the levels prior to the implementation of SAIP. However, it would be going too far to say that these adjustments have stabilised the NFIB operation. Far from them sustaining 'business as usual', it is more frequently referred to as 'crisis management' by those who work in the NFIB.

7.17 An important feature of the new operating model is the thresholds that are set to determine whether a crime report is to be reviewed or not. In the new operating model, the loss faced by the victim is the main determinant factor. This is not to say that the same cut off is applied to every fraud type. The amount of loss is cross-referenced to a risk assessment tool, known as MoRiLE,³³ which is widely recognised in law enforcement. This means that other

³³ MoRiLE is the 'management of risk in law enforcement' process developed by the National Police Chiefs' Council. This tool assesses the types of crimes which most threaten communities and considers the capacity and capabilities available in the force to manage them.

factors such as the impact that the crime has on victims and the level of harm they face are included in setting the threshold.

7.18 Not all members of the NFIB are in agreement with this approach. Under the previous operating model, the type of fraud was also an important feature in identifying the reports to be reviewed. In particular, we were shown data that demonstrated how reports of dating fraud³⁴ are now far less likely to be reviewed. This is because they fall short of criteria which sets the level of financial loss. The NFIB staff's concerns stem from the level of harm that may be faced by dating fraud victims.

7.19 Of equal concern is a more recent decision to double the threshold for financial loss. The original financial threshold set when the new operating model was first launched was linked to a MoRiLE assessment. Raising the threshold limit so dramatically appears less of a measured, evidence-based decision. It is more representative of an expedient means to reduce volumes to manageable levels.

7.20 Every police force in the country has procedures to 'screen' crime for solvability and the harm they cause to victims. Assigning some crimes to investigators and curtailing the investigation of others is an accepted way of making the best use of resources. By contrast the current thresholds being applied in the NFIB are extreme. They are symptomatic of trying to manage a system that is under huge pressure.

7.21 To compound this difficulty, there is evidence that backlogs are still building up. As part of the new operating model, lists of cases defined by the thresholds described above are issued to NFIB reviewers every week. The number of backlogs is monitored over a four-week cycle. In the third week of a recent cycle, of a total of 289 cases, 216 were still waiting to be reviewed by the volume fraud team. It is acknowledged that backlogs do not exist in all types of crime handled by the NFIB. For example, the workload of the cyber crime review team is lighter and well managed. However, it is in the volume domain where backlogs build up and this is where there is most risk.

³⁴ Dating fraud typically occurs when a suspect wins the trust and confidence of a victim by committing to a relationship which they have no intention of fulfilling. For spurious reasons, the offender will persuade the victim to part with funds before breaking contact.

7.22 The City of London Police need to address the backlogs and prevent them recurring. Police forces are expected to develop their operations in a way that is sustainable in the context of future requirements. Work has begun to reach a comprehensive understanding of the demands for services, but this needs to be taken further. The force has calculated an additional 49.5 members of staff at a cost of £3.5m would be needed to clear backlogs and manage the workload effectively.³⁵

7.23 These calculations need to be extended to include scenarios that simulate future levels of reporting in the NFIB. Predicted volumes should be used to re-define case thresholds, identify the capacity needed in the NFIB and determine how it should operate in the future. This needs to be set out both in the short and longer term. The short term should factor in the additional capacity needed until the SAIP difficulties are rectified. Modeling a new future for the NFIB will have considerable funding implications, more of this will be said later. However, not until the force has a clear picture of an optimal operating model, will it be able to determine the level of resourcing required to sustain its services.

Recommendation 8: The City of London of Police needs to develop an optimal operating model for the NFIB. This should be based on scenarios that simulate future levels of reporting and redefining the thresholds that determine the cases to be reviewed. The development of the model should include a future forecast of operating costs.

7.24 As part of re-defining the threshold for cases to be reviewed, it would be advisable for the vulnerability of victims to be a more prominent factor. The following section will show how the NECVCU has transformed services to protect and safeguard victims. Additionally, measures are in place in Action Fruad and the NFIB to identify the most vulnerable victims. In these cases, there are established procedures in place with local forces to connect the vulnerable with care pathways. However, there is also an expectation on the police service that, as well as supporting victims, they should relentlessly pursue offenders who exploit the vulnerable.

³⁵ The City of London Police, *Managing Demand – National Fraud Intelligence Bureau*, 2nd October 2019 page 2.

7.25 In the current procedures for prioritising cases for prosecution, the extent to which victims are vulnerable is not a significant factor. It is the level of financial loss that prevails in the decision-making. In addition to this, it is recognised that SAIP has the capability to 'score' cases automatically. However, this is based on the number of linked entities rather than the needs of victims. In some of the forces we visited, notably Greater Manchester Police, some significant headway is being made to prioritise cases involving the victimisation of the vulnerable.³⁶ This expertise would be of use in helping the City of London Police redefine their case thresholds.

Recommendation 9: There is an expectation on the police service that offenders who exploit vulnerable victims should be relentlessly pursued. Vulnerability is not a significant factor in determining the threshold at which the NFIB review cases. Thresholds should be re-defined to include vulnerability as a criteria that determines which cases are reviewed.

7.26 In the course of the review, it was clear that ideas differ on the core role of the NFIB. The NFIB has a mission statement that defines its core business. However, it was clear to us that the main thrust of its performance centres on the number of cases disseminated to police forces for investigation.^{37 38 39} This is commonly referred to as 'getting them out of the door'. This is understandable in the context of the current 'capacity v volume' mismatch and the inordinate amount of time spent on 'workarounds'.

7.27 However, as lead force, the City of London Police's role should extend beyond the NFIB. Its remit should reflect its role as a 'service provider' and define its contribution to successful outcomes in forces. This should be developed through dialogue with police forces as 'end users' of the NFIB service. Its productivity and outputs should be channeled in this direction.

Recommendation 10: Performance monitoring in the NFIB is inward facing and focuses on the number of cases disseminated to forces. Its core role should be re-defined to reflect its responsibilities as a service provider and its contribution

³⁶ Greater Manchester Police, *Fraud Recording and Screening, Triage Guidance*, January 2019.

³⁷ The City of London Police, *AF/NFIB Performance Reporting*, August 2019.

³⁸ Hanley T, *Review of the National Intelligence Bureau*, not dated, page 10.

³⁹ Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services, page 22.

to successful outcomes in forces. Its productivity and outputs should be channeled in this direction.

7.28 Our final comment about the NFIB relate to the limitations of SAIP as an operating system. Since its delayed implementation, its functionality has become dependent on 'workarounds' to enable the NFIB to discharge its core role. The force needs either to upgrade or replace the operating system. Channels need to be available for the workforce to help shape this development. Their knowledge, enthusiasm and commitment should be at the heart of this transition.

7.29 There needs to be a clear programme of work to achieve this. Timescales are critical as the City of London Police/IBM contract is soon to reach its end date. There is currently an intense focus by both the force and the Police Authority to address this. The final section of this report (Section 9) sets out a 'New Future' for fraud investigation in the UK. An enhanced NFIB and an upgraded operating system are at the heart of it.

Recommendation 11: This report proposes an enhanced role for the NFIB that will be at the heart of a 'New Future' for fraud investigation in the UK. An important feature of this will be an upgraded operating system. There must be a clearly defined programme of work that sets out the options, costs, and benefits to achieve this. This programme must be monitored by the Police Authority and the force until the system is embedded and fully functional. The future of fraud investigation in the UK is dependent on it.

Section 8: The investigation of fraud

8.1 This section presents how the services provided by Action Fraud, the role of the NFIB and the investigations carried out by forces must be seen as being interdependent. It is only when these three distinct elements of the end-to-end process work well together that justice will prevail and victims will be properly served. The previous two sections have highlighted the constraints of Action Fraud and the NFIB. Both have the potential to serve UK law enforcement well, however, they suffer from under investment. Action Fraud and the NFIB are in different positions with regards to how they need to be put right.

8.2 Both Action Fraud and the NFIB need to make accurate forecasts of volumetric demand that will be placed on their services. Alongside this, both organisations need to be able to determine their 'best fit' operating model and ensure there is sufficient skilled workforce to keep pace with growth of fraud reporting. Action Fraud is well placed to achieve this. Its performance has been benchmarked across the private and public sectors. Furthermore, there is ready access to Erlang C and other commercially available 'calculators' to model demand.

8.3 The situation is different in the NFIB, the volume of demand on its services is not understood well. An optimal operating model has not been defined and its effectiveness is defined solely by the number of cases disseminated to forces. Furthermore, the thresholds that determine which cases are to be reviewed are set to limit workloads to manageable levels rather than representing which cases are solvable. However, we believe that, with the right level of funding, the NFIB can be strengthened and keep pace with the growth of fraud reporting. This is an opinion we share with the police inspectorate.

8.4 While being clear about the value that Action Fraud and the NFIB can add, we think how offences are investigated should be subject to more radical change. Three reports have been published in recent years that shed light on the standard of investigation in forces. These include an internal review by the force known as the Attrition Report,⁴⁰ HMICFRS's inspection of fraud investigation⁴¹ and the research of the Police Foundation.⁴² Reference will be made to these reports as will our findings following visits to five police forces.

8.5 The consistent headline is that the proportion of all fraud cases that culminate in a prosecution or other outcome does not compare well to other types of crime. These reports reveal that about two percent of all fraud reported in the UK culminate in a criminal justice outcome. By contrast, a charge, summons or out of court resolution⁴³ was achieved for 15 percent of violent offences, nine per cent of theft offences and 13 per cent of all police recorded crime. In terms of the City of London Police's lead force responsibilities, some context is needed for these statistics. Firstly, it must be acknowledged that not all of reported fraud in the UK is handled by the City of London Police. Also relevant, is that of all the

⁴⁰ The City of London Police, *NFIB Attrition*, March 2016.

⁴¹ Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services, April 2019.

⁴² The Police Foundation, page 72, December 2018.

⁴³ Includes cautions and penalty notices.

cases disseminated by the City of London Police, twenty percent of them conclude with prosecutions or other criminal justice outcomes. At one level this is encouraging, it indicates that cases developed by the NFIB are giving investigators a good starting point from which to bring offenders to justice. However, it is also relevant that disseminated cases account for only ten percent of fraud reported to the City of London Police. This helps to explain why overall detection rates are so low.

8.6 It is not just the statistics themselves that give rise to concern, there are also systemic problems. Despite its lead force role, the reality is that, once a case has been disseminated for investigation, the City of London Police is completely dependent on other forces for successful outcomes. For there to be a productive relationship between Action Fraud, the NFIB and the 43 police forces, a number of 'success' factors have to be in place. Firstly, on receipt of the investigation, it has to be recognised as a priority for the force. There also needs to be an assured process for the recording and allocation of cases. Most importantly of all, the force needs both the capacity and the capability to bring offenders to justice.

8.7 The reality is that there is no assurance that the factors we have described above 'line up'. As such, the outcome of investigations becomes uncertain. In terms of prioritisation, only half of the current police and crime plans held by forces refer to fraud as a priority.⁴⁴ Of the five forces visited in the course of this review, only one make fraud investigation an explicit objective. At one level, it is not surprising that fraud is not seen as a priority. The current 43 force policing model was founded in the late 1970s. A strong part of that foundation was that local officers would work with local communities to resolve local problems.

8.8 However, despite the prevalence of fraud, it is not ranked by the public as a priority. In recent surveys, only four percent of respondents consider that fraud investigation should be an important task for police forces. This compares with 61 percent of respondents who rate violent crime and 51 percent who rate sexual offences as a priority.⁴⁵

⁴⁴ Home Office, *Online fraud*, National Audit Office, 2017, para 2.8, 2017. Available at: - <https://www.nao.org.uk/wp-content/uploads/2017/06/Online-Fraud.pdf>

⁴⁵ Ipsos Mori, *Public Perceptions of Policing in England and Wales 2017*, page 27, 2017. Available at: - <https://www.ipsos.com/sites/default/files/ct/publication/documents/2017-12/public-perceptions-of-policing-in-england-and-wales-2017-topline.pdf>

8.9 In policing, as in all parts of the public sector, resources are aligned to priorities.

In the police service, strategic planning follows a nationally recognised annual cycle. Part of this cycle is the prioritisation of crime in a 'control strategy'.⁴⁶ It is expected that financial investment, resourcing, workforce development and human resources will be aligned to this strategy. Priority setting in forces is of a bottom-up and localised nature, as such there are no guarantees that fraud will feature highly. Furthermore, priorities have also been influenced by nearly ten years of budgetary restraint. Stark choices have had to be made and violent crime, domestic abuse and sexual offences have become the focus to the exclusion of other types of crime.

8.10 As there is no guarantee that fraud will be prioritised, the investment in fraud investigation varies considerably in forces. In 2017, less than one percent of all police personnel, some 1,400 individuals, were involved in fraud investigation. It should be noted also that some of these investigators have secondary responsibilities, for example asset recovery and money laundering. A minority of forces have a full-time economic crime team and their size is variable. Over 120 officers are allocated to fraud investigation in the Metropolitan Police, 20 in Manchester and Nottingham; elsewhere there are teams of four officers with the capacity to deal with no more than one case at time. In many forces, investigations are the responsibility of generalist CID officers. It is rare that they are accredited as specialist fraud investigators.⁴⁷ In other forces, fraud cases are routinely allocated to community officers as part of their wider caseload of neighbourhood crime.

8.11 There is an overwhelming mismatch between the scale of fraud offences and the capacity and capability of forces to investigate them. HMICFRS has made a requirement of Chief Constables set out their commitment to the City of London Police to investigate fraud.⁴⁸ To make headway will involve a seismic shift in the prioritisation of fraud and the resource made available to it. What is really

⁴⁶ The College of Policing, the National Intelligence Model, not dated. Available at: <http://library.college.police.uk/docs/npia/NIM-Code-of-Practice.pdf>

⁴⁷ The programme is run by the City of London Police's Economic Crime Academy. The programme is aimed at developing 'best investigative practice and a solid understanding of the Fraud Investigation Model from the outset, delegates will leave properly equipped to face the challenges of modern economic crime with a greater knowledge of preventing, detecting, disrupting and investigating Fraud offences'.

⁴⁸ City of London Police, *HMICFRS, Fraud: Time to choose, action plan*, November 2019.

needed is a 'new future' for the investigation of fraud in the UK, one that can transcend the gulf in reported crime and the capacity needed to investigate it.

8.12 Compelling arguments have previously been made by the Police Foundation⁴⁹ that regional economic crime teams should be established. The proposal is that they should form part of the existing network of regional organised crime units (ROCU)⁵⁰ that provide specialist policing capabilities. Fraud investigation is designated as one of the specialist capabilities that ROCUs should already be providing. However, in the course of this review, it became clear that the level of available resourcing for fraud investigation is as inadequate in ROCUs as it is in forces. In most ROCUs, there are no more than five fraud investigators. Most of them also have additional responsibilities, for example the recovery of criminal assets.^{51 52}

8.13 The Police Foundation's proposal to reinforce ROCUs would certainly be an option for enhancing fraud investigation capabilities. We also think other alternatives are worthy of consideration. Given the non-geographic nature of fraud, an alternative model is a fraud investigation service 'networked' across a number of regional hubs. This would mean that a lead investigator based in one part of the country could be dependent on investigative support from hubs elsewhere if necessary. Take, for example, a scenario whereby a number of simultaneous arrests had to be made hundreds of miles apart or, in the course of an investigation, multiple vulnerable victims needed protracted support in different parts of the country. These types of investigations, which are not uncommon, could benefit from a 'networked' fraud investigation service.

8.14 While there are some differences in how ROCUs or a 'networked service' could work, it is their similarities that are their real strengths. Both of them offer a flexibility that enables them to pursue suspects that operate across police force boundaries. Because most fraud is internet-enabled, it is not an offence that is bounded by geographical borders. The use of the internet means that predatory criminals can select victims randomly. An estimated 78⁵³ per cent of fraud involves offences where suspects and offenders do not live in the same police

⁴⁹ The Police Foundation, page 78, December 2018.

⁵⁰ Operational police units with regional jurisdiction and specialist capabilities to disrupt and dismantle organised crime units; officers and police staff normally are seconded to ROCUs from forces within the region.

⁵¹ Conversation with National Co-coordinator Economic Crime, National Police Chief's Council (NPCC).

⁵² Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services, page 56.

⁵³ The Police Foundation, *More Than Just a Number, Improving the Policing Response to Victim's of Fraud*, page 23.

force area. Many offences involve victims in all four corners of the country and this makes it difficult for a single police force to manage investigations effectively.

8.15 Some of these difficulties became apparent to us when we visited forces in various parts of the country. In the current system, Home Office rules mean that the NFIB have to observe a number of criteria in deciding which force should investigate cases. The rules mean that most disseminations will be sent to where an offender lives or where most offences were committed. Some forces dispute the NFIB's decision making which leads to unacceptable delays in investigations. HMICFRS have criticised some forces for using these disputes as an excuse to avoid taking on investigations.

8.16 In our visit to Manchester, we came across an example of how these rules can lead to difficulties. An offence committed against Stansted Airport by a suspect who lives in Nottingham was allocated to Greater Manchester Police to investigate. The decision to allocate the investigation to Greater Manchester Police was because Stansted Airport is owned by Manchester Airport Holdings Group. Despite this offence only having tenuous links to Manchester, Greater Manchester Police successfully prosecuted the offender. However, it would be easy to understand why the Mayor for Greater Manchester and the Chief Constable would see that this crime had nothing to do with their force.

8.17 In the West Midlands Police we saw other practical examples of these difficulties. The force has recently investigated a case which involved a 'scam' whereby unsuspecting victims made payments to a business on the pretext of their car engines being reconditioned. The business was bogus and a number of victims from all over the country incurred losses. One of the essential building blocks of a successful investigation is being able to take statements and secure evidence from victims. This can become inordinately time consuming for a single force that is servicing victims all over the country. To the credit of West Midlands Police, investigators overcame these obstacles and concluded the case successfully.

8.18 The nature of fraud offending is unique. It breaks the mould of 'normal' crime where victims and offenders are normally in proximity. It needs a different response from law enforcement, a response that fights criminals on their terms and not one that is confined to parochialism and county boundaries. The

establishment of regional capabilities to investigate fraud would provide a solution to this.

8.19 Regional investigative teams, either as part of ROCUs or as a 'networked' investigation service, would also be a better 'fit' for investigating fraud because of the link with organised crime. There is convincing evidence that the involvement of OCGs in fraud is underestimated. The prioritisation of law enforcement activity against OCGs is determined by the organised crime group (OCG) 'mapping' process. The OCG mapping process is a nationally standardised procedure to assess the intent, capability and harm that OCGs present to communities.

8.20 When OCG mapping was last researched, it was established that only 11 per cent of OCGs were involved in economic crime.⁵⁴ However, there is a widely held belief that this figure is a gross underrepresentation of the number of OCGs involved in fraud. This was confirmed in the police forces we visited. There is a general acceptance that many criminal networks identified in NFIB disseminations would justify being classified as OCGs.

8.21 However, we believe there are a number of reasons of why this is not the case. Firstly, there is a pragmatic reality that economic crime OCGs will not compete well for resources against gangs involved in violence and drug supply. Another reason is the belief that the OCG mapping process is weighted towards physical harm to victims and not to types of crime like fraud. Finally, there are difficulties in developing intelligence to identify fraud offenders as OCGs. Forces do not currently have access to SAIP. This is an impediment to crime analysts who research OCGs to assess the scale and impact of their offending.⁵⁵ Collectively these factors explain why so few OCGs are identified as being involved fraud. Nonetheless, there can be no doubt that a large amount of fraud is committed by OCGs.

8.22 A final reason we are proposing the development of regional capabilities to tackle fraud relates to the geographical distribution of fraud. The NFIB historically disseminates more cases to 'big city' police forces than rural forces.

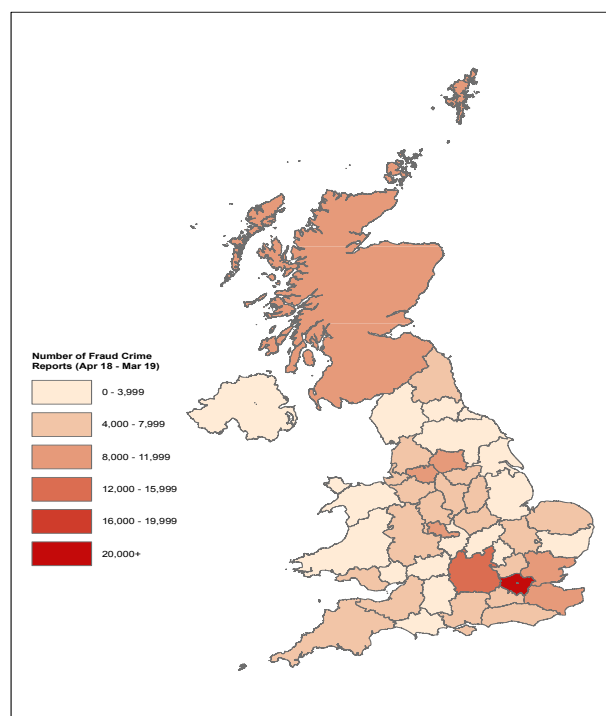
⁵⁴ HMICFRS PEEL: Police effectiveness 2017, page 95, March 2018, available at:-

<https://www.justiceinspectors.gov.uk/hmicfrs/wp-content/uploads/peel-police-effectiveness-2017-2.pdf>

⁵⁵ This was explained to us by representatives of Greater Manchester Police and the Metropolitan Police Service.

In the last 12 months, over 8,000 cases have been disseminated to the Metropolitan Police, 1,600 to Greater Manchester Police and 1,400 to West Midlands Police. Other forces such as Dyfed-Powys Police and Gwent Police receive less than 100 disseminations from the NFIB every year.⁵⁶ Figure 6 shows the distribution of cases for the financial year 2018/2019. Rather than disseminating cases to 43 police forces and the uncertainties that goes with it, the establishment of regional economic crime teams in areas where fraud is most prevalent would bring a greater assurance of success.

Figure 6 –geographical dissemination of cases by the NFIB.



8.23 Beyond the establishment of regional teams, there remains a question of the role of the 43 forces in the investigation of fraud. Our view is that there is good reason why they should remain involved. Although a number of references have been made to the complex, organised and cross border nature of fraud offending, there is a tier of crime that could still be investigated at a local level. Take, for example, a crime where the location of the offence, the victim and the offender are bounded by a single force area. In these circumstances an investigation by the local force may well be the best solution. Other types of offence that could be included in this category are the less complex. A

⁵⁶ City of London Police, *AF disseminations for the 12 months to 30 September 2019*, not dated.

proportion of offences committed are representative of lower level 'scams'. This includes 'online shopping fraud' where bogus websites are used to secure advanced payments on goods that do not exist. Many of these investigations could still be managed by local police forces.

8.24 The other reason for retaining local force involvement relates to their role for victim care. As part of its lead force responsibilities, the City of London Police's NECVCU has a good track record of supporting victims. It has experience in identifying and differentiating victims' needs and it works well with other forces to provide crisis interventions and other types of support to help victims recover from their experience.

8.25 The NECVU was established in 2014 to support victims based in London. Since then its remit has expanded to serve victims in Greater Manchester, the West Midlands, Kent and Nottinghamshire. The benefits that victims receive from the service have been independently validated and there are plans to roll out this service nationwide. We wholeheartedly support plans to expand the NECVCU service. It is the only failsafe way to ensure that victims do not 'get lost in the system'. In this context, it is clear that forces will always be involved with safeguarding victims. In some cases, particularly when supporting the most vulnerable victims, it would also make sense if the local force took responsibility for the investigation.

8.26 There is a strong body of evidence that the investigation of fraud would sit better with regional economic crime teams. It is better suited to the ROCU's remit of cross border crime and tackling OCGs. Another possibility would be to build new capacity and capability as part of a 'networked' fraud investigation service. Most importantly, in both models, knowing that the most serious cases were to be handled by specialist, regionally based investigators, would bring more assurance to the City of London Police that outcomes would be positive. Furthermore, through a new framework of governance and accountability, it would be possible to track all cases through to a successful conclusion.

8.27 We recognise that defining a 'New Future' like this is far easier 'to say than do'. It should also be noted that this sort of new thinking is not new. The force has drafted plans to establish regional investigation teams, increase its fraud prevention capabilities, expand victim services and develop fraud prevention

and 'asset denial' capability nationally. These plans involved a proposal to establish 400 FTE in the regions at a cost of £60m over three years.⁵⁷ The Commissioner of the City of London Police has also secured approval for developing the concept of regional investigation teams at the National Police Chiefs Council. It was intended that these plans be submitted as a bid for HM Treasury's spending review 2020/2021 which has now been delayed until 2021/2022. This is in some way fortunate as it provides more time to develop the plans further and calculate precise costs. The development of regional investigative teams as an executive arm of the City of London Police is an important part of the 'New Future'. Some ideas on how this can be achieved as part of wider transformations is described in the final section of this report.

Recommendation 12: The investigation of fraud in the UK needs a new future. Regionally based teams of specialist investigators should be developed. This will bring certainty that cases assessed and disseminated by the City of London Police are the subject of effective law enforcement action. A renewed framework of governance and accountability needs to be developed. It should include a joint understanding of the standards required of investigations and the outcomes expected of them.

8.28 As well as the structure of fraud investigation needing to be different, there is an opportunity to build the skills and capabilities of economic crime teams. The lack of sufficient, accredited investigators in UK policing has already been mentioned. To put this right, a more modern-look and versatile work force is needed to meet the demand and complexity of fraud investigation.

8.29 Police recruitment is changing, detectives are recruited on 'fast-track' schemes and in most forces employ civilian investigators to boost their investigative capabilities. However, there is a good argument that workforce reforms need to go a step further for fraud investigation. In the course of this review, we were struck by the number of staff working in the NFIB and investigating fraud that had joined the police from the banking sector. The police service should develop this further. However, without freedom to offer salaries outside of national police pay rates, it is difficult to offer a competitive package to skilled people in the private sector who may be interested in a police career. In

⁵⁷ City of London Police, *Spending Review Update*, National Police Coordinator for Economic Crime, not dated.

making the case to establish regional economic crime teams, it is also time to pioneer flexible employment terms to bring new blood into the police service in a way that has never been done before.

Recommendation 13: The City of London Police should develop a modern-look and versatile work force to meet the demand and complexity of fraud investigation. The force should negotiate with the Home Office to recruit outside of the national police pay framework. Competitive packages should be offered to skilled investigators from the private sector who may be interested in police careers.

Section 9 – A ‘New Future’ for the investigation of fraud in the UK.

9.1 Transformational change is needed at three levels to bring fraud back into check and serve victims well. Action Fraud and the NFIB need adequate resources and a dependable ICT platform to operate effectively. Multi-skilled economic crime teams should be assembled at a regional level to meet the task at hand. We believe that a transformation programme should be established to bring rigour, discipline and accountability to these improvements as the force moves forwards. The scope, scale and pace of the changes need to be the subject of top-level oversight and leadership. We refer to the programme as the ‘New Future’ for the sake of a reference point in this report.

9.2 Structured dialogue is needed with interested parties in the Home Office, the Police Authority, the NECC the NCA as well as Chief Constables and PCCs. The current Home Office review provides an opportunity for this. We recommend that the force develops an ‘inform and influence’ communication group to achieve this. Business support should be brought in to forecast demand, explore different operating models and to determine the best way forward. HR expertise will also be needed. The force needs to venture beyond the constraints of traditional police employment conditions. Gifted and talented professionals need to be attracted in from the finance sector to form part of regional economic crime teams.

9.3 It is also recommended that academics are co-opted onto the programme. We were surprised by the breadth of contemporary academic research about fraud that is available. The think-tank, the Police Foundation, bring much of this

research together and it challenges some of the conventional thinking in law enforcement.⁵⁸ Academics should be invited to ‘check and challenge’ the programme’s direction. In particular they should be asked to review the thresholds that determine which cases are investigated. This will help to ensure that the social, emotional and physical consequences to victims become more prominent in the decision-making.

9.4 The programme should be led by a chief officer. Furthermore, because of the breadth, scale and pace of the transformation needed, membership of the programme should be on a full-time basis. Any temptation to bolt these responsibilities on to people’s ‘day jobs’ should be avoided. A steering group should oversee the programme with senior representation from all interested parties. The group should agree the work strands of the programme, it will provide direct support to individuals, remove blockages, manage risks and set timescales for reporting cycles and hold the programme to account.

9.5 An important milestone will be the new Spending Review period beginning in the financial year 2021/2022. By this time the force’s understanding of volumetric demand must be clear. It will form the basis to negotiate the cost of services with the Home Office. The arrangement needs to shift from an annual grant to a settlement that reflects the scale and projected growth of fraud over forthcoming years. This should include the costs of fraud reporting, the NFIB function, the investigation of disseminated cases and national victim care. Not all of the programme’s responsibilities should be forward looking. Many of the recommendations point towards improvements that should be made in shorter timescales. An outline of short, medium and long-term priorities is set out in the plan attached at appendix D. This plan has been included solely as an illustration of the baseline activity that could take place over the next 18 months.

9.6 In the short term, key features of the ‘New Future’ programme include defining a way forward with IBM to upgrade or replace SAIP. It is also recommended that early negotiations are opened with the Home Office to find a more radical way of attracting new talent into fraud investigation; one which circumvents the constraints of current police service recruitment. Other short-term goals include

⁵⁸ The Police Foundation, *More Than Just a Number, Improving the Policing Response to Victim’s of Fraud*, December 2018.

the hiring of more staff for Action Fraud and the introduction of qualitative performance indicators. This will strengthen the operation and bring service levels into line with industry best practice.

9.7 Also in the short term we are recommending that a NFIB 'task group' develops accurate forecasts of reporting volumes from now until 2023/2024. This should be used to design a new operating model; the design should be influenced by the wider police service as well as academics. The proposed operating model should be stress tested and future proofed by business partners who are expert in that field. Recognising that building regional economic crime teams will need greater lead in times, the short-term focuses on preparing the groundwork for this development. The Commissioner and the Chief Executive of the Police Authority should take the proposal as a 'proof of concept' to their national councils.

9.8 Over a period of 3-6 months, the programme lead should arrange for 'task groups' to draw up proposals for the implementation of regional economic crime teams. The groups should define the remit and responsibility for regional teams, the workforce 'mix' of police officers and specialist staff, the capacity that will be needed and where they will be situated. Particular attention should be paid to the offences that will be investigated regionally, those that will remain the responsibility of local forces and how the distinction between the two will be determined. During this period we would also expect the NFIB to finalise its future operating model. This should include the operating costs that address both future volumes of reporting and the interim 'workaround' arrangements. In this period we also anticipate that new KPIs should be embedded in Action Fraud, the victim survey should be re-run and the renewed staffing levels should be reached.

9.9 The main features of the 12 to 18 month phase of the programme will be defined by the 2021/2022 spending review timetable. The programme board should approve the projected operating of costs of Action Fraud, the NFIB and regional economic crime teams. Thereafter, the Home Office should be invited to include these costs as part of the spending review settlement for the police service. This programme should then turn its attention to the implementation of regional capabilities. Alongside this, an accountability and performance framework for regional investigations should be developed. At this stage, it is envisaged that

the new recruitment into Action Fraud will have stabilised the operation and brought the service into acceptable industry standards. The NFIB will also be in a position to enhance its operation to optimal levels. Part of this will be the upgrade to its operating system.

Recommendation 14: Transformational change is needed at three levels to bring fraud back into check and serve victims well. Action Fraud and the NFIB need adequate resources and a dependable ICT platform to operate effectively. Multi-skilled economic crime teams should be assembled at a regional level to confront fraud head on. A programme board should be established to lead this change.

9.10 In addition to recommending how to effect change in the future, our final comments relate to the day to day management of the City of London Police/IBM contract. In contrast with longer term planning, our comments about the current management of the contract relate to its responsiveness to deal with matters in the 'here and now'. Understandably, there is a strong focus on KPIs in the performance meetings between the force and IBM. However, when obstacles that affect performance are identified, we were not convinced there is a commitment to joint problem solving and finding ways to improve the service.

9.11 Examples in support of our finding are varied, some of them are relatively simple and should be quickly fixed. Others need further research and thought before a solution can be found. What they have in common is that too often problems are allowed to linger without responsibility being taken to put them right. One example is as simple as a spelling mistake on the Action Fraud website. On one page the word fraud is spelt 'frudad'. This misspelling has existed for over twelve months and has led to several complaints from victims using the service. It is also the subject of constant ridicule by employees in the force. Naturally, we asked why this error could not be put right. We were told that a solution would be costly because it involves submitting a contractual 'change request' to IBM.

9.12 Another example that has more far reaching consequences relates to a crime known as 'courier' fraud. Typically this involves a criminal convincing an unsuspecting victim that their bank security has been compromised. The victim is asked to meet a courier and hand over their bank cards and PIN numbers so

that offender can steal their cash. This type of crime is difficult for the NFIB to analyse. This is because hundreds of offences are reported every week and courier fraud does not have a specific 'code' which makes them easy to identify. To put this right would need the Home Office to allocate a code to this type of crime and adjustments being made to reporting procedures. When we asked what progress had been made to overcome this, it was clear to us that there is an attitude of defeatism and a belief that trying to seek changes to the contract is not worth the bother.

9.13 The force needs to address these attitudes as a matter of priority. Our view is that the relationship between IBM and the City of London Police has become over absorbed with the difficulties of SAIP and discussions about KPIs. This means that other areas where improvements are needed tend to be overlooked. This is to the detriment of effective investigations and the service to victims. It would be better if matters of contention were discussed separately from other agenda items. This would effectively make a distinction between matters of dispute and 'business as usual'. This would mean that operational problems could be addressed collaboratively and more swiftly.

Recommendation 15: In the relationship between the City of London Police and IBM, there is a strong, constant focus on the NFIB operating system and other matters of dispute. It would be advisable, if disputed aspects of the contract were separated from other matters that affect operational efficiency. This would mean that obstacles standing in the way of progress could be considered promptly and thoroughly so that solutions can be found.

9.14 The terms of reference of this review, although broad, refer mainly to the City of London Police's role in fraud investigation. Beyond the contribution of police forces, little has been said of other organisations involved in fraud investigation. This is not to say that role of the NCA, the Serious Fraud Office, the Financial Conduct Authority and HM Revenue and Customs are not important. Their collective effort, coordinated by the National Economic Crime Centre (NECC),⁵⁹ sheds more light on the enormity of fraud and the harm it causes.

⁵⁹ The National Crime Agency, NECC Improving the UK's response to Economic Crime, not dated available at: <https://www.nationalcrimeagency.gov.uk/what-we-do/national-economic-crime-centre>

9.15 Although not strictly forming part of our remit, we considered how our proposals would have an impact on the NECC and its partner organisations. For many years, law enforcement organisations have referred to crime at three levels; level one (local), level two (regional) and level three (national and international). We believe that classifying fraud into these three levels holds good.

9.16 The main thrust of our proposals centres on a significant uplift in capacity at level two by investing in regional investigations. We see this as a vital adjunct to our recommendations to upgrade Action Fraud and the NFIB. Building investigative capabilities at level two should complement the role of the NECC and its partners. The building of a solid base for investigations at level two (regional investigations) should help clarify which investigations should be assigned to the NCA and other national organisations. It should also facilitate effective joint working of law enforcement organisations at regional and national levels.

9.17 Some of our more far reaching thoughts centred on the role of the private sector in fraud investigation. Although not specifically examined as part of this review, we think it is likely there are commonalities between private fraud investigation in the financial sector and law enforcement that could be exploited. An obvious one is the reporting of suspicious activity by banks (known as suspicious activity reports or SARs).⁶⁰ These are reported to the NCA and a large proportion of these are referred to local forces. Although SARS are indicative of a suspicion of criminal activity rather than an evidence of crime, procedures for them to be evaluated for enforcement action are inconsistent.

9.18 We also think it likely that fraud investigation in the financial sector may, to an extent, replicate the work of the NFIB. Fraud reported to banks and financial organisations will be assessed for the potential to identify offenders, recover funds and prevent further offending. Some of this work is not dissimilar to the activity of the NFIB. As a concept, it may be worth considering whether a private sector/public sector partnership for fraud investigation may be beneficial.

⁶⁰ NCA, UK Financial Intelligence Unit, December 2019 – in excess of 400,000 SARs are reported annually.

9.19 In the course of this review, we met many inspirational people involved in the investigation of fraud. Part of the 'New Future' programme should involve drawing on their experience, energy and enthusiasm to put fraud investigation on a solid footing. A number of them suggested that, at the conclusion of the programme, law enforcement in the UK should re-define its commitment to tackling fraud. We thought this was an excellent suggestion.

9.20 A 'statement of intent' should be drawn up that sets out this renewed commitment. This should include a guaranteed service to victims, the standards expected of investigations and a commitment to pursue offenders who cause the most harm. This would have to be worked up in detail as part of the programme. Our preliminary thoughts are, recognising that not all cases will be investigated, a commitment to provide a service to all victims should nonetheless be made. Additionally, it should be made clear that offences that cause the most harm to victims, their families, businesses and the economy should be investigated. Finally, by building new capabilities to fight fraud, law enforcement in the UK should commit to confronting OCGs involved in fraud and take all reasonable steps to dismantle them.

Appendix A:- List of recommendations

Recommendation 1: We found that Concentrix's vision statement and its Code of Ethics are not well suited to the Action Fraud environment. They should be adapted to reflect the standards expected of a contact centre that provides a public sector service.

Recommendation 2: The rate at which callers to Action Fraud 'hang up' when calls are not answered should be of concern to the City of London Police. To improve the 'victim experience', KPIs should be extended to include call answering times, the time callers spend waiting in queues and the percentage of calls that are answered.

Recommendation 3: Workforce data in Action Fraud show disturbing trends in relation to absenteeism, staff turnover and the amount of time that staff spend on the calls without access to rest breaks. KPIs should be introduced to ensure active monitoring of staff well-being.

Recommendation 4: KPIs that drive quality assurance checks at Action Fraud are having a positive influence. This could be taken a step further if they were used to identify systemic failures that would lead to organisational improvement.

Recommendation 5: Victim surveys are used widely by police forces as a reliable insight into the satisfaction with the service and how it can be improved. A KPI should be included in the contract to ensure that surveys are periodically completed. The findings of these surveys should contribute to organisational learning and continuous improvement.

Recommendation 6: We have concerns that, in the drive to digitalise more services in Action Fraud, the needs of victims may be overlooked. The City of London Police and IBM must define the services that need to be provided through voice channels and where the limits of digitalisation should be set.

Recommendation 7: The City of London Police should redefine the level of service it offers to victims contacting Action Fraud. The City of London Police/IBM contract should be amended to reflect this service level. Immediate steps should be taken to boost staffing levels at Action Fraud.

Recommendation 8: The City of London of Police needs to develop an optimal operating model for the NFIB. This should be based on scenarios that simulate future levels of reporting and redefining the thresholds that determine the cases to be reviewed. The development of the model should include a future forecast of operating costs.

Recommendation 9: There is an expectation on the police service that offenders who exploit vulnerable victims should be relentlessly pursued. Vulnerability is not a significant factor in determining the threshold at which the NFIB review cases. Thresholds should be re-defined to include vulnerability as a criteria that determines which cases are reviewed.

Recommendation 10: Performance monitoring in the NFIB is inward facing and focuses on the number of cases disseminated to forces. Its core role should be re-defined to reflect its responsibilities as a service provider and its contribution

to successful outcomes in forces. Its productivity and outputs should be channeled in this direction.

Recommendation 11: This report proposes an enhanced role for the NFIB that will be at the heart of a 'New Future' for fraud investigation in the UK. An important feature of this will be an upgraded operating system. There must be a clearly defined programme of work that sets out the options, costs, and benefits to achieve this. This programme must be monitored by the Police Authority and the force until the system is embedded and fully functional. The future of fraud investigation in the UK is dependent on it.

Recommendation 12: The investigation of fraud in the UK needs a new future. Regionally based teams of specialist investigators should be developed. This will bring certainty that cases assessed and disseminated by the City of London Police are the subject of effective law enforcement action. A renewed framework of governance and accountability needs to be developed. It should include a joint understanding of the standards required of investigations and the outcomes expected of them.

Recommendation 13: The City of London Police should develop a modern-look and versatile work force to meet the demand and complexity of fraud investigation. The force should negotiate with the Home Office to recruit outside of the national police pay framework. Competitive packages should be offered to skilled investigators from the private sector who may be interested in police careers.

Recommendation 14: Transformational change is needed at three levels to bring fraud back into check and serve victims well. Action Fraud and the NFIB need adequate resources and a dependable ICT platform to operate effectively. Multi-skilled economic crime teams should be assembled at a regional level to confront fraud head on. A programme board should be established to lead this change.

Recommendation 15: In the relationship between the City of London Police and IBM, there is a strong, constant focus on the NFIB operating system and other matters of dispute. It would be advisable, if disputed aspects of the contract were separated from other matters that affect operational efficiency. This would mean that obstacles standing in the way of progress could be considered promptly and thoroughly so that solutions can be found.

Appendix B:- Terms of Reference

The primary purpose of the review is to make recommendations to strengthen the Action Fraud (AF) and National Fraud Intelligence Bureau (NFIB) system, to assist in the identification of key blockers and drive improvements in the service given to victims of fraud. The review, commissioned by the City of London Police Authority Board in partnership with the City of London Police Force, will be led by Sir Craig Mackey. The review will focus on the following key areas:

1. **To establish if appropriate governance and oversight exists in respect of:**
 - AF managed service contract
 - AF operational delivery
 - NFIB operational delivery
 - Quality assurance processes for AF/NFIB
 - CoLP management structures
 - Police Authority Board overview

2. **To establish if the AF managed service contract with IBM delivers the appropriate standards and performance in respect of:**
 - Resourcing, recruitment, vetting & training
 - Culture & Discipline
 - Outputs against agreed contractual KPI's

3. **To establish the impact of the Times reporting and other subsequent negative coverage of AF, including;**
 - Trust and confidence in AF service
 - The co-ordinated critical response by CoLP and ongoing response
 - The effectiveness of the internal investigations conducted by CNX
 - The effectiveness of the internal review conducted by IBM

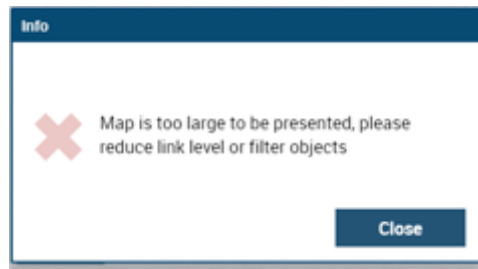
4. **To review and understand the capacity and capability of AF and NFIB to meet the current demand, to include the following;**
 - Current and future projected demand levels
 - Existing demand management operating model
 - Current resourcing levels
 - Current funding model
 - Victim journey and victim satisfaction

5. **To consider wider policing issues linked to the delivery of AF & NFIB, to include the following;**
 - Value of the AF and NFIB service to UK policing
 - The outsourcing of key policing activity through contracted managed services
 - Ownership and collaboration of forces, adoptions & outcomes
 - Challenges of Home Office Counting Rules on fraud and cyber-crime offences

A range of documents will be made available to the reviewing officer with support from specifically appointed staff.

Appendix C: a case study to describe the limitations of SAIP

1. SAIP links reports against a set of different entities. These relate to people, addresses, bank account details, vehicle registration marks, organisations (for example businesses), websites, phone numbers and e-mail addresses. A value or score of up to ten is allocated to each entity. The score varies according to the entity. For example, bank accounts with the same bank account numbers and sort codes will score ten. However, the maximum score for a matching website is set at less, a maximum of five. Even within individual entities the score is variable. For example, an address complete with a house name and postcode will score four, this can reduce to two if part of the address is missing.
2. SAIP searches for these entities (and allocates a score to them) in a number of documents that are held in the system. These include crime reports and information reports reported at Action Fraud, legacy Know Fraud reports (prior to the introduction of SAIP – October 2018), reports completed by the UK Finance and ingested into the system (there are a total of 12 documents).
3. Individual reports containing matching entities are clustered together into what is referred to as a 'case'. However, the matching principles of SAIP (based on the scores outlined above) mean that matching is determined on the 'strength' of the match. This means that lower scoring entities, for example e-mail addresses, are less likely to be linked from one case to another. Therefore, NFIB fraud reviewers will always double-check the matches manually on SAIP.
4. A natural starting point for the NFIB fraud reviewer is to begin each review in link analysis. Link analysis presents an interactive map of linked data. On SAIP this is represented in different 'levels', the first level represents the different documents that are linked together through the matches described above. The second level shows the links between the different entities. From the outset, a frequent problem encountered by the NFIB fraud reviewers is the capacity of the system. If there are more than 300 matched entities, SAIP defaults to an error dialogue box because the system overloads. This is a common occurrence when multiple reports are linked. It is accepted practice that cases involving more than twenty linked reports are set aside as 'unworkable'.



5. To overcome 'system overloads', the NFIB fraud reviewers use what is known as the 'large case work around'. The large case workaround is an excel spreadsheet with built in macros, it was designed by a fraud reviewer with excellent computer software skills. First of all, reference is made to the summary page on SAIP. The summary page will indicate the entities that are matched to other cases. The second inconvenience that NFIB fraud viewers frequently face is that the summary page itself will not load. This is again because of capacity limitations. This means that the fraud reviewers have to build their own summaries on the workaround sheet. This involves entering bank accounts and sort codes, websites, e-mails and telephone numbers in different columns on workaround spreadsheet. The entities in these columns then have to be searched in SAIP for other linked reports. Each entity has to be entered 'one at a time'. This is because searches can only be made against one type of document at a time (crime reports, information report, legacy Action Fraud reports – see paragraph 3). Because of time constraints, NFIB fraud reviewers routinely limit these searches to just two reports – Action Fraud crime reports and Action Fraud information reports. These searches are made with the intention of identifying all reports on SAIP with the same suspect entities. If this searching is not done, it is possible that a report with the same entity would not be matched because of the 'matching principles' explained in paragraph 3. As part of the pre-existing system to SAIP, the interactive data map had the capacity to display any number of linked documents. These could simply be added to the case at the discretion of the NFIB fraud reviewer.

6. The search results are then copied back into the workaround spreadsheet. The large workaround spreadsheet will identify new reports with the matching entities; the NFIB fraud reviewer mentioned above designed it specifically to identify new reports. These reports can be moved into the case the fraud reviewer is working on or a Master/Child link case can be created. When new entities are identified, they then have to be searched individually against the 12

documents mentioned in paragraph 3. The reality is that the extent of this searching is again reduced because of time constraints.

7. When the NFIB fraud reviewer has completed these searches, he/she will enter details on a report dissemination template. This is a Microsoft Word document that is completed manually. An automatically generated document is produced by SAIP, however, it is not presented in a coherent manner that can be sent to forces.

8. The workaround described above had a profound impact in a case dissemination to West Midlands Police. The initial link analysis on SAIP indicated seven linked reports with two suspects. The crime reviewers, knowing the restrictions of the system, put in place their tried and tested workaround process and this resulted in successfully linking a total of 15 crime reports, four information reports and two CIFAS reports. In addition, they identified a total of 11 suspects.

9. This clearly shows that, had the workaround not been used, West Midlands Police would not have received the comprehensive case data required to conduct a thorough investigation. The reviewers identified more than double the amount of linked cases and more than five times as many suspects by reverting to manual procedures.