Fraud

Cifas, the UK's leading fraud prevention service, has warned that the cost of living crisis is providing criminals with new opportunities to steal personal and financial information.

The warning follows an 11% increase in fraud cases in the first six months of 2022. Cifas has highlighted an alarming rise in identity fraud, authorised push payment fraud (where a person or business is tricked into transferring money to a criminal), account takeover, employee fraud and cyber crime. Fighting financial crime is a key priority for regulators (such as the FCA), and this emphasises the importance of robust fraud prevention and detection controls within financial services firms.

#1

Risk assessment

As fraud threats continue to evolve, it is important that firms **take a risk-based approach to fraud**.

Make sure you are aware of the areas of highest fraud risk for your firm, including the risks and red flags related to your firm's products and services, its customers, suppliers and partners, and its countries of operation.

#2

Follow procedures

Your firm's procedures are designed to **protect the firm, its customers and you**.

Firms use a range of controls to mitigate fraud risk, including due diligence (on staff, suppliers and customers), authentication procedures, payment controls, information security processes and transaction monitoring.

#3

Report concerns

If you identify fraud or attempted fraud, you must **report it as soon as possible** in accordance with your firm's procedures.

Your firm may have whistleblowing arrangements to assist with this. Remember, the proceeds of fraud are the proceeds of crime and therefore anti-money laundering law should also be considered.

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Compliance is everyone's responsibility. If you have any queries regarding your firm's procedures, contact your Compliance team.