



**FRAUDSTERS HELD TO ACCOUNT**

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## Introduction

The National Crime Agency website states that fraud is the most commonly experienced crime in the UK, affecting UK society economically and socially. It accounts for over 40% of crime in England and Wales. According to the Office of National Statistics, it was the most common crime type between April 2022-March 2023, with an estimated 3.5 million incidents of fraud experienced by adults aged 16 and over.

Everyone has a part to play in fighting fraud. Being aware of the risk and remaining vigilant are important first steps, followed by knowing how to report fraud. This latest edition of Fraud Stop covers some high-profile cases, fraud prevention advice and news on other targeted action being taken to prevent fraud in the UK.



### CASE STUDY:

## Five guilty of £53 million benefit fraud

The BBC reported on 10 April 2024 that five members of an organised gang have been convicted of what has been described by the Crown Prosecution Service (CPS) as the largest case of benefit fraud in England and Wales.

Three women and two men made thousands of fraudulent claims for Universal Credit over a four-and-a-half-year period.

They each admitted to stealing more than £50m at Crown Court and pleaded guilty to fraud and money laundering offences.

According to the CPS, the gang made thousands of false claims for Universal Credit using either real people or hijacked identities, supported by an array of forged documents.

The investigation identified three “benefit factories” in north London where repeated false claims for benefits originated. The businesses claimed to assist people with obtaining a National Insurance number and benefits to which they were entitled.

However, it was found that after applicants made their

claims for benefits through these three sources, they then left them in the hands of the organised crime group.

Once the claims were made, money was laundered around numerous bank accounts or withdrawn in cash.

When the gang was finally arrested, hundreds of forged or false documents were found, as well as bundles of cash and designer goods. Sentencing is due to take place on 28 May 2024.

The full story is at: [Universal Credit: Gang guilty of large £53.9m benefit fraud - BBC News](#)



### CASE STUDY:

## Global cyber gang busted by Police

The BBC reported on 18 April 2024 that police have taken down a gang accused of using a technology service that helped criminals use fraudulent text messages to steal from victims.

The technology allowed scammers without technical skills to bombard victims with messages designed to trick them into making payments online.

Police targeted the gang’s site, LabHost, which helped criminals send the messages and direct victims to fake websites appearing to be legitimate online payment or shopping services.

It had enabled the criminals to steal identity information, including 480,000 card numbers and 64,000 Pin codes, known in criminal slang as “fullz”.

Detectives do not know how much money was stolen but estimate the LabHost site made nearly £1m in profits.

The arrests were the result of a two-year operation involving the Metropolitan Police, National Crime Agency, City of London Police and law-enforcement bodies in 17 countries.

In the UK, 24 suspects were taken into custody, with arrests at Luton and Manchester airports.

Worldwide, 70 properties were searched, and one British man charged.

In the UK, 70,000 victims are believed to have been tricked into giving their details online.

About 25,000, who have been identified, will be sent text messages warning them which fake online payment services and shopping sites could have taken their money. They will be advised to go to a Metropolitan Police website for advice.

Investigators also seized the email addresses of 800 criminals paying up to £300 a month to use the LabHost service. They will be sent personalised videos making clear police know who they are and what they have been doing.

The gang’s activities were discovered in 2022 by the Cyber Defence Alliance, a small team of investigators funded by UK financial bodies to infiltrate criminal networks on the dark web.

This investigation is an example of a new approach involving police, the National Crime Agency and banking security experts to target criminals offering services to other criminals.

The full story is at: [Police bust global cyber gang accused of industrial-scale fraud - BBC News](#)





CASE STUDY:

## Serious Fraud Office arrests three in care home fraud investigation

The Serious Fraud Office (SFO) published an article on their website on 12 March 2024 advising that they had raided two sites and made three arrests across the South of England as part of a new investigation into an alleged £76 million fraud involving luxury care homes.

The raid are part of an investigation into a UK registered property developer which collapsed into administration in November 2019, requiring some elderly residents to vacate their homes and leaving over 600 investors out of pocket.

Over four years, the property developer purchased 23 properties across the UK, mostly former hotels, offering an annual 10% return on investment in its renovation of these properties into high-end care homes.

Only nine of the properties were ever operational and some continued to be run as hotels, instead of homes. The group also purchased a number of vehicles purportedly for the company including three sports cars, a private jet and two yachts.

Over 600 people and companies invested in the scheme via purchase of rooms that were to be rented out to elderly residents in luxury facilities. Rooms were advertised widely and sold with a guaranteed annual payout and the opportunity to resell the asset back with up to a 25% profit after 10 years.

The SFO investigation continues.

The full story is at: [Serious Fraud Office makes three arrests in new care home fraud investigation - Serious Fraud Office \(sfo.gov.uk\)](https://www.sfo.gov.uk/serious-fraud-office-makes-three-arrests-in-new-care-home-fraud-investigation)

CASE STUDY:

## Company Director banned over fraudulent Covid loan

The BBC reported on 19 April 2024 that an IT company director has been banned from being a director until 2037 after fraudulently applying for a Covid bounce-back loan and ordered to pay costs of £3,566.

The fraudster applied for two bounce-back loans worth a combined £100,000 when businesses were entitled to only one.

The fraudster was the sole director of a company incorporated to provide software development and IT support. In May 2020, he applied for two Covid bounce-back loans worth the maximum £50,000 each. These loans were designed to help small companies survive the pandemic.

However, his company ceased trading just one month later and was liquidated in July 2021. He failed to tell insolvency practitioners about the first loan, which came to light only during investigations into his conduct by the Insolvency Service.

Following an investigation by the service, he was handed a disqualification order at court on 26 March 2024.

The order, which came into effect on 16 April, prevents him from becoming involved in the promotion, formation or management of a company, without the permission of the court.

Investigators said the company failed to maintain adequate accounting records from its incorporation in October 2019 until its liquidation and as a result, investigators were unable to determine if the loans were used to benefit the business.

The full story is at: [Luton-based company director banned over fraudulent Covid loan - BBC News](https://www.bbc.com/news/business-68111111)

## Government backed national campaign to fight fraud launched in February 2024

A major campaign to transform the fight against fraudsters launched on 12 February 2024 and is a significant milestone in the Home Office's delivery of the Fraud Strategy published in May 2023.

Stop! Think Fraud is backed by leading counter fraud experts who are uniting under one voice to provide consistent, clear and robust anti-fraud advice to the public.

The campaign has far reaching support among the tech, financial and retail sectors, as well as law enforcement, victim care agencies and consumer groups. Supporting agencies have pledged to prominently display the Stop! Think Fraud advice and share it among their stakeholders.

It has been created to empower a mass audience, with a new website providing vital guidance on how to spot fraud, staying safe and what to do if you are targeted. The web address is [www.gov.uk/stopthinkfraud](https://www.gov.uk/stopthinkfraud)



# Are you scam-savvy?

Take Five is a national campaign that offers straightforward and impartial advice to help everyone protect themselves from financial fraud. This includes email deception and phone-based scams as well as online fraud – particularly where criminals impersonate trusted organisations.

Test your ability to spot a scam via the Take Five quick quiz: <https://quiz.takefive-stopfraud.org.uk/>

Take Five advice is to:



## Action Fraud advise being alert to ticket fraud ahead of big events

Action Fraud, the national fraud and cybercrime reporting service, has just launched a ticket fraud awareness campaign, warning people to be alert to fraudsters trying to catch out people planning for popular and sold-out events.

Festival and concert goers looking to get last minute tickets to this summer’s top events are urged to be on their guard against fraudulent sellers, as new data reveals £6.7 million was lost to ticket fraud last year. Last year more than 8,700 people reported they had been a victim ticket fraud, with a total of £6.7 million lost. This works out to an average loss of £772 per victim. (Action Fraud, 16/04/24).

Action Fraud’s advice is to:

Only buy tickets from the venue’s box office, the promoter, an official agent or a well-known and reputable ticket exchange site.

Avoid paying for tickets by bank transfer, especially if buying from someone unknown. Paying by credit card or payment services such as PayPal give you a better chance of recovering the money if you become a victim of fraud.

Be wary of unsolicited emails, texts or adverts offering unbelievably good deals on tickets.

Is the vendor a member of Society of Ticket Agents and Retailers (STAR)? If they are, the company has signed up to their strict governing standards. STAR also offers an approved Alternative Dispute Resolution service to help customers with outstanding complaints. For more information visit <https://www.star.org.uk/>

**Disclaimer:**

The content of this document is intended to give general information only. Its contents should not, therefore, be regarded as constituting specific advice, and should not be relied on as such. No specific action should be taken without seeking appropriate professional advice.

For further discussion and support, or if you suspect any fraud, bribery or corruption against your organisation contact:

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