



# Annual Report 2023-2024





## CHAIR'S INTRODUCTION

*“Cifas has a clear mission to prevent fraud and financial crime and make the UK a safer place to do business. In my fourth year as Chair of Cifas, I am all too aware of the relentless ingenuity of fraudsters and the growing threats faced by our member organisations.”*

In 2023, Cifas members reported an increase in the use of AI image generation and voice manipulation to overcome biometric checks. They also saw much higher quality false identity documents – such as driving licenses and passports – being used. These same documents are being used time and again by different groups of perpetrators.

As attacks become more sophisticated, then so must the tools to prevent it. That is why we have made significant investment in creating new products and solutions to ensure our members are able to better combat major fraud threats – including scams, misuse of accounts, and the insider threat. Already these new solutions are proving to be successful in helping our members keep pace with the ever-evolving methods of fraudsters.

It's no coincidence that collaboration is one of the Cifas values, as we recognise the power in bringing together organisations to share data and intelligence through our steering groups and Organised Fraud and Intelligence Group (OFIGs).



We know that AI technologies have been around for a number of years, but an increase in awareness and adoption of innovations such as ChatGPT have opened up the capabilities of AI to a much wider audience – including fraudsters.

Over the coming year we will continue to bring together and collaborate with technology companies, social media platforms, law enforcement and government and the wider fraud prevention community to better understand and disrupt new and emerging fraud threats. We will also work with other partners – including the wider Cifas community – to support the sharing and use of our data and intelligence across other channels, helping us to take the lead in driving an ecosystem response to fighting fraud.

We know that AI technologies have been around for a number of years, but an increase in awareness and adoption of innovations such as ChatGPT have opened up the capabilities of AI to a much wider audience – including fraudsters. By harnessing this technology, criminals have been able to create their own versions such as FraudGPT and WormGPT which enable increasingly realistic phishing emails and text messages, as well as sophisticated malware and data mining for targeted attacks. These new and changing threats remind us that so long as there is innovation in technology, there will be innovation in fraud.

As the Chair, I see the work that Cifas does to ensure that members are better prepared to tackle the ever-changing threat of fraud. I am positive about the future of our fraud prevention community, we have strengthened our foundations, we have grown our membership and we have invested in our products and services. We are strong and have great ambition to meet head on the fraud challenges that lie ahead.

**John Browett**

Chair, Cifas

The relentless ingenuity of cyber-criminals reminds us that we must all continue to raise our game in order to protect growing numbers of individuals and businesses from the threat of fraud.

*“The threat posed by fraud and financial crime continues to evolve and intensify, with economic uncertainty providing criminals with fresh opportunities to commit fraud.”*



It is no surprise that fraud is still the most reported crime type in the UK, accounting for almost 40% of crime in England and Wales, with an estimated 3.2 million offences each year. In 2023, more than 370,000 cases of fraudulent conduct were recorded to our National Fraud Database – around 1,000 cases a day.

This data tells us that consumers struggling financially were repeatedly targeted, often social-engineered into divulging their personal data, allowing access to their accounts, or authorising the payment of funds into fake money-making opportunities and investment schemes.



Our members have voiced concerns about the growth in AI-enabled fraud, and how the technology is facilitating sophisticated phishing scams and the creation of synthetic identities. Social media platforms have also provided a rich seam of opportunities for criminals to access new victims or recruit individuals into fraudulent conduct.

Our role is to help stop this fraud. By using our products and services, our members prevented over £1.8bn in fraud losses in 2023, meaning that, on average, they saw a return of £196 for every £1 spent on their membership subscription.

While this is by any measure a good return on investment, we know our members are not simply concerned with the threat to their bottom line. For them, the real value in Cifas membership lies in being part of a fraud prevention community that helps to protect millions of individuals from fraud and make the UK a safer place to do business.



Over the past 12 months we have continued to lead innovation in the fraud prevention space and made significant investment in developing new products and services to help our members respond to the ever-evolving tactics of fraudsters.

The theft of consumer identities is one of the biggest threats faced by our members. This is why we have prioritised the development of our identity protection solution. Not only will this help protect individuals from identity theft, but it will also protect our members from fraudulent applications for their products and services.

Our customer monitoring product, Vision, is revolutionising how our members identify the changing risk within their customer database. This, combined with our Digital Fraud Checks and Beneficiary Checks will help ensure members are well-prepared to deal not just with the Payment Systems Regulator’s rule changes requiring mandatory reimbursement requirements, but the continued growth in first party fraud.

We have also developed a service to help prevent the re-victimisation of individuals who have been victim of APP fraud. This will help vulnerable individuals keep safe from repeated targeting by fraudsters and enable our members to investigate and act on payments identified as high risk.



The theft of consumer identities is one of the biggest threats faced by our members. This is why we have prioritised the development of our identity protection solution.

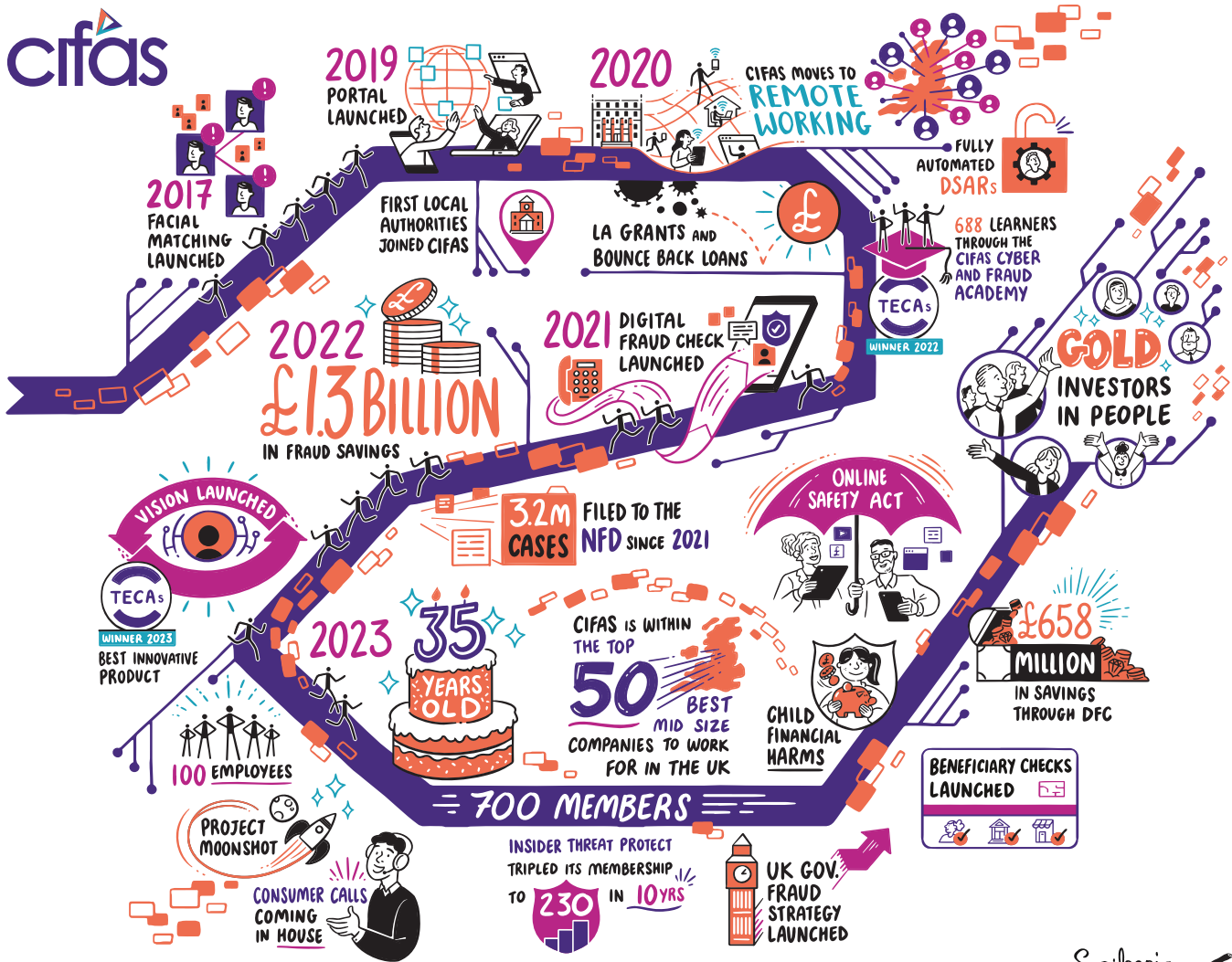
As well as developing new products and services, we are focussed on growing and attracting new members. This year these have included Amazon and IBM UK. We now have over 750 members in total, and this growth in membership has allowed us to enrich and expand the data, knowledge and intelligence our members can access.

As CEO, I see first-hand the passion that Cifas staff bring to the fight against fraud and their dedication to ensuring that our members are well supported in their efforts to tackle the ever-changing threat of fraud. Our members are at the heart of everything we do and as we go forward into next year, we will ensure that we continue to improve and invest in our core services, as well as innovate to meet future challenges.

I am confident that we approach 2025 from a position of strength, able to help our members tackle the fraud threat with Cifas by their side.

**Mike Haley**  
CEO, Cifas

# FRAUD INSIGHT FROM THE NATIONAL FRAUD DATABASE



Scriberia

Fraud is still the most commonly committed crime in the UK. Factors including continued economic uncertainty and the growth in hybrid working offer rich seams of opportunity for criminals to exploit. Social media provides fertile ground for criminals to recruit individuals to commit fraud and for them to reach millions of potential marks for their deceptive scams.

Although cases filed to our National Fraud Database (NFD) in 2023 fell by 9% when compared to the previous year, they were still higher than in 2021. And our half-year figures for 2024, show a return to growth with a record number of filings made over the first six months of the year. Unfortunately, despite the lower figures for 2023, the extraordinary rise in fraud seen in recent years does not seem to have abated; it continues to present a significant threat to the UK economy, to consumers and to business.

Identity fraud was the dominant case type recorded to the NFD accounting for 64% of filings in 2023. Of these, there was a 12% increase in cases relating to personal bank accounts compared to the previous year. Nearly 90% of cases of identity fraud filed to the NFD took place through online channels.

Over the year, Cifas members have reported concerns about the growth of social media enablers as well as the growing threat posed by AI and sophisticated data harvesting techniques designed to take advantage of consumers and businesses. The widespread availability of fraud 'toolkits' has also made fraud more accessible to a wider group of perpetrators. Together these trends mean that our members are facing increasingly technologically sophisticated adversaries.

Misuse of facility was the second most dominant case type, accounting for one in five cases filed to the NFD. Individuals looking to avoid payments or allowing their accounts to be used for the transfer of illicit funds made up the majority of the cases, and there was also an increase in cases relating to loan products and plastic cards.

Identity fraud was the dominant case type recorded to the NFD accounting for 64% of filings in 2023.

The asset finance sector also saw a rise in cases with individuals seeking to make financial gains from stealing the assets of others.

Cases of facility takeover increased by 13% – the largest volume increase across all case types, now representing one in ten cases recorded to the NFD. The telecommunications sector accounted for 41% of these cases – a result of criminals increasingly targeting existing accounts to obtain new products or upgrades.

Dishonest action by employees also rose in 2023, with cases filed to our Insider Threat Database (ITD) increasing by 14%. Our members also reported an increase in the level of falsified CVs and references to obtain jobs, employees selling business data, and the theft of assets and non-return of high value devices.



*Our aim is to continue to grow our membership, looking in particular to attract organisations that are able to add new value to our fraud data sharing community.*

## Cifas membership - Growing the fraud prevention community

Cifas is growing. We now have more than 750 members and are proud to welcome significant new members to our fraud prevention community, including Amazon and IBM UK.

Our aim is to continue to grow our membership, looking in particular to attract organisations that are able to add new value to our fraud data sharing community. Over the last 12 months we have brought into membership our first members in important new sectors – including cryptocurrency and gaming.

This is helping us to further enrich the pool of data and intelligence available to our members.



In 2023, Cifas members filed around 850 cases a day to the NFD – around one every two minutes – and searched our databases over 49 million times, meaning they collectively saved over £1.8bn through prevented fraud losses. This means that, on average, they saw a return of £196 for every £1 spent on their membership subscription.

## The value we create for members

We are committed to ensuring that our members derive significant savings from their membership of Cifas, and that they gain additional value from being part of the UK's largest fraud prevention community.

In the 12 months ending March 2024, we delivered over 60 exclusive events and webinars for members, including our annual Member Forum. This was attended by over 300 members and industry leaders, who came together to hear insights and intelligence around new and existing fraud threats, solutions and collaboration opportunities.



Our Digital Fraud Check Service that connects the Cifas community, has helped members to quickly identify potential threats to their business. In the 12 months from April 2023 members using the service identified suspicious and fraudulent conduct on products with a value totalling over £500m.

The creation of our Member Success division in 2023 is also helping us to better manage our growing number of members and more effectively understand and offer solutions for their fraud and financial crime problems.

## Insight and intelligence

Cifas Intelligence continued to work closely with our membership and the wider fraud prevention community. Responses from our latest Member Survey show that 93% of our members found the information shared by Cifas Intelligence about the latest fraud trends 'useful' or 'very useful'.

For four years now, our Intelligence team has produced the annual Strategic Intelligence Assessment. This combines data from all our databases as well as intelligence from our members, partners, and law enforcement, and has become integral to understanding the fraud threats our members face. Our regular Intelligence Briefings and Monthly Threat Assessments have become important tools in helping our members stay one step ahead of fraudsters. The Cifas Intel Hub now contains over 1,200 active fraud threats.



Our regular Intelligence Briefings and Monthly Threat Assessments have become important tools in helping our members stay one step ahead of fraudsters. The Cifas Intel Hub now contains over 1,200 active fraud threats.

In addition to the annual Strategic Intelligence Assessment for members, the Intelligence team also produce our annual Fraudscape report which helps the wider public to better understand and protect themselves from fraud.

In 2024, the outcomes of our Fraudscape report attracted much media coverage, including through broadcast channels such as BBC Morning Live and Talk Radio, and via in-depth articles in The Independent, Which? and Forbes.



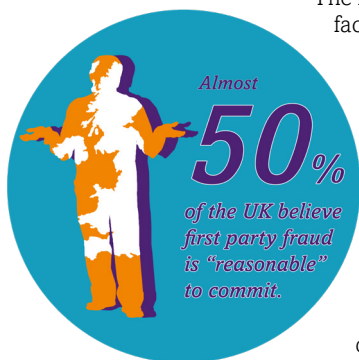
Recognising the important role that sharing intelligence with other organisations plays in preventing fraud, our Organised Fraud and Intelligence Group (OFIG) meetings provide opportunities for fraud prevention professionals and law enforcement to exchange information to more effectively tackle fraud. In 2023 we organised three rounds of OFIGs – 24 meetings in total – with the information from these shared with our wider membership. In our recent Member Survey, 81% of our members rated OFIG meetings 'useful' or 'very useful'.



*Our purpose is to support our members and the wider fraud prevention community by developing products and services that help them better combat major fraud threats – including scams, misuse of accounts, and the insider threat.*

### Joining the fight against scams

**Tackling APP Fraud:** from 7 October 2024, the Payment Systems Regulator (PSR) will mandate changes that will require sending and receiving banks to reimburse APP fraud victims 50:50. This means that many banks will need to implement additional safeguards to prevent financial losses and protect victims.



The majority of APP scams are facilitated online or through phone calls or text messages, with criminals going to great lengths to make these look as if they originate from a genuine source. Vulnerable customers, such as the elderly or those experiencing financial hardship, are more likely to fall victim to APP fraud and are often subject to repeated targeting by criminals. Working with our banking members, we have developed services to help them prevent the re-victimisation of those who have been a victim of APP fraud.

**APP Victim Check:** enables members to file customers known to have fallen victim of APP fraud and provide access to information about repeat APP fraud victims, helping them implement appropriate customer safeguarding measures, make informed decisions and investigate payments identified as high risk.

**Beneficiary Checks:** in 2024, we launched our Beneficiary Check pilot. This is helping our members check the risk profile of transactions – including suspected scams – either as the sending or receiving party.

Since April this year, our five pilot members have carried out over 700 checks with a total transaction value of £7.5m. Of this, £3.7m had an outcome of suspicious or fraudulent conduct, with £930,000 flagged as suspected APP fraud, and £312,000 identified as suspected money mule activity.

Work continues with these pilot members to make improvements before expanding the scheme to our wider membership. Together these new services will assist our members in more successfully addressing a pressing fraud concern.

### Improving customer monitoring: Vision

Our most recent Fraud Behaviours report has revealed that nearly half of those surveyed believe first party fraud is ‘reasonable’ to commit, with 1 in 10 admitting to committing this type of fraud or knowing somebody who has.

As the squeeze on living standards continues, we recognise that first party fraud is likely to remain an issue for our members. Our customer monitoring product, Vision, is revolutionising how they are able to identify the changing risk within their customer database.

While 90% of our members use the NFD to screen customers at the onboarding stage, Vision provides monitoring against the NFD throughout their lifecycle. Members using Vision receive real-time alerts when information connected or linked to an existing customer is filed to the Database.

In 2024, we will prioritise supporting members to adopt and implement Vision.

### The Insider Threat

In 2023, research conducted by Cifas revealed that 1 in 11 people in the UK admitted to lying about a degree qualification on their CV – an increase of eight percent on the year previously. This is an issue exacerbated by the existence of ‘reference houses’ offering falsified references, and even training courses that help support individuals with fake applications.



The research also reported a willingness of the public to consider stealing customer or commercially sensitive data in order to commit fraud.

In 2023, we launched our Insider Threat Protect package which provides a combination of products and tools that utilise our data, intelligence and learning expertise to help organisations combat internal fraud.

In March this year, we also held our annual Insider Threat Week where over 200 members joined us for a week of free exclusive webinars from Cifas colleagues and wider industry experts. This, combined with our Reference Houses Working Group meetings and Polygamous Working Group meetings, is helping our members share important intelligence which helps them reduce their risk from insider threat.

## Protecting identities

Theft of consumer identities remains one of the biggest threats to our members.

In 2023, work started to develop an identity protection solution. This will give individuals a greater level of control over the use of their identity, as well as give members the opportunity to prevent identity fraud before it takes place. It will provide users with important reassurance that they are taking practical steps to protect their own identity.

By the end of 2024, we will have completed testing on our identity protection app and will have started work with key partners to help shape its route to market in 2025.



We have continued work on the development of a new subscription service for the sharing of suspect fraud risk information and intelligence to help members better protect themselves and their customers.

## Cifas intelligence

We know how important it is that our members are well-informed about new and emerging threats.

We have continued work on the development of a new subscription service for the sharing of suspect fraud risk information and intelligence to help members better protect themselves and their customers. The Intelligence Service has been designed to give timely and proactive warnings of fraud and financial crime risk, sharing data, information and intelligence which might not otherwise be shared through the NFD. It will also be a gateway for our law enforcement partners to share intelligence with members.

This insight and shared data will form the basis of intelligence reports on key active threats, creating greater opportunities for sharing information packages including with law enforcement.

The Intelligence Service will be available through our Member Portal, meaning there will be no costly or time-consuming integration for members. The service is expected to go live early 2025.



## Cifas learning

We know that employees are often the most effective first line of defence against fraud, and we are passionate about learning and equipping our members with the training and guidance they need.

In a Cifas survey carried out earlier this year, 3 out of 5 UK corporate organisations said they believed that fraud and financial crime posed a 'serious threat' to their business.

Launched in 2020, the Cifas Fraud and Cyber Academy has quickly established itself as one of the leading providers of cyber and fraud prevention training and investigation. Since its inauguration, the Academy has trained over 1,000 learners from organisations across a wide range of sectors including banks, government departments, the third sector and local government.

All Cifas Fraud and Cyber Academy courses are Skills for Justice Approved and OFQUAL regulated, and the Academy has also received accreditation by the Counter Fraud Awarding Board for Northumbria University for two courses for the public sector – the Accredited Counter Fraud Specialist and the Accredited Counter Fraud Technician.

To help support businesses with upcoming regulatory changes, in 2024 the Academy has launched three new masterclasses. These are designed to help organisations comply with the upcoming Failure to Prevent Fraud offence, prepare for legislative changes, and protect themselves from procurement fraud.



In 2023 we launched our digital learning service, Apollo. This is transforming 'traditional learning' by immersing learners in a realistic environment, brought to life with state-of-the-art animation and graphics.

Apollo is helping to deliver fraud awareness training across two areas: personal awareness and business awareness to entire organisations, helping employees to identify and prevent threats to their business including cyber-attacks, payment fraud and insider activity.

Between April 2023-March 2024, 341 users completed 3,555 modules using Apollo.

---

*In May this year, we launched the Cifas Fraud Pledges – a set of proposals requesting the government commit to reforms and prevention strategies that will help better protect communities and UK businesses from fraud.*

---

## **Helping keep children and young people safe**

We recognise that together with our members and partner organisations, we have a responsibility to help young people understand the risks of getting involved in such activities. We know that increasing numbers of young people are affected by fraud – either being targeted online or unwittingly engaging in fraudulent activity.



Our latest Fraud Behaviours survey revealed that 1 in 7 people have been a money mule or know someone who has. Muling continues to challenge our banking and payments members as they strive to stem losses and protect their customers. In 2023, 37,261 cases filed to the NFD that included intelligence indicative of money mule behaviour.

These cases now account for 65% of misuse of facility filings made to the Database. Nearly a quarter of the individuals filed for this type of behaviour were aged between 21-25, and in 2023.

To help address this harm, in 2023 we worked with the PSHE Association (the national body for Personal, Social, Health and Economic education in schools) to update our online anti-fraud education lesson plans. These lesson plans are specifically targeted at 11-16 year olds to raise awareness of fraud, scams, and money mules, and have been downloaded over 2,000 times from the Cifas website.

Additionally, in July 2023, in collaboration with UK Finance we launched the Don't Be Fooled campaign aimed at helping primary (aged 10-11) and secondary (aged 11-14) pupils stay safe online. The campaign warns of the dangers and consequences of becoming a money mule. Schools across the UK have now signed up to over 16,000 resources, including lesson plans and assembly presentations, posters and flyers.

## **Our work with government and policymakers**

Our experience – not just in preventing fraud and economic crime – but in convening industry partners and enabling effective data sharing between organisations and across sectors, means we are well placed to help policy makers ensure that the legislative and regulatory framework around fraud is fit for purpose.

The focus of our engagement is on ensuring that tackling fraud is a priority for government, as well as raising our member's concerns and proposing new and innovative policy solutions to combat the growing issue of fraud and financial crime. We have engaged closely on the development of the new government's Data Strategy and are playing our part in supporting its delivery, making certain that we are well positioned at the centre of the national conversation on fraud and financial crime.

In May this year, we launched the Cifas Fraud Pledges – a set of proposals requesting the government commit to reforms and prevention strategies that will help better protect communities and UK businesses from fraud. Core to the pledges was a challenge to

policymakers to ensure that social media and technology platforms play a full and fair role in the fight against fraud, echoing a welcome policy emphasis incorporated into the government's Online Fraud Charter. This, along with the Online Safety Act 2023, will form an essential part of the policy response to the scale of abuse of online platforms to perpetrate fraud.



## **Investing in systems and processes**

Through our commitment to delivering ever greater value and service, we have continued to enhance operations, improve efficiencies and ensure services remain at the forefront of technology to support our members' ever-changing counter-fraud requirements.

In 2023, we commenced the implementation of Dynamics – a Customer Relationship Management tool that helps manage crucial interactions with members, centralising and streamlining engagement to further strengthen relationships and more effectively deliver our services.

Additionally, the Member Experience Hub was created as an invaluable resource allowing our team to triage and respond to member queries swiftly, and our HelpHub service provided further member support and guidance on how to use the Portal, and our other products and services. Finally, we have worked closely with members to implement shorter retention periods for Misuse of Facility cases that include younger subjects, to better protect both victims and organisations from the threat of money muling.

These changes to our system and process are testament to our determination to deliver greater efficiency and value to our members, ensuring that our product and services enhance the capabilities of our members, through pain free adoption and integration.

## Our people

At Cifas we believe that our people are key to how we deliver value for our members. We have an ambition to make the workplace culture at Cifas amongst the very best, because if Cifas is a supportive, collaborative and enjoyable place to work, our people will be best placed to contribute to the fight against fraud and economic crime. Our core values of collaboration, expertise, innovation, integrity and respect are at the heart of everything we do.

In 2024, we achieved the prestigious Investors in People Gold Standard of Accreditation and this, along with our Best Companies Top 50 status, recognises our continued commitment to excellence in managing and engaging with our employees.

To support our ambitious plans for the business, we must continue to invest in recruiting and retaining employees who are motivated and engaged and have the right skills. That is why we have introduced degree-level and graduate level professional apprenticeships, as well as mentoring and coaching schemes to help grow and progress our staff within the business.



The feedback received from our most recent Best Companies survey revealed that our employees think the work they do to prevent fraud and protecting the vulnerable makes Cifas a great place to work.

The feedback received from our most recent Best Companies survey revealed that our employees think the work they do to prevent fraud and protecting the vulnerable makes Cifas a great place to work. They welcome supporting members and were motivated by making a positive impact in the fight against crime.

By investing in our people, we invest in our members.

## 2025 AND BEYOND...

The fraud threat will continue to develop and evolve. In particular, the rapid growth in criminals using AI to create convincing fake documents and content, generate fake identities, and target individuals represents a major evolution in the fraud threat.

Now more than ever, it is crucial that we support our members and work closely with the wider fraud prevention community to share data, intelligence and learning. It is through working together, between businesses and across sectors, that we will ultimately beat the criminals. That collaboration must start domestically but must also, by necessity, have an international dimension,

Fraud is not going away, and criminals continue to collaborate. As the Cifas community, we need to do the same. We will enter 2025 a stronger and larger community than at the year's start. Exciting innovations in our product and service portfolio will enable businesses and individuals to strengthen further their defences. But it is only through collaboration and the growth of our fraud prevention community that we will deliver a lasting reduction in fraud and economic crime in the UK and that is our focus.



To find out more about Cifas and our research go to [www.cifas.org.uk](http://www.cifas.org.uk)



