CITY
of
LONDON

Economic and Cyber Crime Committee of the City of London Police Authority Board

Date:	**TUESDAY, 7 SEPTEMBER 2021**
Time:	9.00 am
Venue:	**INFORMAL VIRTUAL PUBLIC MEETING (ACCESSIBLE REMOTELY)**

Members:	Deputy James Thomson (Chair)	Andrew Lentin (External Member)
	Tijs Broeke (Deputy Chair)	Deputy Edward Lord
	Deputy Keith Bottomley	Alderman Bronek Masojada
	Graeme Doshi-Smith	Deputy Catherine McGuinness
	Alderman Emma Edhem	Dawn Wright
	Alderman Timothy Hailes	Michael Landau (External Member)

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Accessing the virtual public meeting
Members of the public can observe this virtual public meeting at the below link:
https://youtu.be/dEfLlylwdps

This meeting will be a virtual meeting and therefore will not take place in a physical location. Any views reached by the Committee today will have to be considered by The Town Clerk after the meeting in accordance with the Court of Common Council's Covid Approval Procedure who will make a formal decision having considered all relevant matters. This process reflects the current position in respect of the holding of formal Local Authority meetings and the Court of Common Council's decision of 15th April 2021 to continue with virtual meetings and take formal decisions through a delegation to the Town Clerk and other officers nominated by him after the informal meeting has taken place and the will of the Committee is known in open session. Details of all decisions taken under the Covid Approval Procedure will be available on line via the City Corporation's webpages.

A recording of the public meeting will be available via the above link following the end of the public meeting for up to one municipal year. Please note: Online meeting recordings do not constitute the formal minutes of the meeting; minutes are written and are available on the City of London Corporation's website. Recordings may be edited, at the discretion of the proper officer, to remove any inappropriate material.

John Barradell
Town Clerk and Chief Executive

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AGENDA

Part 1 - Public Agenda

1. **APOLOGIES**

2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

3. **MINUTES**
   To agree the public minutes and non-public summary of the meeting held on 5 May 2021.

   For Decision
   (Pages 7 - 12)

4. **CHAIR'S PUBLIC UPDATE**
   The Chair to be heard.

   For Information
   (Verbal Report)

5. **COMMISSIONER'S PUBLIC UPDATE**
   Commissioner and Chief Officers to be heard.

   For Information
   (Verbal Report)

6. **NATIONAL LEAD FORCE UPDATE**
   Report of the Assistant Commissioner.

   For Information
   (Pages 13 - 18)

7. **Q1 NATIONAL LEAD FORCE PERFORMANCE REPORT**
   Report of the Commissioner.

   For Information
   (Pages 19 - 34)

8. **HMICFRS FRAUD INSPECTION**
   Report of the Assistant Commissioner.

   For Information
   (Pages 35 - 38)

9. **INNOVATION & GROWTH - UPDATE OF CYBER & ECONOMIC CRIME RELATED ACTIVITIES**
Report of the Executive Director, Innovation & Growth.

For Information
(Pages 39 - 42)

10. **ECONOMIC CRIME ACADEMY UPDATE**
Report of the Assistant Commissioner.

For Information
(Pages 43 - 48)

11. **CYBER GRIFFIN UPDATE**
Commissioner to be heard.

For Information
(Verbal Report)

12. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

13. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

14. **EXCLUSION OF THE PUBLIC**
MOTION - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following item(s) on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act.

For Decision

Part 2 - Non-Public Agenda

15. **NON-PUBLIC MINUTES**
To agree the non-public minutes of the meeting held on 5 May 2021.

For Decision
(Pages 49 - 50)

16. **NON-PUBLIC REFERENCES**
Joint report of the Town Clerk and Commissioner.

For Information
(Pages 51 - 52)

17. **CHAIR'S NON-PUBLIC UPDATE**
    The Chair to be heard.

    For Information
    (Verbal Report)

18. **COMMISSIONER'S NON-PUBLIC UPDATE**
    Commissioner and Chief Officers to be heard.

    For Information
    (Verbal Report)

19. **STAKEHOLDER ENGAGEMENT AND POLICY UPDATE**
    Joint report of the Assistant Commissioner and Town Clerk.

    For Information
    (Pages 53 - 58)

20. **FRAUD AND CYBER CRIME REPORTING AND ANALYSIS SERVICE - NEXT GENERATION AND CURRENT SERVICE UPDATE REPORT**
    Report of the Commissioner.

    For Information
    (Pages 59 - 70)

21. **NATIONAL CYBER RESILIENCE CENTRE GROUP UPDATE REPORT**
    Report of the Assistant Commissioner.

    For Information
    (To Follow)

22. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

23. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

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<u>**ECONOMIC AND CYBER CRIME COMMITTEE OF THE CITY OF LONDON**
POLICE AUTHORITY BOARD</u>

<u>**Wednesday, 5 May 2021**</u>

**Minutes of the meeting of the Economic and Cyber Crime Committee of the
City of London Police Authority Board virtually on Wednesday, 5 May 2021 at
9.00 am**

Present

Members:
Deputy James Thomson (Chair)
Tijs Broeke (Deputy Chairman)
Deputy Keith Bottomley
Graeme Doshi-Smith
Alderman Emma Edhem
Alderman Timothy Hailes
Andrew Lentin (External Member)
Alderman Bronek Masojada
Dawn Wright

In Attendance
Deputy Edward Lord

City of London Police Authority:
Simon Latham	-	Deputy Chief Executive
Oliver Bolton	-	Deputy Head, Police Authority Team
Rhiannon Leary	-	Town Clerk's Department
Chloe Rew	-	Town Clerk's Department
Mary Kyle	-	Town Clerk's Department, Innovation & Growth
Bukola Soyombo	-	Chamberlain's Department

City of London Police Force:
Angela McLaren	-	Assistant Commissioner
Clinton Blackburn	-	T/Commander
Christopher Bell	-	City of London Police
Ashleigh Dumas	-	City of London Police
Andrew Gould	-	City of London Police
Charlie Morrison	-	City of London Police

1. **APOLOGIES**
   Apologies were received from the Chair of the Policy & Resources Committee.

2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
   There were none.

3. **TERMS OF REFERENCE**
The Terms of Reference as set out by the Police Authority Board at its meeting on 16 April 2021 were received, noting one correction to the composition that two Members would be co-opted from the Police Authority Board.

4. **MINUTES**
RESOLVED, that – the public minutes and non-public summary of the previous meeting held on 3 February 2021 be agreed as a correct record.

5. **CHAIR'S PUBLIC UPDATE**
The Chairman provided an update from a police authority perspective. The APCC have brought together the fraud and cyber crime portfolios, and the portfolio leads will be appointed in due course. The policing minister had recently announced the priorities for policing nationally, which included a focus on tackling cyber crime.

6. **T/COMMANDER'S PUBLIC UPDATE**
The Assistant Commissioner introduced key officers in the economic crime team at the City of London Police who will be reporting to the committee. The force continued to build capability and capacity in their team to ensure adequate staffing and resources to address economic and cyber crime, particularly during the pandemic. In response to Members' concerns regarding departments working together, Members were informed that a weekly stakeholder engagement programme brought various departments together (ie. Innovation & Growth; Communications) to ensure work was carried out as a collective.

7. **NATIONAL LEAD FORCE PLAN UPDATE**
Members received a report of the Assistant Commissioner relative to the National lead Force Plan update. The following points were noted with respect to the 5 high-level outcomes:
   - Outcome 1: improvements were underway for the current system and such improvement efforts would continue until the new system is in place;
   - Outcome 2: regarding preventing crime, the force continued to identify ways to support the public to prevent being victimised by crime in the first place;
   - Outcomes 3 and 4: regarding responses to crimes once they have been reported, Members were informed that the force was not in a position to hold an investigation following each report.
   - Outcome 5 on training, capabilities and increasing skills, educational packages were developed online to be used nationally.

The Chairman suggested developing educational packages for schools, both local and nationally, to educate students as part of effort to prevent young people becoming victims of economic and cyber crime.

RESOLVED, that – the report be received and its contents noted.

8. **INNOVATION & GROWTH - OVERVIEW OF CYBER & ECONOMIC CRIME RELATED ACTIVITIES**
    Members received a report of the Executive Director, Innovation & Growth, in respect of the Innovation & Growth Cyber & Economic Crime Related Activities. IG was working in the following areas:
    - the regulatory team was looking to contribute to a coherent global framework, including working with the City's Brussels office to influence EU legislation;
    - the trade and investment team have a workstream focused on cyber insurance;
    - the innovation & tech team focused on ensuring the right tech products were available to support financial and professional services across the UK; and,
    - promoting ongoing work in the City to ensure a safe cyber environment to do business (ie. through comms strategies, stakeholder engagement and international visits, and the Global City website).

    RESOLVED, that – the report be received and its contents noted.

9. **CYBER GRIFFIN - OVERVIEW**
    Members received a report of the Assistant Commissioner in respect of a Cyber Griffin Overview. The joint initiative between the City of London Corporation and the City of London Police to train and bring awareness of cyber security to the Square Mile. Digital platforms have been established to offer the programme with wider reach, to assist other forces and offer the programme overseas. Innovation & Growth would work the the CoLP to ensure appropriate messaging for wider reach to SMEs and other stakeholders. In terms of branding, Members noted the importance of appropriate branding (ie. corporate, City of London Police or Team Cyber UK branding) to ensure that it is clear where the initiative comes from. Questions of funding would be answered in non-public session.

    RESOLVED, that – the report be received and its contents noted.

10. **ECONOMIC CRIME ACADEMY UPDATE**
    Members received a report of the T/Commander in respect of the Economic Crime Academy (ECA) Update. The ECA moved online due to the pandemic and course registration numbers have returned to pre-pandemic levels. Funding from the elicit finance budget would allow for further rollout of ECA programming and pilot new training courses. The Chairman noted the work of the National College of Policing, and that the ECA served to fill the gap in economic crime police training.

    RESOLVED, that – the report be received and its contents noted.

11. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
    There were none.

12. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT**
There was no other business.

13. **EXCLUSION OF THE PUBLIC**
RESOLVED, that – under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following item(s) on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act.

14. **NON-PUBLIC MINUTES**
RESOLVED, that – the non-public minutes of the previous meeting held on 3 February 2021 be agreed as a correct record.

15. **NON-PUBLIC REFERENCES**
Members considered a joint report of the Town Clerk and Commissioner regarding non-public references.

16. **CHAIR'S NON-PUBLIC UPDATE**
The Chair's non-public update was heard.

17. **T/COMMANDER'S NON-PUBLIC UPDATE**
The Assistant Commissioner had nothing further to update in non-public session.

18. **ECONOMIC CRIME DIRECTORATE PERFORMANCE REPORT Q4 - JANUARY-MARCH 2021**
Members received a report of the Commissioner in respect of the Economic Crime Directorate Performance Report for Q4, January-March 2021.

19. **NATIONAL POLICE CHIEF COUNCILS (NPCC) CYBER CRIME PORTFOLIO**
Members received a report of the Assistant Commissioner in respect of the National Police Chief Councils (NPCC) Cyber Crime Portfolio

20. **STAKEHOLDER ENGAGEMENT AND POLICY UPDATE**
Members received a joint report of the Commissioner and the Town Clerk in respect of the stakeholder engagement and policy update.

21. **FRAUD AND CYBER CRIME REPORTING AND ANALYSIS SERVICE - NEXT GENERATION AND CURRENT SERVICE UPDATE REPORT**
Members received a report of the Assistant Commissioner in respect of the Fraud and Cyber Crime Reporting and Analysis Service – Next Generation and Current Service Update report.

22. **NON-PUBLIC APPENDIX TO CYBER GRIFFIN - OVERVIEW**
The non-public appendix was read in conjunction with the Cyber Griffin Overview at agenda item 9.

23. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
There were no questions.

24. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**
There was no other business.

The meeting ended at 11.00 am

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Chair

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Committee: Economic and Cyber Crime Committee – For information	Dated: 06/09/2021
Subject: National Lead Force Update	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	1,10, 12
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	NA
What is the source of Funding?	NA
Has this Funding Source been agreed with the Chamberlain's Department?	NA
Report of: Assistant Commissioner McLaren Report author: Alix Newbold	For Information

SUMMARY

This report provides information on key activities delivered as part of the National Lead Force Plan. These activities include:

- Action Fraud virtual assistant freeing up time equivalent to 3 FTE
- Next Generation Service invitation to tender launched on 1 July
- Semi-automation of banking alerts increasing the likelihood of repatriation of losses
- Robotic data transfer increasing the speed of victim referrals from Action Fraud to the Economic Crime Victim Care Unit
- A national ghost broking week of action resulting in 7 arrests and 78 social media account disruptions

Recommendation(s)

It is recommended that members note the contents of this report.

MAIN REPORT

BACKGROUND

1. The National Lead Force Plan was approved by Police Authority Board in October 2020. The plan is structured around 5 key outcomes / aims with milestones and performance measures attributed to each milestone. This report will be a standing agenda item in future and will provide an overview of ongoing activity.

CURRENT POSITION

Outcome 1: The public has confidence in the Action Fraud reporting service

2.   Action Fraud is the National Fraud and Cybercrime Reporting Service delivered by COLP. Responsibilities include providing a first point of contact for victims of fraud, crime reporting and triage. We constantly seek opportunities to improve the quality of service delivered informed by user feedback. A number of activities are in progress including changes to staffing and recruitment models and technological improvements.

Action Fraud virtual assistant frees up time equivalent to 4 FTE

3.   The chatbot virtual assistant service continues to deliver improvements to the online user experience. Since its roll out in April the web chat abandonment rate has been reduced by 86% and the virtual assistant is managing demand equivalent to 4 full time web chat advisors. In June alone, almost 22,000 website visitors accepted this service.

4.   In June, improved call routing (IVR) went live, guiding victims to appropriate links or information, and making it easier for them to report via the web tool. As a result, live cyber call volumes saw a significant reduction as the IVR helped redirect calls more efficiently. This led to improvements in both the speed of answer and the call handling times required to support the victims of this crime type.

Next Generation Service invitation to tender launched on 1 July

5.   Following Home Office and Treasury approval the invitation to tender to tender for the Next Generation Fraud and Cyber Reporting & Analysis Service was launched on July 1. To date over 100 bidders have expressed an interest in participating. There will be a number of key milestones to follow, including the closure of the new bidders process at the end of August. The current provider, IBM, has agreed a short extension of the contract to ensure there is no disruption to service until the new system is ready to go live. We continue to engage with policing and the wider counter fraud community throughout the process.

Outcome 2: People and organisations are prevented from being victims of fraud, and victims are supported (Protect)

6.   COLP is responsible for providing first contact support for victims who report to Action Fraud. It is also responsible for developing and disseminating national protect messaging for policing based upon latest crime reporting trends. COLP is constantly looking for new channels to strengthen the reach and impact of fraud prevention advice to the public.

Semi-automation of banking alerts increases the likelihood of repatriation of losses

7.   Identifying reports to Action Fraud where money had very recently been paid to a fraudster (funds at risk) and alerting the recipient bank has proven incredibly successful for NFIB. It has sent 10,382 alerts relating to £208m funds at risk

which has resulted in a minimum of £6.5m repatriated back to victims since July 2017.

8.   This manual process has now been replaced through a technological solution. Then solution identifies reports meeting the relevant criteria and either generates and sends an alert via email (30% of total), or creates a work process for review by NFIB staff to determine if an alert should be sent. This has reduced the manual review of reports by 30% and has reduced the time from report received to alert dissemination from approximately 3 days to 1 day. This will be further reduced to 2 hours once a residual licence issue is resolved. This will provide recipient banks with more opportunities to intervene in fraudulent transactions and take action to return funds to victims where possible.

Robotic data transfer increases the speed of victim referrals from Action Fraud to the Economic Crime Victim Care Unit

9.   Sections of the process of extracting, formatting and transferring data from the current AF/NFIB system into the ECVCU system are now automated resulting in time savings for Victim Care Reviewers who would have ordinarily completed this manual process. The process is now run weekly, instead of monthly, meaning quicker data access for ECVCU, a shorter report to referral time for victims which could have been as long as 60 days, but will now take no longer than 14 days. The new process has reduced the administration needed to prepare and send the data, resulting in a saving of at least 20 hours per month processing time for staff which can be used to support more victims.

Ticketing fraud prevention campaign

10.   The Action Fraud ticket fraud campaign in June achieved 16m impressions (number of timeline deliveries) and 6m reach (number of unique users who have seen the content). Messaging was developed with UK Finance and Star (the Society of Ticket Agents and Retailers). Social media material, including digital graphics were circulated to forces and via the Multi Agency Campaign Group. Bespoke assets and messaging for Euro 2020 were also developed featuring official UEFA advice reminding the public that third party ticketing sites and secondary ticketing platforms are not authorised to sell tickets to games.

Anti-phishing prevention campaign

11.   The annual #MulletOver anti-phishing campaign in June raised awareness of how to spot phishing messages and where to report them. Social media containing messaging and assets were developed and circulated to forces and via the Multi Agency Campaign Group. The campaign achieved 25.8m impressions (number of timeline deliveries) and 9.8m reach (number of unique users who have seen the content).

Holiday fraud prevention campaign

12.   The campaign in May achieved 16.4m impressions (number of timeline deliveries) and 7.1m reach (number of unique users who have seen the content). The messaging was developed with ABTA and aims to help people to spot the

signs of holiday fraud before booking holidays online. Press release, social media schedule and campaign assets were developed and distributed to partners and forces.

<u>Outcome 3: Police resources are coordinated and deployed efficiently and effectively (Pursue / Protect / Prepare)</u>

13. City of London Police is responsible for developing and disseminating crime reports for intelligence, protect and pursue action to policing and other law enforcement through the National Fraud Intelligence Bureau. It is also responsible for leading and coordinating the police response to fraud. Its current focus includes increasing judicial outcomes and the effectiveness of operational activity undertaken by policing through leadership and coordination of activity against high harm crimes.

Project Otello

14. City of London Police has agreed tactical and operational plans for the sustained improvement to the policing response towards Courier Fraud and Romance Fraud under Project Otello. The aims of the extended work programme are to:

   a. impact positively on levels of organised criminal activity and bring offenders to justice;

   b. provide disruption opportunities where investigation is not viable;

   c. identify and support victims at the earliest possible stage, even where reporting has not taken place; and

   d. increase levels of intelligence to facilitate better proactive opportunities.

15. To that end we have identified Single Points of Contact / "Bronze" officers in every force who will support the joint delivery of Project Otello against COLP's 4P plan. A webinar in July 2021 was attended by all Bronze officers.

<u>Outcome 4: Fraudsters operating nationally are identified and their offending is being disrupted (Pursue)</u>

16. City of London Police investigates nationally significant, serious and complex fraud on behalf of policing. It received referrals from a range of stakeholders including police forces, ROCUs, National Fraud Intelligence Bureau and the National Economic Crime Centre, as well as stakeholders linked to its funded units.

Operation Ironclad

17. The City of London Police's Insurance Fraud Enforcement Department (IFED) conducted a 'week of action' at the end of June as part of a crackdown on ghost broking across the country. Individuals or groups, known as 'ghost brokers', pose as intermediaries for well-known insurance companies, claiming they can offer legitimate car insurance at a significantly cheaper price. It is typically carried out in one of three ways:

a. they will either forge insurance documents
b. falsify someone's details to bring the price down, or
c. take out a genuine policy, before cancelling it soon after.

18. The insurance industry identifies ghost broking as one of the key threats at this time. Industry reported a significant volume of ghost broking activity (via Insurance Fraud Bureau (IFB)) Investigations submissions. In 2020, 38% of all requests featured ghost broking. IFED received a 59% rise in ghost broking referrals in 2020 in comparison with 2019.

19. The monetary value of these frauds range from the low thousands to hundreds of thousands, depending on how long and to what scale the broker has been operating. Several cases have clear links with other criminality, including county lines. Perpetrators frequently target vulnerable victims within their own communities and exploit people who do not speak English.

20. With ghost broking, the victim is at risk of driving illegally with no insurance, incurring a fine for failing to have valid insurance, receiving 6 points on their driving licence, having their vehicle seized and a fee required for release (or the vehicle being crushed), and further loss of money as the victim has to pay for a further legitimate insurance policy and/or is unable to make a claim. Most victims have no idea they are uninsured until they are stopped by the police or try to make a claim on their insurance.

21. Officers were deployed across eleven operations in London, Essex, West Yorkshire, Bristol, West Midlands, Derbyshire and Wales. IFED also employed alternative methods of disposal - such as cease and desist notices and online disruption. The week saw the following results:

- 10 warrants executed
- 7 people arrested
- 14 searches
- 5 cease and desist notices served
- Over 100 pieces of evidence seized
- 78 social media accounts put forward for removal (working with Facebook and Instagram)

22. Media engagement was a key part of the protect strategy. An article in the Saturday Times print and online editions showed a warrant and arrest in South London and featured an interview with IFED and its work to remove fraudulent profiles from social media. Targeted Instagram messaging reached 12,146 people reached (90% from promotion, 10% organic).

Outcome 5: Policing has the capability and capacity to detect, disrupt and deter economic crime (Prepare)

23. City of London Police is a centre of expertise for fraud and is responsible for identifying , developing and disseminating good practice. It provides economic crime investigation training to policing, government and the private sector through its Economic Crime Academy. It is working with policing to build fraud capabilities and reform the fraud operating model.

Economic Crime Academy

24. The Academy has been working with Coventry University and the Cabinet Office to produce a third e -Learning course called 'Fraud Risk Assessment', which sits on the Future Learn platform. This course will be delivered across government departments as part of their counter fraud strategy.

25. A new course called Demystifying Blockchain and Cryptocurrencies has finished its pilot and will now be rolled out to all who wish to undertake it within the City of London Police and will be available to other law enforcement agencies (UK and Overseas) for use on a commercial basis. A new cyber course, called Cyber Enabled Fraud, has been commissioned by the Academy and this will cover several different cyber fraud typologies used by criminals, with a view to improving awareness and knowledge in this growth area of fraud.

Nationally Networked Proactive Economic Crime Teams Pilot

26. Terms of reference and performance frameworks have been agreed for the pilot across four ROCUs. Tasking and coordination processes are being tested with all ROCUs to ensure future proofing for any further investment. All ROCUs have commenced recruitment with open events, discovery days and workshops to encourage applications. ERSOU has identified 4 of their posts and a release date of October is planned.

CONCLUSION

27. This report provides an overview of the NLF outcomes and highlights a selection of activities being delivered in pursuit of these outcomes.

National Policing Lead For Fraud

Performance Report

Q1: April – June 2021

Agenda Item 7

Performance Assessment - Key:

The dashboard provides an assessment of City of London Police performance against the National Lead Force (NLF) aims and objectives as set out in the National Lead Force Plan 2020-2022 (NLF Plan).

The NLF Plan was approved by the City of London Police Authority in October 2020. The plan sets out how City of London Police will improve the national response to fraud. It reflects NLF's contribution and commitment to the National Fraud Policing Strategy and the National Economic Crime Centre's (NECC) five-year strategy. The NECC leads the 'whole system' to drive down the growth in fraud on behalf of the UK Government.

The NLF plan sets out five outcomes that City of London Police is seeking to achieve: -

Outcome 1 - The public has confidence in the Action Fraud reporting service
Outcome 2 - People and organisations are prevented from being victims of fraud, and victims are supported (National Fraud Policing Strategy)
Outcome 3 - Police resources are deployed efficiently and effectively against fraud threats (National Fraud Policing Strategy)
Outcome 4 - Fraudsters operating nationally are identified and offending is disrupted
Outcome 5 - Policing has the capability and capacity to detect, disrupt and deter perpetrators of fraud (National Fraud Policing Strategy)

In order to identify if these outcomes are being achieved a series of success measures for each outcome have been produced and are reported on throughout this period. The success measures related to each outcome can be found at the start of each slide alongside the current RAG assessment for the relevant success measures.

The below chart identifies the RAG assessment criteria for the success measures.

Table 1 – Success Measure Performance RAG assessment	
Green	The success measures are being met
Amber Green	The success measures have not been consistently met but there is sufficient evidence to show that developments are being made to improve the RAG status of the measures to green by the end of the period
Amber Red	The success measures have not been consistently met and there is insufficient evidence to show that developments are being made to improve the RAG status of the measures to green by the end of the period
Red	It is unlikely the success measure will be met for the annual period based on the success shown in quarters to date
Grey	Insufficient evidence means that no meaningful assessment is possible at this time.

Outcome 1: *The public has confidence in the Action Fraud reporting service.*

NLF Role: City of London Police operates the national fraud and cybercrime reporting service. Responsibilities include providing a first point of contact for victims of fraud, crime reporting and triage.

Success Measures:
- 96% of survey respondents are satisfied with the telephone reporting service.
- 83% of survey respondents are satisfied with the online reporting service.

Overall Victim Satisfaction with Reporting

Victim Satisfaction by Month and Reporting Channel
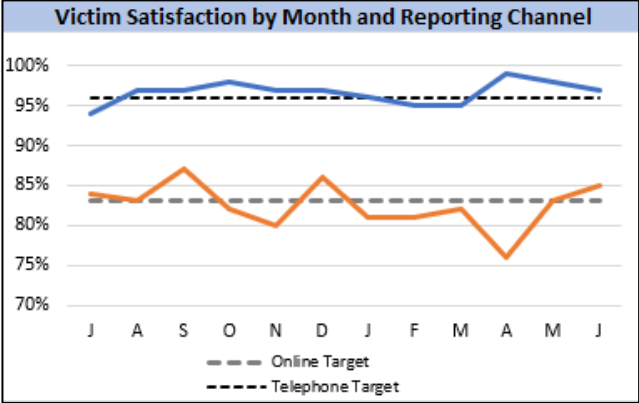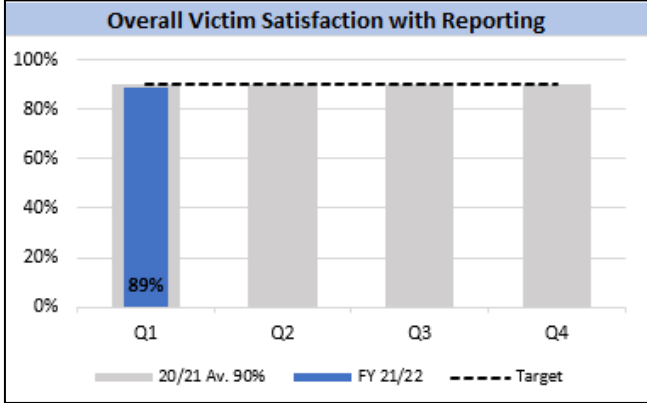
The percentage of victims completing the phone satisfaction survey has risen slightly since the previous year. In Q1, over 89,000 calls were answered and 686 victims responded to the telephone survey, representing 0.77%, the overall completion percentage for last year was 0.67%.
Of those victims who reported online, 671 completed the online survey from a possible 108,479; a response rate of 0.62%. This has fallen slightly from the rate from last year which was 0.68%
Overall 0.69% of victims completed the customer satisfaction survey this quarter, a slight improvement on the 0.68% responses from last year.

Feedback from the Action Fraud satisfaction surveys show satisfaction with telephone reporting consistently above the baseline, particularly in April and May when call volumes were lower. There was a dip in satisfaction with online reporting at the start of the quarter but the level of satisfaction in June was 85%. It is hoped that the introduction of the virtual advisor or 'chatbot' will continue to improve online satisfaction.

The number of Action Fraud complaints logged in Q1 2021/22 fell from 124 in Q4 2020/21 to 98. Within these there were 98 allegations and 93 complainants. During the quarter, 92 cases have been finalised as either resolved or it was found that the service was acceptable. The most commonly received complaint was non investigation of a report.

3

Outcome 1: *The public has confidence in the Action Fraud reporting service.*

NLF Role: City of London Police operates the national fraud and cybercrime reporting service. Responsibilities include providing a first point of contact for victims of fraud, crime reporting and triage.

Success Measures:

- Average speed to answer within Action Fraud is 5 minutes*
- The percentage of reports to Action Fraud abandoned by is below 16%*

* These benchmarks remain relevant based on an assumed static demand level from 2019/20

The number of calls taken by Action Fraud fell from the March peak of 36,271 to 28,250 and 28,741 in April and May respectively. Although the number of calls increased again in June, the overall average for Q1 (8 minutes) is closer to the target than achieved throughout 2020/21 (**26% improvement**). During May the call abandonment measure achieved the 16% target on 7 of 21 days. Call volumes remain similar but slightly lower than those reported in 19/20 with Q1 19/20 reporting 93,887 calls and Q1 21/22 89,310, a decrease of 5%. The percentage of abandoned online attempts is a new measure, showing the number of draft reports started but not completed. This does however only relate to reports started by registered users (who may have decided to switch to an alternative channel during the process) as it is not possible to provide the number of registrations each month. The percentage of abandoned online reports for Q1 is slightly lower than for the phone service.

Volume of Telephone and Online Reports

Average Speed of Answer (Minutes)

Percentage of Abandoned Calls

Percentage of Abandoned Online Attempts
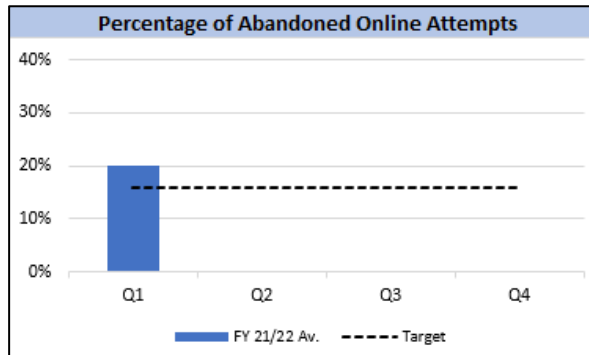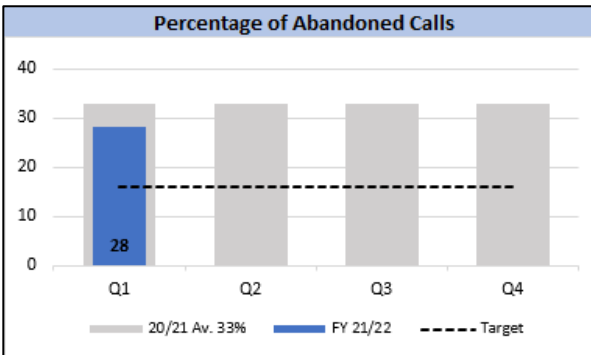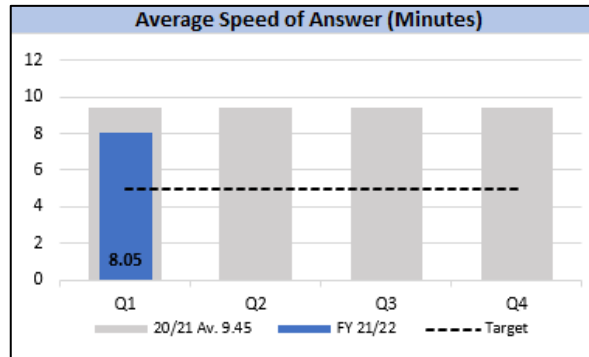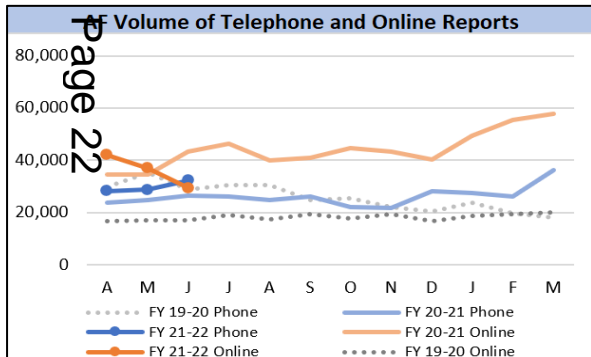
In both May and June, 15 advisors completed their training and were upskilled to providing the full service. With the exception of 14 trainees, the whole department is now providing a full service. Unfortunately, resignations have also been high this quarter (around one third of the workforce). Recruitment is in progress.

In June, improved call routing (IVR) went live, guiding victims to appropriate links or information, and making it easier for them to report via the web tool. As a result, live cyber call volumes saw a significant reduction as the IVR helped redirect calls more efficiently. This led to improvements in both the speed of answer and the call handling times required to support the victims of this crime type.

Phase 1 of the Action Fraud virtual advisor rollout commenced on the 1 of April and initial results are positive. In June alone, almost 22,000 website visitors accepted this guidance offered. The most frequent option selected is 'Report a Scam', and it is believed that this service is releasing up to 4 FTE advisors to support other victims.

Outcome 2: *People & organisations are prevented from being victims of fraud, & victims are supported.*

NLF Role: City of London Police is responsible for providing first contact support for victims who report to Action Fraud. It is also responsible for developing and disseminating national protect messaging for policing based upon latest crime reporting trends.
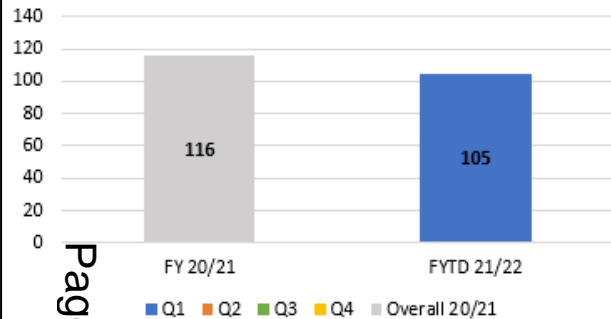
Success Measures:

- Maintain the reach of protect messaging*
- Establish a baseline for use of protect messages through CoLP online and offline media channels and engagement events.

*Stretch Metric – Extend the reach of Protect messaging by 10%

Frequency of Protect Events

- FY 20/21: 116
- FYTD 21/22: 105

Legend: Q1, Q2, Q3, Q4, Overall 20/21

Reach of Protect Events

- FY 20/21 Q 3&4: 8,443
- FYTD 21/22: 3,753

Legend: Q1, Q2, Q3, Q4, FY 20/21 Q 3&4
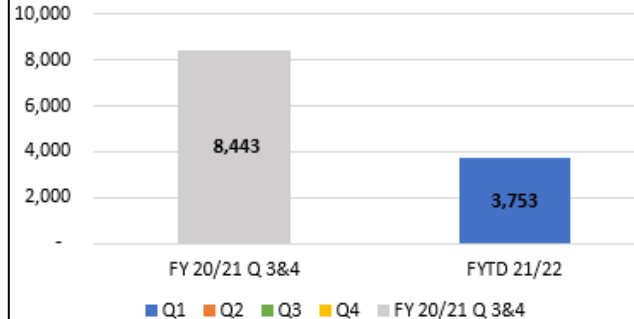
The number of protect events was significantly lower in 2020/21 than previous years due to the restrictions imposed as a result of Covid-19. However, towards the end of the year teams found new ways of engaging with stakeholders and the public, finding that attendance at online events could reach greater numbers of the public. This pattern continued in Q1 of this year, with 3,753 people attending 105 events.

The baseline work for protect engagement through online and offline media channels continues to develop; identifying the data required to measure the reach of and engagement with protect messages. There are processes in place to collect data for the number of Protect events and social media posts each quarter, and to record the numbers of attendees and impressions linked to these. The next steps will entail engaging with attendees to understand the effectiveness of the content and whether behaviour will change, and the reach of social media posts. (Impressions are defined as the number of people your content is visible to, while reach refers to the number of people engaging with your content through likes, comments and shares.)

In Quarter 1:

- Action Fraud alerts peaked in June with 110 posts and 2,723,398 impressions, covering topics including ticket fraud and a mobile phone upgrade scam.
- Across the quarter, 37 interviews were given to the media, and the Media Team oversaw 24 press releases, with activity particularly high in May. Subject matter varied from press releases about notable sentencing, to interviews for the BBC and ITV regarding smishing, crash for cash, and fraud related to the pandemic.
- The NFIB released 2 alerts through its digital community messaging platforms. These platforms reach approximately 600,000 users each time an alert is sent.

No. Protect Social Media Posts

- Apr: 88
- May: 115
- Jun: 117

Legend: No. Events

No. Protect Social Media Impressions

- Apr: 1,672,472
- May: 2,547,522
- Jun: 2,775,510

Legend: No. Impressions

Outcome 2: *People & organisations are prevented from being victims of fraud, & victims are supported.*
NLF Role: City of London Police is responsible for providing first contact support for victims who report to Action Fraud. This includes the banking sector, utilising initiatives to identify and disrupt accounts used in Payment Fraud.

Success Measures:

- The value of transactions confirmed as prevented or disrupted before passing into criminal hands is increased*

*The ambition is to increase this by 25% of 20/21 funds for the year with a stretch metric of a 50% increase.
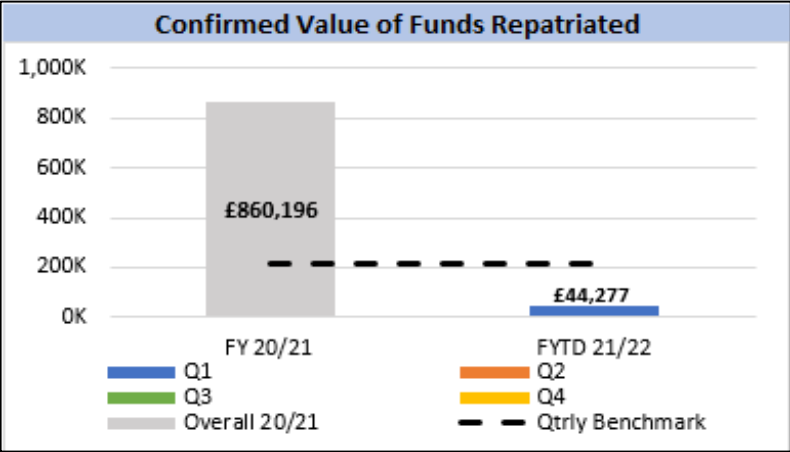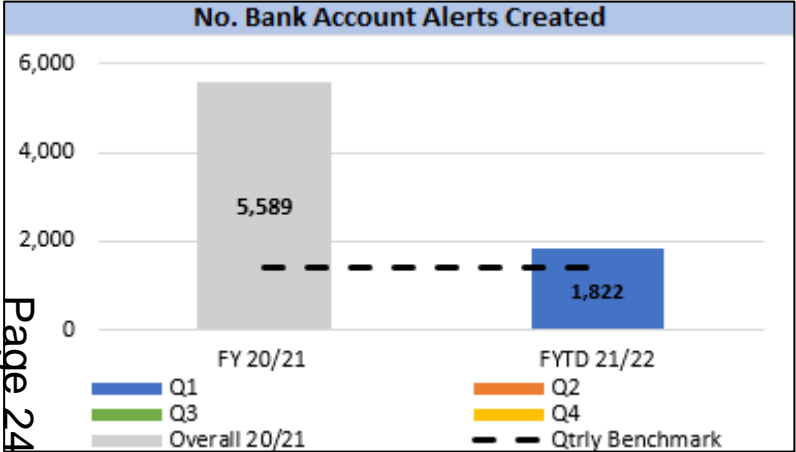
CoLP is continuing its long standing initiative to alert banks to accounts used in fraud. The monthly average of referrals has steadily increased, from 164 alerts in 2019/20 and 466 in 2020/21, to 607 in Q1 2021/22. June recorded an all-time peak of 846 alerts sent to banks, following slightly lower numbers in April and May.

The confirmed value of repatriated funds is reliant on feedback from banks which is not always available. The confirmed average monthly savings fell from £71,683 in 2020/21 to £14,759 in Q1 2021/22. This is due to a single invoice diversion fraud worth £604k in March 2021, without which the monthly average for 2020/21 would have been closer to £21,000. The value of repatriated funds unconfirmed by the banks could be as high as £9.7m for the quarter.

This continues to be a very effective way to disrupt the harm that could be caused by fraud at the earliest opportunity. The number of disrupted bank accounts has been rising since the inception of the project and the initiative allows not only for funds to be returned to victims, but also disrupts fraudsters, demonstrates good partnership working, and provides CoLP with the ability to start an investigation early if an alert is missed by the banks.

A solution regarding automation of early reporting back to banks in a more consistent and timely manner went live in May. This will have affected the volume of alerts sent during the testing phase of the launch, but is now expected to increase the efficiency and effectiveness of the initiative. The system is not linked to UK Finance systems at this time, so feedback will continue to rely on manual reporting from banks until this is resolved.
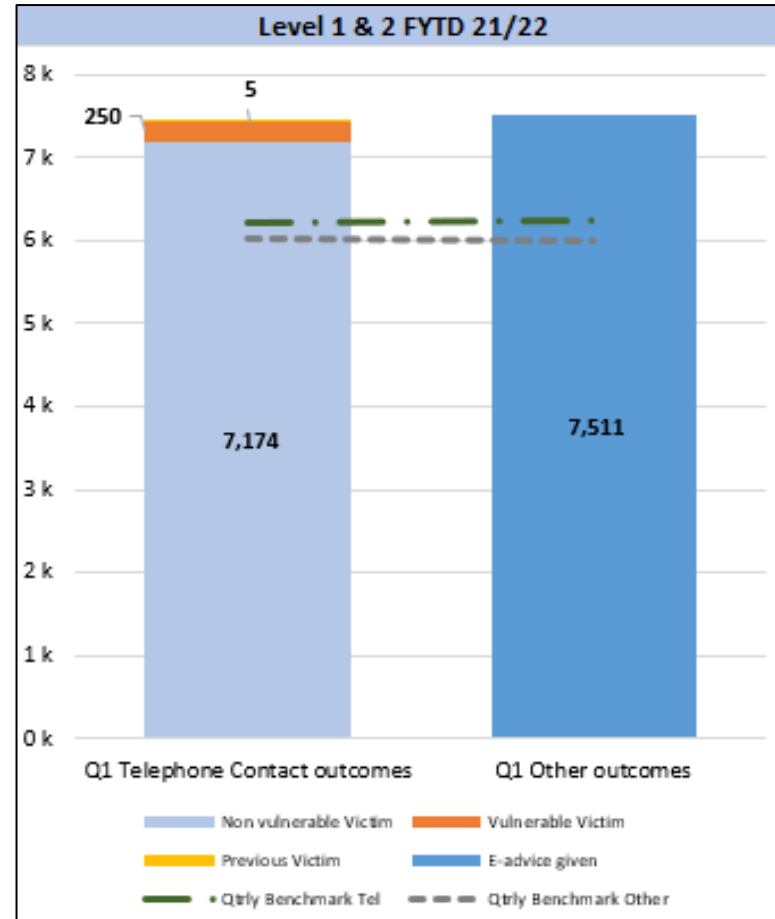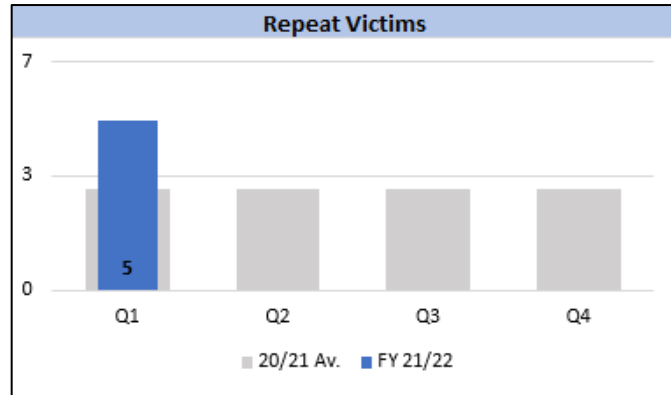
Outcome 2: *People & organisations are prevented from being victims of fraud, & victims are supported.*
NLF Role: City of London Police is responsible for providing first contact support for victims who report to Action Fraud . It is also responsible for developing and disseminating national protect messaging for policing based upon latest crime reporting trends.

Success Measures:

- The Economic Crime Victim Care Unit will maintain the level of support provided to victims
- The Economic Crime Victim Care Unit will sustain the low levels of repeat victimisation following interaction with their service*

*Stretch Metric – Reduce the levels of repeat victimisation to less than 8%

Repeat Victims chart — 20/21 Av. / FY 21/22, Q1 value 5

Level 1 & 2 FYTD 21/22 chart — Q1 Telephone Contact outcomes 7,174; Q1 Other outcomes 7,511

The National Economic Crime Victim Care Unit (NECVCU) supports forces at a local level, delivering care to victims of fraud and cyber-crime, allowing for a consistent and national standard of care and support. The **Level 1** service gives Protect/Prevent advice to non-vulnerable victims of fraud. The **Level 2** service engages with victims when vulnerability is identified, and by giving crime prevention advice and signposting to local support services helps the victim to cope and recover from the fraud. Six forces are currently covered by both Level 1 and 2 services, with a further 14 receiving Level 1 only.

In the first quarter of 2021/22, the NECVCU has performed well above 2020/21 averages in both the Level 1 and 2 services. During the period, the NECVCU has engaged with nearly 15,000 victims, and of these only 5, (around 0.03%) have been recorded as repeat victims. Between April and June 2021, 16 victims have requested additional advice over suspicious emails or phone calls preventing re-victimisation, and 133 victims have been provided with additional safeguarding support. A number of victims have received assistance enabling them to secure reimbursement of £58k from the banking sector.

Outcome 3: *Police resources are coordinated and deployed efficiently and effectively.*
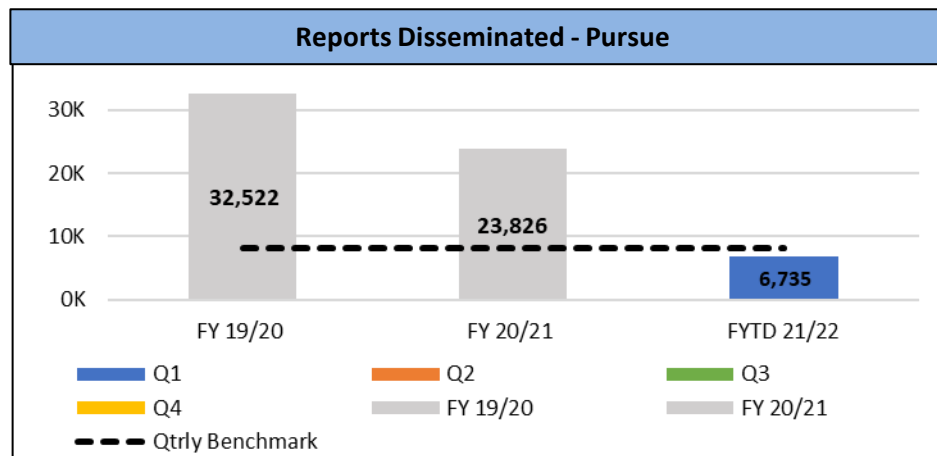
NLF Role: City of London Police is responsible for developing and disseminating crime reports for intelligence, protect and pursue action to policing and other law enforcement through the National Fraud Intelligence Bureau. It is also responsible for leading and coordinating the police response to fraud.

Success Measures:

- 50% of crimes that meet the threshold are reviewed within 28 days
- The number of crimes disseminated for investigation is increased[*]

[*] The ambition is to sustain 2019/20 levels as per graph benchmark.

All of the Fraud Reports received are triaged against agreed thresholds and prioritised for review. The highest harm frauds are prioritised and the reports are further examined. Once the report is reviewed a decision will be made about the viability of cases and most appropriate agency to investigate them. The report will then be disseminated to that agency. If the report is not reviewed or disseminated then Protect Advice is sent to the victim. Due to technical issues the data for triaging times is currently unavailable.

Reports Disseminated - Pursue

- FY 19/20: 32,522
- FY 20/21: 23,826
- FYTD 21/22: 6,735

Legend: Q1, Q2, Q3, Q4, FY 19/20, FY 20/21, Qtrly Benchmark

The number of Pursue reports disseminated was slightly higher than the 2020/21 average of 5,957, with 6,735 disseminations recorded this quarter. (Note this excludes reports that are disseminated for intelligence purposes or victim care). Despite these increases levels remain slightly below the 19/20 benchmark quarterly average of 8,130 disseminations. There is work ongoing to link in with Action Fraud and improve the quality of the fraud reports taken. For example, the use of mandatory fields for vital information such as bank account details will reduce the volume of additional enquiries made during initial investigations and streamline the review and dissemination processes.

The dissemination of Control Strategy crimes has also risen from a quarterly average of 2,553 in 2020/21 to 3,155 this quarter. Control Strategy priority crimes include: Romance Fraud, Courier Fraud, Investment Fraud, Payment Diversion Fraud, Insurance Fraud and Banking/Payments Fraud. This is in line with the campaigns run throughout the year, focusing on a number of these areas along with COVID-19 related fraud.

Outcome 3: *Police resources are coordinated and deployed efficiently and effectively.*

NLF Role: City of London Police is responsible for developing and disseminating crime reports for intelligence, protect and pursue action to policing and other law enforcement through the National Fraud Intelligence Bureau. It is also responsible for leading and coordinating the police response to fraud.

Success Measures:
- The number of judicial outcomes recorded by policing is increased.
- 100% of Home Office forces are in the compliant category for outcome reporting

Forces are required to provide outcome information to CoLP every month, matched against their NFIB disseminations. All forces provided three returns in Q1, with the exception of one force who only supplied two. Engagement with forces continues into 2021/22 with the aim of maintaining overall 100% compliance by the end of the year, and as an example of this work, the force has ring-fenced a resource to complete their outcome returns.

FY 20/21	Returns
Compliant (10-12 Returns)	39
Partially Compliant (7-9 Returns)	3
Non Compliant (0-6 Returns)	3

FY 21/22 Q1	Returns
Compliant (2-3 Returns)	45
Partially Compliant (n/a)	0
Non Compliant (0-1 Returns)	0

Total Judicial Outcomes Reported by all Forces
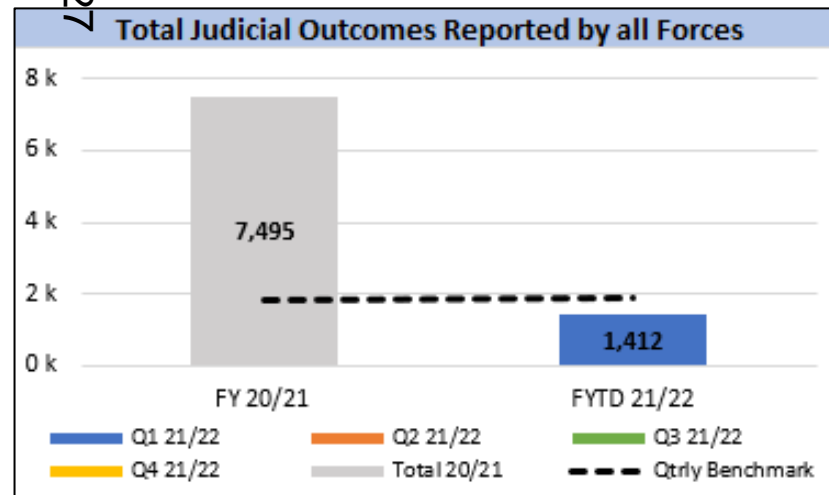
The total outcomes reported in the period can relate to disseminations from any time frame.

In Q1 1,412 judicial outcomes were reported. This is slightly lower than the 2020/21 quarterly average for judicial outcomes of 1,874. Outcomes are currently expected to increase in following quarters as backlogs in the criminal justice system are cleared.

Note: Judicial outcomes refer to Home Office Counting Rules Outcomes 1-8 which include charges, cautions, taken into consideration etc, they do not refer to the wider criminal justice process

Outcome 4: *Fraudsters operating nationally are identified and their offending is being disrupted.*

NLF Role: City of London Police investigates nationally significant, serious and complex fraud on behalf of policing. It received referrals from a range of stakeholders including police forces, ROCUs, National Fraud Intelligence Bureau and the National Economic Crime Centre, as well as stakeholders linked to it's funded units.

Success Measures:

- CoLP OCG disruptions are sustained with higher proportion of major disruptions.

Disruptions Against OCGs

Disruptions Against OCGs by Impact
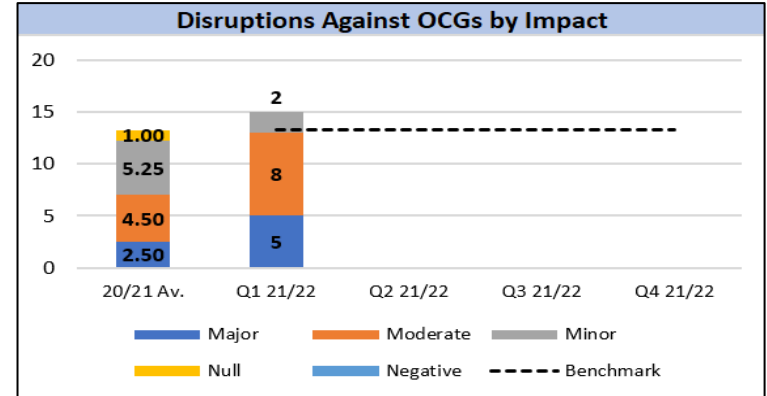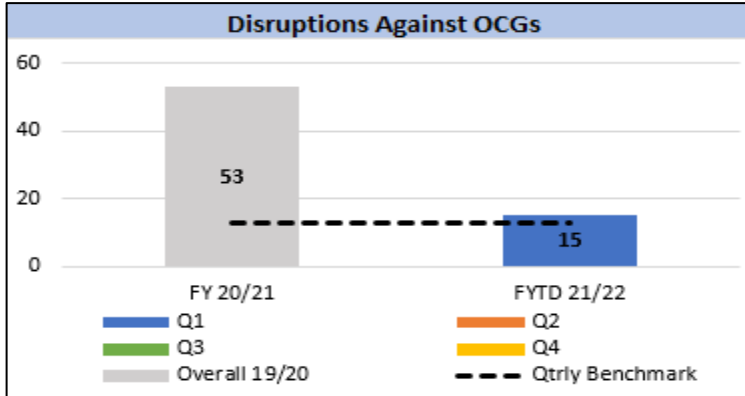
At the end of Q1 City of London Police had 37 Economic Crime organised crime groups (OCGs) mapped. This is a net increase of 1 since the beginning of the financial year. There were a total of 15 disruptions during the first quarter of 2021/22, which is higher than the quarterly average from 2020/21 of 13, and more than double the result from Q1 of that year. This indicates that disruptions activities have continued to increase as Covid-19 related restrictions have been further relaxed. It can also be seen that the number of Major disruptions that took place during the period was twice as high as the 2020/21 average. However the main bulk of the disruptions were judged to be moderate in their impact.

The five major disruptions were the result of custodial sentences.
- Five members of an OCG received custodial sentences for various fraud offences following an investigation into an OCG that was targeting bank accounts by creating counterfeit identities and using these documents to fraudulently withdraw and transfer funds into a number of beneficiary accounts.
- Another investigation was of a bank smishing scam, where the OCG sent messages purporting to be from a bank fraud department, to obtain bank details and transfer funds to mule accounts. Fourteen OCG members received either a Youth or Simple Caution and another eight received custodial sentences for various fraud and money laundering offences.
- One OCG involved a professional enabler who abused their position by giving customers' banking details to members of the OCG, who then accessed the accounts and transferred funds. Three members of the OCG received custodial sentences for conspiracy to commit fraud for money laundering offences.
- Another was able to open a fake account in the victim's name and then link the legitimate and fraudulent accounts together, before withdrawing and transferring funds out. DCPCU's investigation saw one OCG nominal receive an 18 month suspended sentence and another receive a 45 month prison sentence for fraud.
- The investigation into a professional enabler who was passing details to other members of the OCG for them to take over the victims' accounts resulted in one OCG member receiving a 16 month suspended sentence and another receiving a 4 month sentence suspended for 24 months.

Outcome 4: *Fraudsters operating nationally are identified and their offending is being disrupted.*

NLF Role: City of London Police investigates nationally significant, serious and complex fraud on behalf of policing. It received referrals from a range of stakeholders including police forces, ROCUs, National Fraud Intelligence Bureau and the National Economic Crime Centre, as well as stakeholders linked to it's funded units.

Success Measures:	
• Increase the number of judicial outcomes recorded by City of London Police.[1]	

[1] ambition is to increase by 25% with a stretch metric of 50% of 20/21 outcomes
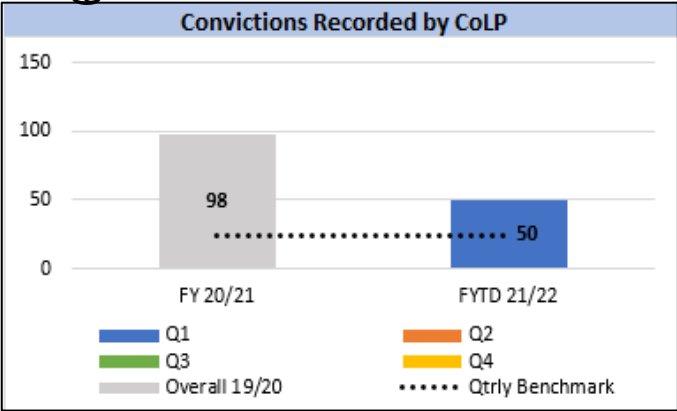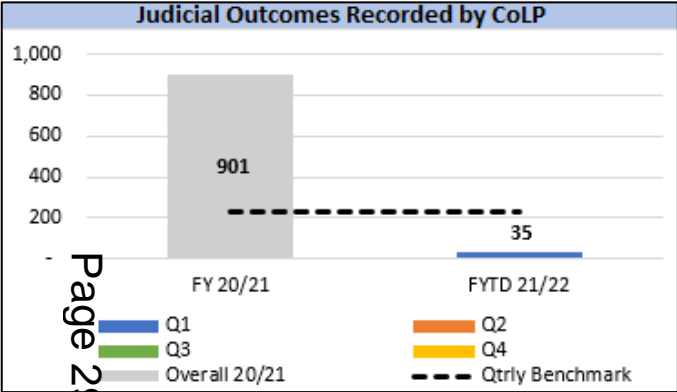
A slightly higher number of disseminations were received by CoLP this quarter, 131 compared to a 127 in Q4 2020/21.

Pursue activity was affected by the pandemic throughout the previous year, with lower numbers of arrests, interviews, cautions, and charges than in 2019/20. Q1 2021/22 however, shows recovery across all of these measures, with activity reaching a peak in May as officers responded to further lifting of lockdown restrictions.

Following the high numbers of judicial outcomes reported in 2020/21, the numbers dropped considerably in Q1 of this year. This is expected to recover throughout the year, last year saw the majority of outcomes reported in Q2 and Q3.

One investigation can comprise of a large number of individual crimes. An outcome is recorded for each individual crime rather than the overall operation in line with Home Office Counting Rules.

This chart shows the number of convictions for cases that have been tried in the period. The effects of court closures due to COVID-19 could be seen throughout 2020/21 as many cases were postponed due to lockdown restrictions. Now that access to the courts has improved, the number of cases tried has increased with the volume of convictions in Q1 at over half the 2020/21 total.

Convictions peaked in May, with 29 recorded. A proportion of these convictions are linked to the dismantling of OCGs.

Note: Judicial outcomes refer to Home Office Counting Rule Outcomes 1-8 which include charges, cautions, taken into consideration etc, they do not refer to the wider criminal justice process

Outcome 4: *Fraudsters operating nationally are identified and their offending is being disrupted.*

NLF Role: City of London Police investigates nationally significant, serious and complex fraud on behalf of policing. It received referrals from a range of stakeholders including police forces, ROCUs, National Fraud Intelligence Bureau and the National Economic Crime Centre, as well as stakeholders linked to it's funded units.
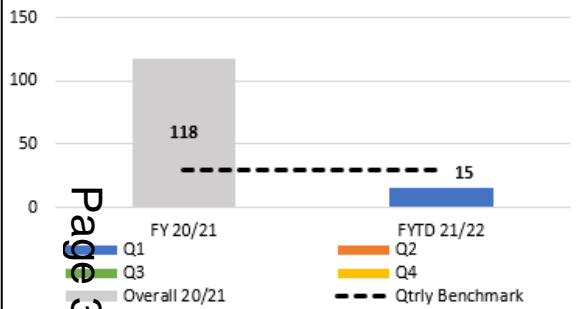
Success Measures:

- Increase use of POCA powers and value of assets denied.[2]
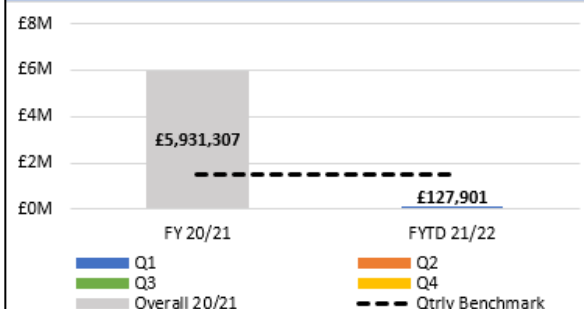- Increased use and number of new ancillary orders issued by City of London Police.[3]

[2] ambition is to increase by 5% with a stretch metric of 10% of 20/21 occasions.
[3] ambition is to increase by 30% with a stretch metric of 60% of 20/21 occasions.
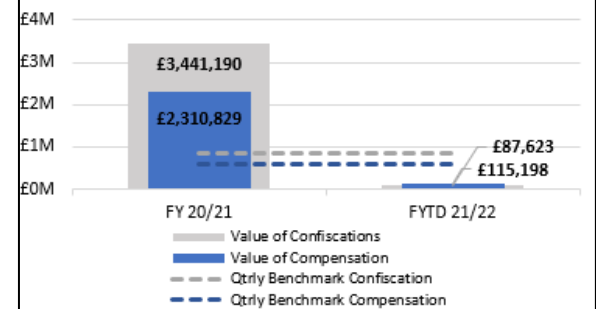

Asset Recovery Cases

Value of Funds recovered through Asset Recovery proceedings

Compensation Awarded

Throughout the first quarter of 2021/22, use of POCA powers and value of assets denied has fallen short of the 2020/21 quarterly averages across all asset recovery proceedings. Last year the quarterly average was 30 asset recovery cases, £1.4 million recovered, £860,000 confiscated and £577,000 compensation awarded. These drops seem more noticeable this year as there was one large operation in the last financial year where over £2 million was confiscated, an exceptional case, while this year has seen more business as usual levels so far.

The Money Laundering Investigation Unit has successfully negotiated with a bank to return monies to victims that had been subject to an AFO. As there is no legal route to return victims' money using AFOs, however year long negotiations have resulted in the bank agreeing that victims will be compensated approximately £250k.

Active Nominals: SCPO and Ancillary Orders
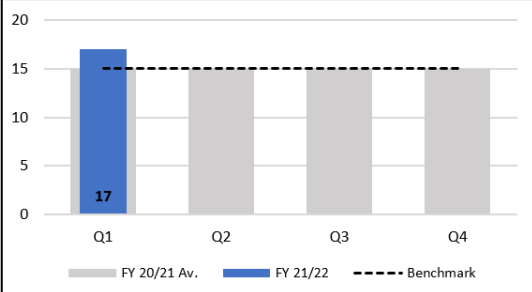
SCPOs under Review
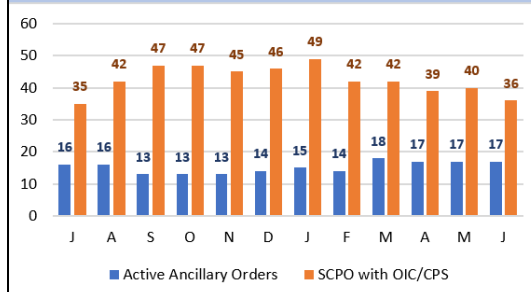
The active ancillary orders include Serious Crime Prevention Orders, Financial Reporting Orders and Criminal Behaviour Orders. Throughout the year numbers have fluctuated as Orders expired and new ones have been served. Quarter 1 already shows improvement on the 2020/21 benchmark.

In the last quarter the Lifetime Offender Management Unit had 3 applications for SCPOs granted, with one undergoing additional development. A further 6 are due to be heard in the next period. LOM have approached investigators to discuss ancillary order opportunities for a further 13 operations.

Outcome 4: *Fraudsters operating nationally are identified and their offending is being disrupted.*

NLF Role: City of London Police investigates nationally significant, serious and complex fraud on behalf of policing. It received referrals from a range of stakeholders including police forces, ROCUs, National Fraud Intelligence Bureau and the National Economic Crime Centre, as well as stakeholders linked to it's funded units.

Success Measures:

- The number of disruptions to technological enablers is sustained.

Disruptions by Volume

Disruptions by Platform
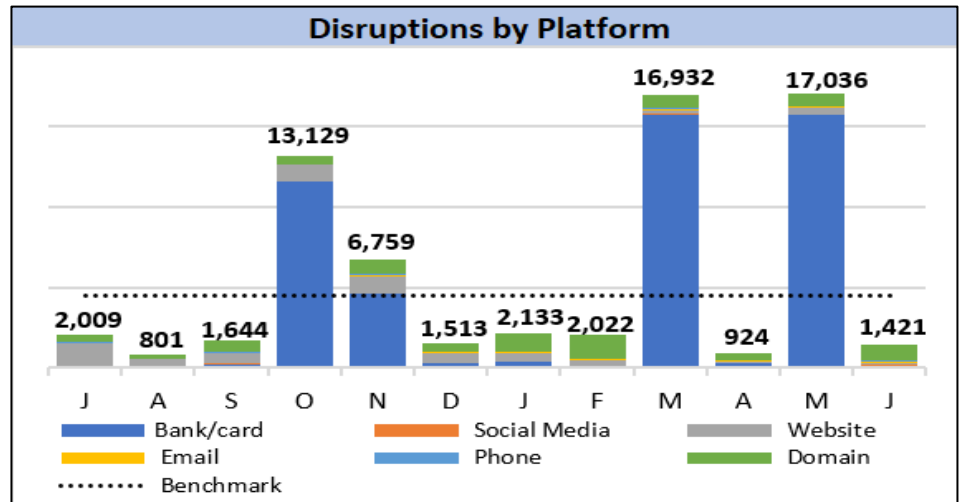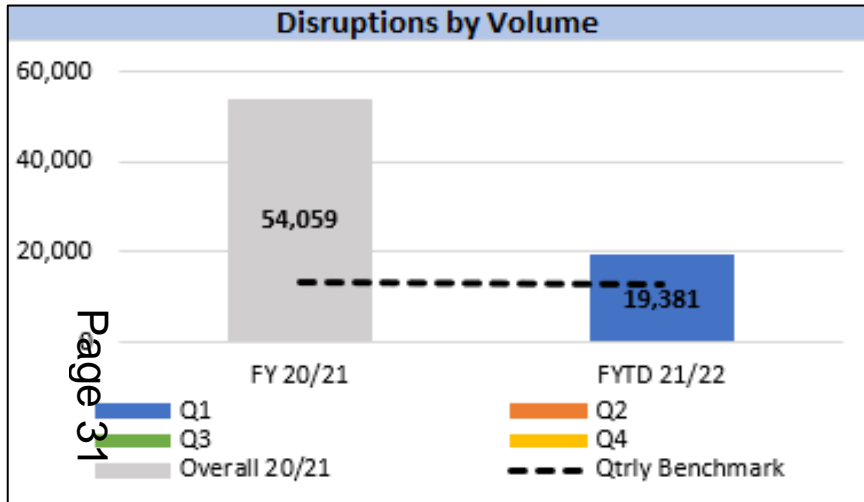
In quarter 1 of this year, the highest ever number of disruptions to technological enablers has been recorded, at 19,381. It is not possible to give an exact value for these disruptions, although it is estimated to be multiple millions of pounds saved. The main contributing factor to this rise in performance was an operation carried out by DCPCU in May, which saw a substantial recovery of compromised account details through collaboration with a cyber security company. NFIB also saw an increase in performance, particularly with pro-active website suspensions. This is a result of engagement with the Cyber Unit of another police force, in which the team have assisted in highlighting and suspending potentially suspicious domains (.GOV, .POLICE and .NHS) , using a horizon scanning tool.

City of London Police and National Cyber Security Centre Suspicious Email Reporting and Takedowns

NCSC & COLP receive reporting of suspicious emails from the public via SERS, which launched 21 Apr 2020. As of 30 June 2021 the number of reports received stand at more than 6,500,000 with the removal of more than 50,000 scams and 97,000 URLs.

The public are sent large volumes of scam messages every day, many of which will be blocked by spam filters or otherwise ignored. Of the messages that reach inboxes, the public tells NCSC and COLP about 12,000 per day via SERS, in addition to around 1200 cyber-enabled crimes reported to Action Fraud. From these suspicious emails, we identify over 450 new pieces of infrastructure (websites, servers or emails) per day – i.e. about 3.7% of scam messages the public send us contain unique knowledge of something malicious.

Outcome 5: *Policing has the capability and capacity to detect, disrupt and deter economic crime.*
NLF Role: City of London Police is a centre of expertise for fraud. It provides economic crime investigation training to policing, government and the private sector through its Economic Crime Academy. It is responsible for identifying, developing and disseminating good practice.

Success Measures:
- Economic Crime Knowledge Hub engagement levels are increased

Knowledge Hub: New Members

Knowledge Hub: Documents Uploaded

Knowledge Hub: Visitors to Economic Crime Site
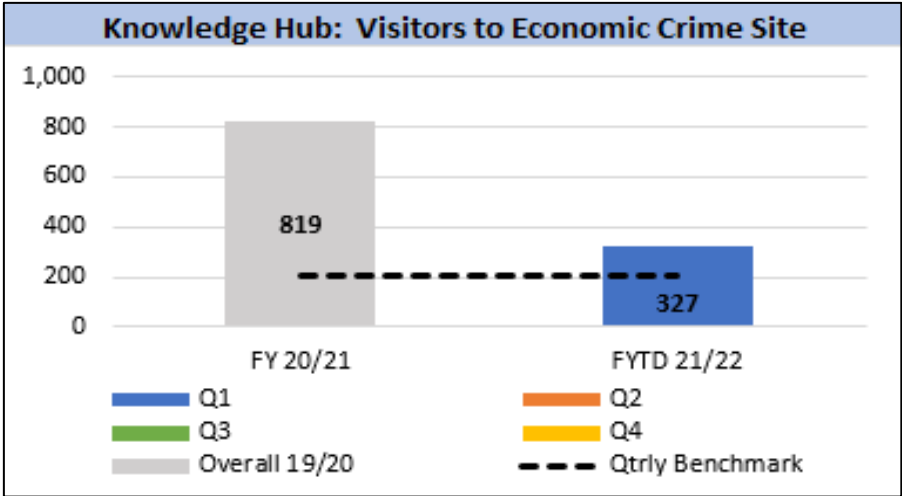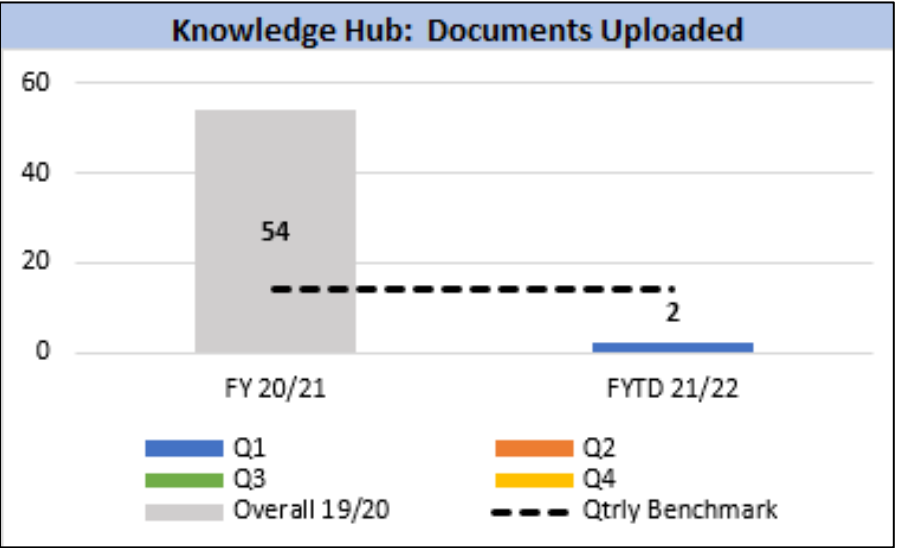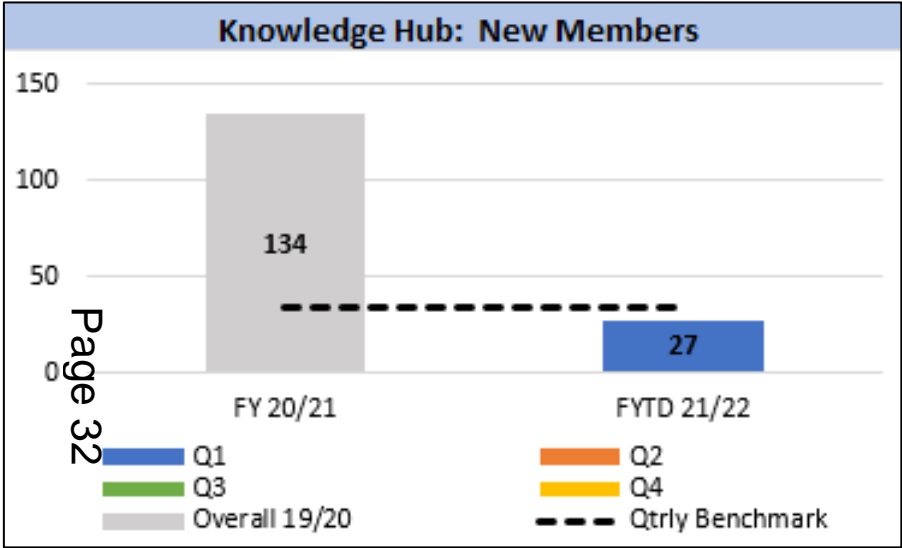
The Economic Crime Knowledge Hub membership rose slowly during the first quarter of 2021/22. However, the Hub received a relatively high number of visits during the period, considerably more than the 2020/21 quarterly average.

There have been limited updates to Knowledge Hub in the last quarter while work is underway for a relaunch later in 2021, with easier access and usability the key focus.

Outcome 5: *Policing has the capability and capacity to detect, disrupt and deter economic crime.*

NLF Role: City of London Police is a centre of expertise for fraud. It provides economic crime investigation training to policing, government and the private sector through its Economic Crime Academy. It is responsible for identifying, developing and disseminating good practice.

Success Measures:
- Delegate training numbers are sustained at 2019/20 levels
- Delegate training has a 90% satisfaction rate

Academy Delegates

Academy Delegates by Sector

Academy Delegate Satisfaction
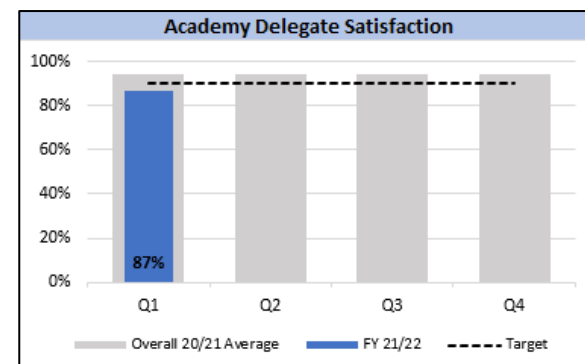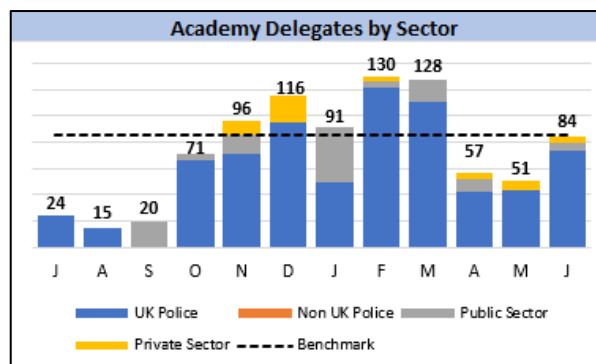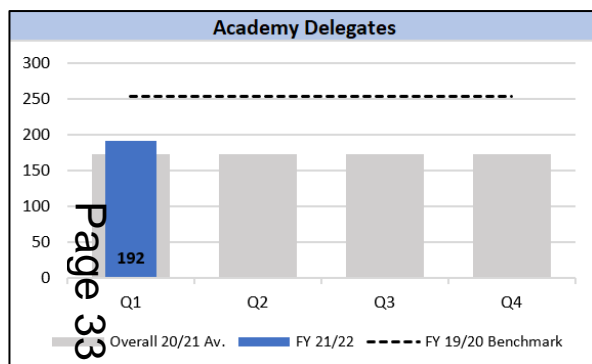
During the first quarter the Economic Crime Academy provided 18 courses to a total of 192 delegates. Although the delegate numbers surpassed 2020/21 average volumes, they fell short of the target which was set at the 2019/20 levels of 254. A partial reason for this is that a high proportion of training the Academy delivered were Specialist Fraud Investigator (SFI) courses, which are two weeks long.

The overall satisfaction rate for Q1 is lower than the 90% target. This is due to delegates finding the online learning environment difficult when taking the SFI course (the first time it had been run virtually). This resulted in an all time low of 70% in April, which rose to 93% and 97% in May and June respectively as the Academy were able to move to classroom based teaching. Despite the challenging teaching environment for the trainers, feedback from these courses was positive and with the introduction of a new admin platform return of feedback forms is hoped to improve, giving a fuller picture of delegates' experiences.

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Committee: Economic and Cyber Crime Committee – For information	Dated: 06/09/2021
Subject: HMICFRS Fraud Inspection	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	1,10, 12
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	NA
What is the source of Funding?	NA
Has this Funding Source been agreed with the Chamberlain's Department?	NA
Report of: Assistant Commissioner McLaren Report author: Alix Newbold	For Information

SUMMARY

This report provides a short summary of the latest HMICFRS inspection published on 5 August. The report highlights some areas of good work in relation to improving the response to fraud. However, it also identifies areas where more needs to be done as many victims are still receiving a poor service.

The report states ten of the original recommendations have been satisfactorily implemented with five requiring further work and one no longer relevant. Three of the outstanding recommendations are the responsibility of COLP as NPCC Lead. As a result of this inspection revisit HMICFRS have also made a further three recommendations, one of which is the responsibility of COLP. A new work plan will be developed for each of these recommendations and monitored through the NLF Programme Board.

COLP will also work with forces to support implementation of the outstanding recommendation and areas for improvement that are the responsibility of chief constables. A letter was sent to all chief constables on the day of publication and this should also form part of wider PCC engagement who are ultimately responsible for holding their forces to account for delivery.

Recommendation(s)

It is recommended that members note the contents of this report.

MAIN REPORT

BACKGROUND

1. HMICFRS published its first thematic fraud inspection in 2019: Fraud: Time to choose – An inspection of the police response to fraud - HMICFRS (justiceinspectorates.gov.uk). It contained 16 recommendations, a majority of which were for City of London Police as the NPCC Lead to deliver, and 5 areas for improvement for all chief constables.

2. In 2021 it conducted a revisit of the inspection focussing on how effectively the recommendations and areas for improvement have been implemented and their impact. The report was published on 5 August 2021: A review of 'Fraud: Time to choose' - HMICFRS (justiceinspectorates.gov.uk)

CURRENT POSITION

3. The report highlights ten of the original recommendations have been satisfactorily implemented with five requiring further work and one no longer relevant. The recommendations requiring further work that are the responsibility of City of London Police as NPCC Lead are set out below. A new work plan will be developed for each of these recommendations and monitored through the NLF Programme Board.

    a. **Recommendation 1**: By 30 September 2019, the National Police Chiefs' Council Coordinator for Economic Crime should publish a timetable for implementing the revised Know Fraud system, making clear which services are to become available at each stage of implementation and thereby enabling forces to make use of each service as early as practicable. The use made of the system by police forces should be monitored and evaluated to identify best practice.

    It was recognised that plans for the new system had changed since the recommendation was made and this had **not been implemented**. HMICFRS identified some consultation has taken place between City of London Police and interested parties regarding the development of the new system. However, their inspection revealed that some forces are unaware of the problems with the current system and the difficulties in developing a new system. Regular updates to all forces, including, where possible, predicted timescales will form part of the Next Generation Service engagement plan.

    b. **Recommendation 7**: With immediate effect, the National Police Chiefs' Council Coordinator for Economic Crime, working with the College of Policing, should take responsibility for identifying, evaluating and disseminating best practice advice on the police response to fraud.

    Despite the work that had been done to improve identification and sharing of good practice, including development of the Economic Crime Knowledge Hub, regional fraud development officers and other force engagement,

HMICFRS concluded this recommendation had **not been implemented**. It fell short of a structured, methodical and co-ordinated approach and there was little evidence of COLP and the College of Policing working together to implement this. Closer engagement with the College of Policing will form part of the future work plan.

   c. **Recommendation 10**: With immediate effect, the National Police Chiefs' Council Coordinator for Economic Crime, when issuing to police forces advice on fraud protection that is to be given to the public (including alerts and campaigns), should take responsibility for evaluating the effectiveness of how that advice is given to the public and the effectiveness of the advice.

   HMICFRS found while there had been some improvements in data collected around campaigns there was still little evidence effectiveness of campaigns were being evaluated and this was assessed as **not implemented**. COLP will be working with the NECC and the Home Office to improve the evaluation of the effectiveness of fraud protection advice.

4. As a result of this inspection revisit HMICFRS have also made a further three recommendations.

   a. Recommendation 1: By 30 September 2021, chief constables should make sure that their forces are following the guidance issued by the NPCC Coordinator for Economic Crime about fraud-related calls for service.

   b. Recommendation 2 By 31 March 2022, the NPCC Coordinator for Economic Crime with the National Crime Agency, National Economic Crime Centre and City of London Police, should set up an effective national tasking and co-ordination process for fraud.

   c. Recommendation 3 By 31 October 2021, chief constables should adopt the guidance issued in September 2019 by the NPCC Coordinator for Economic Crime that was aimed at improving the information given to victims when reporting fraud

5. Recommendations 1 and 3 have arisen because HMICRS found that while previous recommendations required guidance to be issued by the NPCC Coordinator for Economic Crime (and therefore have been implemented), this guidance was not always being applied by forces. We have re-issued this guidance to forces.

6. Recommendation 2 is in progress, and we have commenced a pilot with the National Economic Crime Centre focussing on high threat/risk cases. Processes are closely aligned with the new serious and organised crime system tasking while retaining National Fraud Intelligence Bureau's responsibilities for allocation of fraud cases and crimes across policing. Once this has been tested, we will consider how it can be applied to volume fraud cases which make up the bulk of fraud demand. The project is being led by the National Economic Crime Centre and progress is also monitored through the NLF Programme Board.

CONCLUSION

7.   The report identifies a majority of the recommendations were effectively implemented by City of London Police and highlights some areas of good work in relation to improving the response to fraud. However, it also identifies areas where more needs to be done as many victims are still receiving a poor service.

8.   The outstanding recommendations from the 2019 report and the new recommendation from the 2021 report will be progressed and monitored by the NLF Programme Board.

9.   COLP will also work with forces to support implementation of the outstanding recommendation and areas for improvement that are the responsibility of chief constables. A letter was sent to all chief constables on the day of publication and this should also form part of wider PCC engagement who are ultimately responsible for holding their forces to account for delivery.

Committee(s): Economic Crime & Cyber Committee	Dated: 06/09/2021
Subject: Innovation & Growth – Update of Cyber & Economic Crime related activities	**Public**
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	1, 6, 7
Does this proposal require extra revenue and/or capital spending?	**No**
What is the source of Funding?	**NA**
Report of: Innovation & Growth	**For information**
Report author: Mary Kyle - Head of FPS Technology	

Summary

The core objective of Innovation & Growth (IG) is to strengthen the UK's competitiveness as the world's leading global hub for financial and professional services (FPS). This includes promoting the strengths of the UK's offer and enhancing the UK's position as a leader in FPS technology and innovation.

The Covid pandemic has impacted UK FPS in many ways. This has included the sector facing novel and increased threats from cyber crime. 74% of banks and insurers experienced a rise in cyber crime since the pandemic began. An important aspect of the Covid recovery will be ensuring that UK FPS is able to continue to respond to and meet these evolving threats.

This report summarises the relevant activity taking place across IG. It also highlights areas where IG and the City of London Police (CoLP) are currently working together and exploring further opportunities to collaborate on upcoming projects.

Links to the Corporate Plan

1. The activities set out in this report help deliver against the Corporate Plan's aim to support a thriving economy. This includes outcome 6c - to lead nationally and advise internationally on the fight against economic and cybercrime. It also supports outcome 7, positioning the UK as a global hub for innovation in financial and professional services.

Main Report

Background

2. Over the past few months IG has continued to carry out activities relevant to supporting UK FPS to meet the threats posed by both cyber and economic crime. An important aspect of this is ensuring that innovation amongst cyber security and other providers continues to match the pace of those intent on causing harm to the sector. Continued cross-working between IG and the City of London Police also ensures that each team is leveraging their expertise across different areas to have maximum impact.

Recent and Upcoming Innovation & Growth Activity

3. In late 2020/early 2021 the City Corporation and Financial Conduct Authority (FCA) partnered to deliver a Digital Sandbox pilot. This saw the creation and launch of a digital platform where companies from across the technology and financial services sector could collaborate virtually to develop technology solutions. The pilot focussed on helping develop solutions to issues exacerbated by Covid. This included the prevention of fraud and scams and supporting vulnerable consumers.

4. Following the success of the Digital Sandbox pilot the City Corporation and FCA have launched a second phase of the Digital Sandbox. This has expanded on the initial pilot to encompass three areas of activity:
   i. Sustainability Cohort – This area of activity will focus on accelerating the development of technology products that will support the transition to a net zero economy. A group of technology companies (the 'cohort') will be accepted into the Digital Sandbox to develop solutions that address one of three challenges in ESG data and disclosure. Applications for the cohort will open in early September. Successful firms will participate in the Digital Sandbox between November 2021 and March 2022.
   ii. TechSprints – Led by the FCA, TechSprints are short intensive events that bring together participants from across and outside of financial services. These participants develop technology-based ideas of proof of concepts to address specific challenges faced by regulators. A TechSprint will take place in Autumn 2021.
   iii. Innovation Challenges – Led by the City Corporation, innovation challenges are designed to encourage greater collaboration between financial service firms and technology around specific industry challenges. Partners are currently being approached to participate in an innovation challenge which is likely to take place in Spring 2022.

5. Both the Sustainability Cohort and TechSprints are focused on developing solutions to sustainable finance-related issues. By contrast, several different topics are being considered for the Innovation Challenges. Cyber security is frequently cited by potential partners as a possible focus. This would involve a small number of financial institutions coming together to agree on a specific cross-industry challenge within the topic of cyber security. Technology companies would then be invited to put forward potential solutions to that challenge and work with the financial institutions to develop those products to meet the market need. The aim of the Sandbox is to accelerate the development of those solutions and provide them with a clear pipeline to market.

6. Other potential topics being considered alongside cyber security include SME Lending, Open Finance and DigitalID. Each of these areas require cross-FPS collaboration to develop meaningful and scalable solutions. They could also all impact UK FPS' approach to cyber or economic crime. Further updates will be provided to the Economic Crime and Cyber Committee as this work progresses.

Innovation & Growth/City of London Police cross-team working

7. IG and CoLP are continuing to strengthen connections between the two teams resulting in the following examples of positive cross-team working:

(i)   CoLP input into the City Corporation SME Strategy

(ii)   CoLP input into an upcoming IG report on Tech in the Square Mile

(iii)   Joint CoLP/IG meetings with external stakeholders eg Cyber Risk Institute

(iv)   Regular internal CoLP/IG meetings to update on activity and explore opportunities for collaboration

8. In recent discussions IG and CoLP have highlighted three areas to focus cross-team working over the coming months:

   i. Promoting UK Cyber – IG and CoLP will work together to promote the launch of the London Cyber Resilience Centre and National Cyber Resilience Centre. IG will also explore how its Relationship Management Network and Global City website can promote other CoLP activity and/or cyber products and services.

   ii. Digital Sandbox – Further to paragraphs 3-5 above, if the Digital Sandbox Innovation Challenge does focus on cyber security then there are likely to be opportunities for CoLP to get involved. This will include (i) providing their views on specific problem statements within the theme of cyber security which resonate with the issues that CoLP is aware of; and (ii) helping to scope the data requirements for technology firms looking to develop solutions as part of the Innovation Challenge.

   iii. Data mapping – Both IG and CoLP will explore what data they have access to which may be of mutual benefit and interest. This includes scoping opportunities to overlay existing data sources to support upcoming projects across both CoLP and the City Corporation.

9. IG and CoLP have highlighted two other areas that they will continue to explore:

   i. Cyber insurance – IG has previously launched reports on the opportunity of London as a key market for the development of cyber insurance. This is also an area of interest for CoLP and provides an opportunity for both teams to leverage existing connections in this area to support each other.

   ii. Promoting the UK Cyber Eco-system – There are many different sectors that help create a safe and resilient business environment. This includes law enforcement, financial services, professional services, cyber security specialists, cloud services providers and others. Promoting the UK's strengths across these sectors presents another opportunity for IG and CoLP to work together for their mutual benefit.

Conclusion

10. IG remains committed to supporting UK FPS in developing its capabilities to meet the threats posed by cyber and economic crime. The opportunities over the past few months to connect with and work more closely alongside CoLP have been extremely positive in helping progress this work.

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Committee: Economic and Cyber Crime Committee – For information	Dated: 7 September 2021
Subject: Economic Crime Academy Update	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	1,10, 12
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: The Assistant Commissioner Report author: Christopher Felton	For Information

SUMMARY

The Academy has a healthy order book and projected financial forecast with further training expected to be booked in Q3 and Q4.

The Academy continues to its professional development programme for economic crime practitioners through development and piloting of courses in cyber / online fraud, victim care and crime prevention. International training activity has re-commenced.

RECOMMENDATIONS

Members are recommended to note the contents of this report.

MAIN REPORT

INTRODUCTION

1.   This report will give a brief update on the current position of the Economic Crime Academy (ECA)
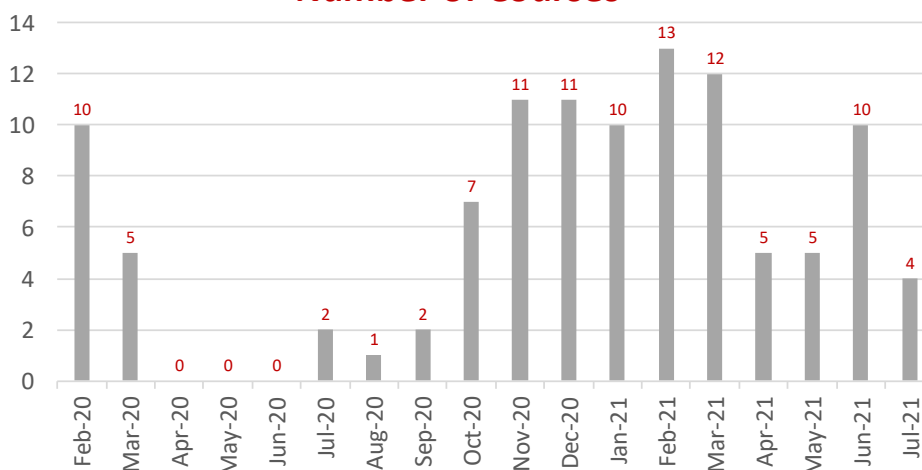
CURRENT POSITION

2.   The ECA is still delivering a mix of COVID safe face to face training and virtual training using MS Teams and Zoom. It has been busy over May June and the first half of July with an almost full calendar. Traditionally demand drops in late July and August during the holiday season so there is little training scheduled in this period.

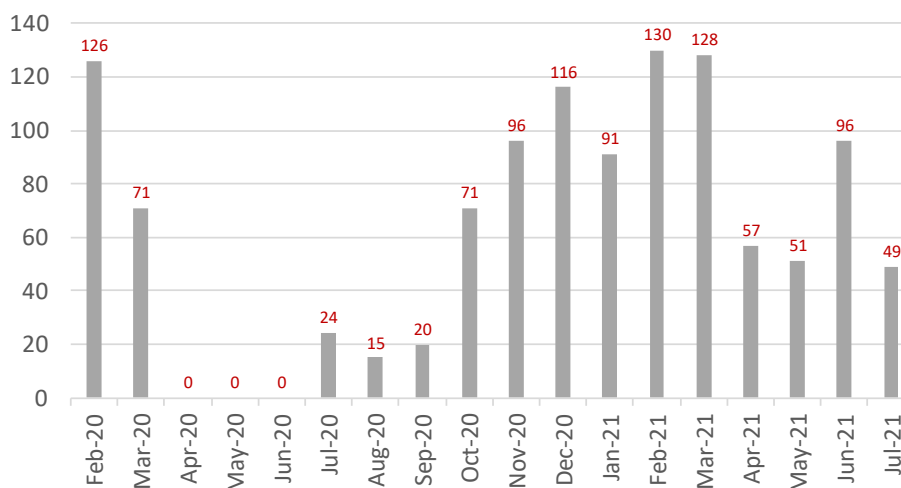3.   Below is a summary of course and delegate numbers over the last 15 months.

ECA Performance

Number of Courses

Month	Courses
Feb-20	10
Mar-20	5
Apr-20	0
May-20	0
Jun-20	0
Jul-20	2
Aug-20	1
Sep-20	2
Oct-20	7
Nov-20	11
Dec-20	11
Jan-21	10
Feb-21	13
Mar-21	12
Apr-21	5
May-21	5
Jun-21	10
Jul-21	4

ECA Performance

Number of Delegates

Month	Delegates
Feb-20	126
Mar-20	71
Apr-20	0
May-20	0
Jun-20	0
Jul-20	24
Aug-20	15
Sep-20	20
Oct-20	71
Nov-20	96
Dec-20	116
Jan-21	91
Feb-21	130
Mar-21	128
Apr-21	57
May-21	51
Jun-21	96
Jul-21	49

4.   From April the Academy has been delivering the Specialist Fraud Investigator Programme (SFI) face to face, and has increased the number of SFI courses to deal with pent up demand caused by the course being suspended during the height of COVID. As this is a two week course it reduces the number of course each month that the Academy can deliver as well as the number of delegates. However the number of actual training days delivered remains constant.

5.   The current projected revenue for this financial year 2021/22 is £1.098m with projected cost budgeted at £0.934m. The Academy has capacity in Q3 and Q4 to deliver further courses and is continuing to receive enquiries and request for

bespoke courses. There is usually a spike in demand for Q4 as organisations try to spend training budgets before the end of the budget year. In addition as COVID restrictions loosening regard to international travel and training, there is expected to be an upswing in requests for overseas training. As a result of this revenue is expected to increase over the year.

6.   The Academy have now successfully piloted two new fully online course, on Fraud Risk Assessment and Crypto Currency. There has been interest in both courses from police forces and the wider public sector counter fraud community. The crypto currency course will be delivered for Ukrainian law enforcement as was done with the Demystifying Cyber Crime Course (DCC). Both courses have been offered to all CoLP staff at no cost and have seen a good take up from around the organisation.

7.   Development is in progress on two new online courses aimed at widening the current offering. The first course is a course on Cyber Enabled Fraud, which will be hosted on the Moodle training platform, while the second course on fraud reporting is being developed with the NFIB, Action Fraud, UK Finance and Coventry University and will be available through the Future Learn platform.

8.   Two new classroom based course will start in September, the first is a fraud victim care programme for all National Economic Crime Victim Care Unit (NECVCU) staff, there has also been wider interest in this course and a course is already booked for the Pension Regulator. Open courses will be run for forces. The second programme is designed for fraud protect officers nationally and has been fully funded by the Illicit Finance budget and is being jointly delivered in partnership with Cifas.

9.   The first overseas training delivery since the start of the COVID pandemic commenced in August with Academy staff delivering a one week anti-money laundering course in Gambia for the International Anti-Corruption Coordination Centre (IACCC). In the coming months further training is planned in Ukraine, Southern Africa, Malaysia, Serbia and Montenegro. This is under constant review in relation to COVID and travel restrictions.

10.   Engagement with ROCUs has been key in understanding their future growth, ambition and vision on a regional and national level; particularly in regard to the increased uplift and focus around economic crime and asset denial. This understanding has been key in identifying future training needs, both regionally and nationally. This engagement has also assisted in identifying additional training gaps, which are not covered within existing courses, such as the Fraud Investigation Model (FIM). Taking an innovative approach, the Academy are in the process of providing this training through bespoke short videos, which will be delivered through YouTube using a sharable private link. Crypto Currency investigations and a training programme Fraud Protect staff were also identified as requirements and new courses have been developed to meet these needs.

11.   The development of the new Academy plan is nearing completion and currently sits with the Chief Officer Team for approval, prior to wider consultation with stakeholders and partners. Appendix A shows the vision and objectives lifted for further context.

CONCLUSION

12.   The Academy has a healthy order book and projected financial forecast with further training expected to be booked in Q3 and Q4.

13.   The Academy has used the pandemic period to explore alternative models of training delivery (blended and online learning) and develop new courses for the range of skills required by economic crime practitioners. With the lifting of Covid restrictions training is being delivered face to face and online in the UK and abroad.

Appendices

- Academy draft vision and objectives

VISION

To be recognised nationally and internationally as the law enforcement centre of excellence for economic and cyber crime training and continuous professional development.

OBJECTIVES

IMPROVING core policing capability in England and Wales

Outcomes:

- Training gaps and best practice shared to meet policing's needs
- A strong relationship with the College of Policing and Home Office
- Cyber and Illicit Finance training formally incorporated into the ECA prospectus
- Training needs analysis completed for all forces
- A national CPD programme delivered
- Counter Fraud Programmes academically recognised

SUPPORTING HMG objectives to build capability in key jurisdictions

Outcomes:

- A strong strategic relationship with key Government partners
- Conversion of UK courses for international audiences
- New opportunities identified to support CoLP's corporate plan ambitions

PROVIDING training to non-policing organisations

Outcomes:

- Recognised provider of training as part of the HMG Managed Learning Service
- Development of a training programme linked to the HMG Fraud Investigators Apprenticeship

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