

<b>Committee(s):</b> Economic & Cyber Crime Committee	<b>Dated:</b> 20/5/2025
<b>Subject:</b> Innovation & Growth – Update of Cyber & Economic Crime related activities	<b>Public report:</b> For Information
<b>This proposal:</b> <ul style="list-style-type: none"> <li>• <b>delivers Corporate Plan 2024-29 outcomes</b></li> <li>• <b>provides statutory duties</b></li> <li>• <b>provides business enabling functions</b></li> </ul>	Dynamic Economic Growth
<b>Does this proposal require extra revenue and/or capital spending?</b>	No
<b>If so, how much?</b>	N/A
<b>What is the source of Funding?</b>	N/A
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	N/A
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### 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 following report summarises the activity that has been taking place across IG in relation to cyber and economic crime, focusing on cross-team working between IG and the City of London Police (CoLP) since the Economic & Cyber Crime Committee (ECCC) last convened in February 2024. The report provides an update on IG's work on digital verification, cybersecurity talent and anti-money laundering.

### Links to the Corporate Plan

The activities set out in this report help deliver against the Corporate Plan's outcome to support dynamic economic growth. Specifically, ensuring that the City has the safest, most secure business environment in the world and promoting the UK as a place that is open, innovative, and sustainable.

## **Main Report**

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

1. We continue to use this report to highlight those activities which demonstrate the benefits of IG and CoLP collaboration to make the UK the safest place in the world to do business. IG continues to look for ways to promote the activity of CoLP and support their work as part of our wider stakeholder engagement.

### **Collaboration**

2. As set out in this paper, IG is working in close consultation with the CoLP and Police Authority on several in-flight, high-profile workstreams. Although all inputs are of significant value, a particular highlight was the participation of the CoLP (DCI Simon Welch) and the Police Authority Board Chair in the IG and Police Authority hosted event on 13 March to mark the publication of the Financial Action Task Force's landmark [report](#) on detecting, disrupting and investigating online child sexual exploitation.
3. In collaboration with the Police Authority team, IG drafted a stakeholder engagement plan to support engagement with the financial and professional services sector on the policing response to fraud, focusing on CoLP's role as a National Lead Force for fraud. The plan includes key messaging (agreed with the CoLP), stakeholders targeted and opportunities for engagement. Further, IG has subsequently supported the Police Authority team with its early draft paper for the Policy & Resources Committee covering the City Corporation's advocacy and influence in support of the CoLP and defining 'economic security' for the purposes of City Corporation activity.

### **Digital verification**

4. On 25 March, we published [Securing growth: the digital verification opportunity](#) at a launch event in the Guildhall. The report, which we wrote in collaboration with EY, proposes a model for a UK digital verification service for individual users of financial products and services.
5. The report was informed by extensive private and public sector engagement, including with the Police Authority. Reflecting that engagement, the model we propose builds on a 'big move' set out in our flagship [Vision for Economic Growth](#) report, published in October 2023. As set out in that report, we consider that the economic benefits of implementing a scalable digital verification service in the UK are significant. Our projections indicate a minimum £4.8bn increase in economic output by 2031 through fraud loss mitigation and the modernisation of digital services. The fraud loss mitigation element is particularly material, estimated at a minimum of £3bn by 2031.
6. In summary, the report advances a conceptual, hybrid model that integrates elements from both federated and decentralised approaches. At the core of this model is the 'orchestrator,' an independent entity that facilitates secure information exchange among users, Relying Parties, and Identity Data Providers.

7. The report has landed well with our key stakeholders, so we are looking to leverage this momentum in our advocacy activities, to ensure our recommendations are implemented as quickly as possible. In parallel, we will also work with key public and private sector stakeholders to flesh-out how the 'orchestrator' proposed in our model will operate in practice. We will continue to work closely with the Police Authority during this phase of the project, to ensure its views are reflected in our outputs and advocacy.

### **Cybersecurity Talent initiative**

8. A roundtable is being held to hear experts' views on what policy interventions CoLC could explore to drive change in the cybersecurity talent space. Several CoLP colleagues were invited to attend.
9. This work is being led by the Skills and Workforce Team within IG. The findings from the roundtable will help produce a draft programme of work which they can then refine, research and deliver over the next 18 months. Separately, the team met with CoLP Commissioner Pete O'Doherty and Deputy Commissioner Nik Adams to update them on plans for this programme of work.

### **Anti-money laundering**

10. On 13 March, we hosted an event at the Livery Hall - co-sponsored by the UK Government, the Australian Government, and the Financial Action Task Force (FATF) - to mark the publication of the FATF's landmark [report](#) on detecting, disrupting and investigating online child sexual exploitation.
11. With an estimated 300 million children globally, or 1-in 8 of all children, affected by some form of online sexual exploitation, the FATF report examines financial flows related to the live-streamed sexual abuse of children and financial sexual extortion of children. Anti-financial crime interventions are critical to stopping these abhorrent crimes. The report explores how financial intelligence can be used to detect and disrupt this activity to keep children safe.
12. The event featured keynote comments from the FATF President (Elisa de Anda Madrazo), the Australian High Commissioner (The Hon. Stephen Smith), and the UK Economic Secretary to the Treasury (Emma Reynolds MP). The CoLP was represented on the panel (DCI Simon Welch), which also featured senior representatives from other key organisations such as HM Treasury, Interpol, the Australian Federal Police and UK Finance.
13. Further, the event was opened by the Police Authority Board Chair, Tijs Broeke. In his opening comments, the Police Authority Board Chair highlighted the pivotal role of the FPS sector - and the CoLP - in safeguarding the most vulnerable in our society.
14. The event has hosted by the CoLC in collaboration between IG and the Police Authority. We will continue to engage with the Police Authority on discrete workstreams relating to anti-money laundering, including – but not limited to – activity in the lead-up to the FATF's next mutual evaluation of the UK, due to take place in 2027.

## **Corporate & Strategic Implications**

15. Strategic implications - This work supports the Corporate Plan outcome to drive dynamic economic growth.
16. Financial implications - All budgets are contained within existing departmental budgets and business planning.
17. Resource implications - All resourcing requirements are scoped as part of departmental business planning.
18. Legal implications - None identified for this paper.
19. Risk implications - None identified for this paper.
20. Equalities implications - The stakeholder work as part of this work is mindful of balancing the needs to have the right stakeholders identified while also supporting the City Corporation's EDI commitments.
21. Climate implications - None identified for this paper.
22. Security implications - None identified for this paper.

## **Conclusion**

23. IG will continue to engage with the CoLP and the Police Authority on economic crime and cyber through the ongoing initiatives set out in this paper, as well as any emerging issues that may arise. We will also continue to engage with the CoLP in relation to its National Lead Force role, utilising the force's briefing in our own engagement with relevant external stakeholders (including, but not limited to, FPS firms).

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