

TO: ECONOMIC CRIME BOARD

27 April 2018

FROM: PORT HEALTH AND  
ENVIRONMENTAL SERVICES  
COMMITTEE

6 March 2018

8. The Committee considered a report of the Director of Markets and Consumer Protection which informed Members on the work taking place in relation to ensure that fraudulent cryptocurrency businesses do not try to exploit the reputation of the Square Mile. The Director of Markets and Consumer Protection explained that there would be a partnership approach to tackle cryptocurrency fraud and to protect the reputation of the Square Mile by not allowing criminals to make use of a City of London address which could add to the credibility of a scam.

Members noted the steps taken by Lloyds and Virgin Banks to protect credit card customers from fraudulent cryptocurrency activity and queried whether the City Corporation could encourage banks headquartered within the City to take similar steps. A Member raised the point that the Industry was considering ways in which greater transparency could be made through regulatory work. In response, the Director of Markets and Consumer Protection agreed that these points could be brought before the Treasury Committee that was announced last week to look into the cryptocurrency sector.

A Member noted that the City Corporation should take a lead in taking action against fraudulent cryptocurrency activity adding that there were issues which included:

- organisations bypassing anti-money laundering procedures;
- false advertising through promises of guaranteed returns and not following any regulation; and
- a lack of evidence that the operators are protecting those who invest through financial mechanisms.

The Committee recommended that the City of London Police website should contain information and help on fraudulent cryptocurrency activity for members of the public. It was added that Action Fraud could also feature this on their website.

**RESOLVED** – That:

- a) the Committee note the report;
- b) the Committee endorse the proposal for Trading Standards to take a proactive and innovative approach to dealing with a potential future problem; and
- c) a resolution be submitted for the next meeting of the Economic Crime Board to recommend to the Committee that the City of London Police website address the issue of fraudulent cryptocurrency activity.