Tower Hamlets Fraud & Cyber Crime Summary

January 2022

Executive Summary

Number of offences	304
Total loss	£2,636,983.57
Average per victim	£8,674.29

Top 5

The top 5 by **volume** (number of reports) type of fraud is as follows:

Fraud Type	Amount of Offences	Amount Lost
NFIB3A - Online Shopping and Auctions	36	£10,937.64
NFIB1H - Other Advance Fee Frauds	27	£39,069.51
NFIB3D - Other Consumer Non Investment Fraud	20	£9,814.32
NFIB5A - Cheque, Plastic Card and Online Bank Accounts (not PSP)	20	£70,190.08
NFIB2E - Other Financial Investment	12	£51,069.92

The top 5 by **amount** reported lost:

Fraud Type	Amount Lost	Amount of Offences
NFIB5D - Mandate Fraud	£1,938,757.22	2
NFIB5B - Application Fraud (excluding Mortgages)	£226,823.72	1
Push Payment	£136,467.35	11
NFIB5A - Cheque, Plastic Card and Online Bank Accounts (not PSP)	£70,190.08	20
NFIB2E - Other Financial Investment	£51,069.92	12

Fraud Advice

Payment Fraud (aka Mandate Fraud)

Payment fraud is a specific type of fraud which targets businesses with the intention of getting them to transfer money to a bank account operated by the criminal.

There are two main types of payment fraud, **CEO fraud** and **Mandate Fraud**. Both are usually targeted at staff within a company's accounts department and use spoofed sender email addresses (sometimes called Business Email Compromise)

CEO fraud involves an email that claims to be from a senior member of staff within a company such as a CEO (Chief Executive Officer). The email will ask the receiver to make a payment or transfer funds for an ongoing or new business transaction. Often the payment request is marked as urgent and pressure is applied to the receiver to make the payment as soon as possible.

Mandate fraud involves an email which appears to come from a known supplier. The email will request that future payments for products or services are made to a new bank account and give a reason for the account change.

In each instance, the new account will be under the control of the criminal and any funds paid in to it will be lost.

How to protect yourself

If an email is received requesting a change of bank details on an account or a one off payment, verify this by making direct contact with the organisation or person requesting the change. Ideally, phone them on a number you already have, failing that, double check the email used. Do not use any contact details from the suspicious email. Don't be pressurised by any email, or follow up phone call, as this may be the criminal. Always double check.

However, some criminals are getting wise to this, and so will prep a victim in advance by contacting them a few days or weeks earlier to change any stored phone numbers or emails to their own. So, it's a good idea to double check any contact when change of details occur. Make sure you double check via the original contact details.

REMEMBER – Don't change bank details without double checking.

CAUTION – Sometimes, criminals will call in advance to fraudulently change contact numbers. Check when these change too.

THINK - Why does this payment have to be made?

Online Shopping and Auction Sites

Online shopping can save you time, effort and money. Millions of people use websites such as eBay and AutoTrader to buy new or second hand goods for competitive prices. These sites give you the opportunity to purchase a huge choice of goods from all over the world. However, among the genuine buyers and sellers on these sites, there are criminals who use the anonymity of the internet to offer goods for sale they do not have, or are fake.

In the majority of transactions, the buyer and seller never meet. Which means when making a purchase or sale on a website, you are reliant on the security measures of the site.

Fraudsters will advertise an item for sale, frequently at a bargain price compared to other listings of a similar type. They may have pictures of the item so it appears to be a genuine sale.

A favoured tactic is to encourage buyers to move away from the website to complete the transaction, and the criminal may offer a further discount if you do so. Many websites offer users the opportunity to pay via a recognised, secure third party payment service, such as PayPal, Android Pay or Apple Pay. Read the website's advice and stick to it. Fraudsters might be insistent you pay via bank transfer instead. By communicating and paying away from the website, contrary to their policies, you risk losing any protection you had.

Criminals may also email or contact you if you have 'bid' on an item but not been successful in winning the auction. They will claim that the winning bidder pulled out or didn't have the funds and offer you the chance to buy the item. Once you agree, they will either provide bank details or even insist payment is made via a third party payment service for mutual protection. Once you agree, they 'arrange' this. You then receive a very legitimate looking email which appears to be from the website or a third party payment service directing you how to make the payment. Some are very sophisticated, even having 'Live Chat' functions that you can use to speak to a sales advisor! Unfortunately, you will again be communicating to the fraudster, so beware!

In both these scenarios, once the payment is made, the 'seller' won't send the item. They'll either not reply to you or make excuses as to why they haven't sent the goods.

If they do send the item, they'll send counterfeit goods instead of the genuine items advertised. Again, you may struggle to receive any compensation or resolution to this problem from the legitimate website, as it could be against their policies.

Fraudsters also use e-commerce websites to pose as 'buyers.' If you have an item for sale, they may contact you and arrange to purchase this. It is common for criminals to fake a confirmation that payment has been made. Before

posting any item, log in to your account via your normal method (not a link on the email received) and check that you have received the money.

You must also be careful what address you send items to. Fraudsters may ask you to send items to a different address. They may claim they need it sent to their work address or to a friend or family member. If you send the item to an address other than the one registered on the user account, you may not be provided any protection from the website or payment service.

How to protect yourself

- Stay on site!
- Be wary of offers that look too good to be true.
- Read the consumer advice on any website you are using to make a purchase. Use the recommended payment method, or you may not be refunded for any losses to fraud.
- Research the seller/buyer and any of their bidding history.
- Don't be convinced by pictures, they may have been taken from somewhere else on the internet. You can check photos using a reverse image search on the internet through websites like www.tineye.com or https://reverse.photos/
- Be suspicious of any requests to pay by bank transfer or virtual currency instead of the websites recommended payment methods.
- Never buy a vehicle without seeing it in person. Ask to see the relevant documentation for the vehicle to ensure the seller has ownership.
- If you are selling online, be wary of any emails stating funds have been sent. Always log in to your account via your normal route (not via link in email) to check.
- Watch our video on Online Shopping Fraud at www.met.police.uk/littlemedia.

REMEMBER - Stay on site.

CAUTION - Be wary of paying by bank transfer or virtual currency.

THINK - Why is this item so cheap? Is it a scam?

Advance Fee Fraud

Advance Fee Fraud is an umbrella term to describe a particular fraud type where the criminal convinces a victim to make upfront payments for goods, services and/or financial gains. But the goods/services don't exist.

Many different types of Advance Fee Fraud using various techniques and scams are used by criminals. Some of these (including Romance Fraud and Recruitment Fraud) are covered more in-depth later in this book. However, the numerous different tactics used by criminals means it's worth describing the basic technique behind the fraud; the criminal will offer something to you, but in order to progress, you'll need to pay something up front.

Below is a list of types of Advance Fee Fraud. This list is by no means exhaustive!

Clairvoyant or Psychic Fraud– The criminal predicts something significant in your future, but they need money to provide a full report.

Cheque Overpayment Fraud – The criminal overpays for something with an invalid cheque, and asks for change.

Fraud Recovery Fraud – Once you've been a victim of fraud, the criminal contacts you, claiming that they can recover your losses, for a fee.

Inheritance Fraud – The criminal tells you that you're in line to receive a huge inheritance, but you'll need to pay a fee to release the funds.

Loan Fraud– The criminal asks you to pay an upfront fee for a loan.

Lottery Fraud – You're told you've won a prize in a lottery, but you'll need to pay the criminal an admin fee.

Racing Tip Fraud – The criminal offers racing tips that are "guaranteed" to pay off, for a small fee.

Rental Fraud – The criminal asks for an upfront fee to rent a property, which may not be theirs, or even may not exist.

West African Letter Fraud (aka 419 Fraud) – The criminal asks for help moving a large sum of money from one country to another, promising to cut you in, but asks for a payment upfront first.

Work from home Fraud – The criminal offers you to make easy money working from home, but you need to pay a fee in advance, for business leads, or a website.

Vehicle Matching Fraud – The criminal contacts you just after you've placed an advert trying to sell something (usually a car). They ask for a "refundable" fee to put you in touch with a non-existent immediate buyer.

How to protect yourself

- Be extremely wary about giving money to anyone upfront, especially a stranger, for any reason.
- If they claim to be an official, double check their identity, but don't do so using any contact details they give you.
- Don't be pressurised into making a decision in that moment. Always take time to think, don't forget to Take 5.

REMEMBER – Criminals will try any lie to get your money

CAUTION – Don't give money upfront if you have even the slightest suspicion

THINK – Why should I give this person money? Why have they targeted me?

Remember:

Your bank, the police, or tax office will **never** ask you to attend your bank, withdraw, transfer or pay money over the phone or send couriers to collect your card or cash. Nor would they ask you to buy goods or vouchers.

This is a scam.

1. **Hang up** (Never give details or money following a cold call)
2. **Take 5** (Seek a second opinion, tell someone what has happened)
3. **Verify** (if concerned, contact the company via a pre-confirmed method)

All of our videos and electronic leaflets can be found on the following link; www.met.police.uk/littlemedia
Free cyber advice can be found https://www.ncsc.gov.uk/cyberaware/home

Always report, Scams fraud and cyber crime to Action Fraud,
either online at **www.actionfraud.police.uk** **or by telephone on 0300 123 2040.**

STOP
Taking a moment to stop and think before parting with your money or information could keep you safe.

CHALLENGE

Could it be fake? It’s ok to reject, refuse or ignore any requests. Only criminals will try to rush or panic you.

PROTECT

Contact your bank immediately if you think you’ve fallen for a scam and report it to Action Fraud.