



Introduction

Welcome to first Economic Crime Quarterly of 2024, covering updates from Q1.

Spotlight

We have now delivered a total of 74 of the 146 ECP2 milestones (52 complete and 22 complete as ongoing BAU).

In May, the Fraud Strategy will hit its one year anniversary, with 25 of the 52 actions now complete. We are pleased to report the latest data from the Crime Survey for England and Wales (CSEW) shows that fraud has reduced by 16% from the previous year (Dec 22).

Our progress has also been recognised in RUSI's recent [ECP2 commentary](#) and the APPG on Anti-Corruption and Responsible Tax and Fair Business Banking's joint [Second Economic Crime Manifesto](#).



Newsletter Highlights

- First Global Fraud Summit hosted in UK
- Money Mules Action Plan published
- Stop! Think Fraud – campaign overview
- Law Society hosts disclosure roundtable
- MLR consultation launched
- Smooth transition to new SARs portal continues
- Forward Look

If you wish to discuss this newsletter in more detail or contribute to the next issue, please contact us at HOECSET@homeoffice.gov.uk.

Please do feel free to share this newsletter across your network.

First Global Fraud Summit hosted in UK

Fighting fraud on the international stage

For two days in March, the international community came together for the world's first Global Fraud Summit, organised by the Home Office and other government departments, to strengthen understanding of this threat and explore new ways of working across borders to tackle fraud.

The Home Secretary welcomed 10 ministerial delegations – from 5-Eyes, the G7, Singapore and the Republic of Korea – to London, along with delegations from the United Nations, European Commission, Interpol, and Financial Action Task Force.

They were joined by representatives of global law enforcement and the private sector, including tech companies such as Meta and financial services firms including UK Finance.

The event was opened by HRH The Princess Royal at a glittering welcome dinner, hosted by the City of London Corporation, at the Guild Hall.



View the official photographs [here](#).

Outcomes of the Global Fraud Summit

The Home Secretary was able to secure agreement for a four-point communique.

- 1 **Build international understanding, partnerships and capabilities**
- 2 **Better empowering the public**
- 3 **Pursue organised fraudsters acting transnationally**
- 4 **Preventing the reach and means of fraudsters**

Nations have also set out a clear requirement for collaboration with the private sector to prevent fraud.

Alongside the communique, a new arrangement between the UK and the US was confirmed by the Home Secretary to address call centre fraud including:

- **NCA** (UK National Crime Agency)
- **FBI** (US Federal Bureau of Investigation)
- **US Secret Service and Homeland Security Investigations**

"We've been clear that the global community needs to unite to fight fraud head on and this communique is a massive step forward."

"The United Kingdom and our friends at this summit possess the finest law enforcement agencies in the world."

"We have already reduced fraud by 13% in England and Wales. New action from the international community will help reduce that even further."

James Cleverly MP, Home Secretary

Money Mules Action Plan published

Led by the Fraud Policy Unit, the Home Office published the [Money Mules Action Plan](#) on 1st March. This is a cross-sector action plan to disrupt money mule activity and protect the public, through deterrents and safeguarding measures.

Alongside the Action Plan, we also published guidance for frontline professionals, which is aimed at those individuals and organisations who work with children and adults at risk. It is intended to enable practitioners to recognise and respond to financial exploitation linked to money laundering, so that victims, and potential victims, can get the protection and support they need.

The Action Plan sets out how government, law enforcement, industry, regulators, and charities will work together to achieve this. It outlines activities in five key areas:

1

Protecting the public

2

Understanding the threat

3

Safeguarding victims

4

Pursuing criminal gangs

5

Disrupting transactions

Definitions

Money muling is when an individual, commonly referred to as a 'money mule', moves the proceeds of crime on behalf of criminals, sometimes in exchange for payment or other benefit.

Money laundering is the process by which the proceeds of crime, such as illegally obtained funds and property, are moved by criminals to make them appear legitimate.

Money mule networks are groups of people or accounts used by criminals to launder funds. Criminals controlling these networks will organise or direct transactions between their victims and money mules while maintaining their own anonymity.

Did you know?

Public polling shows that only 1 in 4 people think that money muling is illegal, and over a third of young people aged 16-24 surveyed did not realise it was a crime.





Find out how to stay ahead of scams at gov.uk/StopThinkFraud



Stop! Think Fraud Campaign Overview

Stop! Think Fraud is a major new UK-wide campaign, with the first phase of advertising running from February to the end of March. High-impact adverts ran across a variety of channels, including TV and radio, giving people the knowledge and tools they need to stay ahead of scams.

The on-going campaign is a great example of partnership working. It has been developed by the Home Office in close collaboration with the City of London Police, National Cyber Security Centre, National Crime Agency, and other government departments.

It has also been supported by a wide range of industry and third sector stakeholders, all encouraging the public to visit [Stop! Think Fraud](#).

Latest figures show that fraud accounts for 37% of all estimated crime in England and Wales, a 4-percentage point decrease on the same period last year (41% in Dec 22). The Fraud Strategy, launched in May 2023, set out ambitious plans to work across government, law enforcement and the private sector to better protect the public and businesses from fraud.

“Our bold Fraud Strategy is continuing to deliver for the British people.”

“This new campaign is a powerful tool to add to our arsenal, which already includes a world-first agreement from tech firms to prevent online fraud and the rollout of a National Fraud Squad that has 400 expert investigators.”

“I encourage everyone to stop, take a moment to think about fraud, and share this messaging far and wide.”

The Stop! Think Fraud campaign meets the commitment within the Fraud Strategy to overhaul public anti-fraud communications, streamlining messages across law enforcement, government, non-profits and industry by launching a simple cross-government campaign.

The campaign covers a variety of common fraud types, including the sale of fake tickets as well as banking and phishing scams.

All activity signposts to the [campaign website](#) where you can to find out more about:

- Why anyone is vulnerable to fraud
- How to spot fraud
- Steps you can take to protect yourself and others from fraud
- Further support and guidance

Plans are already underway for the next phase of the campaign.

For any questions, contact the team at StopThinkFraud@homeoffice.gov.uk

James Cleverly MP, Home Secretary

Law Society hosts disclosure roundtable

Law Society hosts roundtable on the disclosure and fraud offences independent review

The Law Society of England and Wales recently hosted a roundtable chaired by Jonathan Fisher KC, which examined the Independent Review of Disclosure and Fraud Offences.

The event was well attended by our members and featured representatives from Allen & Overy, Clifford Chance, the City of London Law Society, Herbert Smith Freehills and many other firms.

Attendees discussed in what ways the disclosure regime is not working as intended, if there are any problems with how the regime applies to the Magistrates' Court and which problems occur at different stages in the criminal justice process.

The key takeaway from attendees was that when law enforcement agencies properly resource disclosure officers and have a clearer strategy from the start of the case, the disclosure regime can be made to work effectively.

They also noted that the Criminal Procedure and Investigations Act 1996 is not working as intended in the Magistrates' Courts and in complex Crown Court cases. Lack of resource and rise in digital material were among the reasons why challenges have arisen. The use of technology and artificial intelligence was touched upon. Attendees noted that while they will form some part of the solution to disclosure, comprehensive tools are some years away.

Nick Emmerson
President, Law Society of England and Wales

Background to the Disclosure Review

As part of the Fraud Strategy, the government committed to improving the law enforcement response to investigating and prosecuting fraud.

Delivering on this promise, the Independent Review of Disclosure and Fraud Offences was launched on 12 October and Chair of the Review, Jonathan Fisher KC PhD, was appointed.

The Review is split into two parts:

1 Disclosure: focusing on the disclosure regime, exploring ways in which this can be modernised for all crime types.

This will report in **Summer 2024**

2 Fraud Offences: focusing on fraud offences, considering challenges facing the investigation and prosecution of fraud and if offences and penalties still fit the crime.

This will report in **Spring 2025**.

Jonathan Fisher KC PhD



The chair has now published his preliminary findings on Part One of the Independent Review of Disclosure and Fraud Offences, you can read it [here](#).

MLR consultation launched

HM Treasury has launched a consultation on how to improve the effectiveness of the Money Laundering Regulations (the MLRs).

This consultation proposes changes to the MLRs which are intended to respond to emerging risks, further strengthen the effectiveness of the regime and ensure that burdens on businesses and customers are proportionate.

The consultation covers a series of topics which were identified during the 2022 Review of the MLRs, as well as priority issues that we have identified as emerging risks or through conversations with stakeholders.

This includes questions on:

- Customer due diligence requirements, including for customers established in 'High Risk Third Countries'.
- Ways to improve system coordination.
- How regulated firms should use the National Risk Assessment of Money Laundering and Terrorist Financing.
- The current use of euros for thresholds in the MLRs.
- The Trust Registration Service registration requirements.

We would like to receive responses from a wide range of stakeholders, including supervisors, industry and representative bodies, law enforcement and the public. This will help us to consider a range of views when proposing any subsequent changes to the law.

We will be holding roundtable discussions with the various sectors and groups who have an interest in this area, while the consultation is open.



Please contact Anti-MoneyLaunderingBranch@hmtreasury.gov.uk for more information. The consultation closes on 9 June 2024.

In parallel, HM Treasury has launched a short survey just for AML/CTF regulated firms on the Cost of Compliance with the MLRs. This will help inform our assessment of the impact on regulated businesses of any subsequent changes to the MLRs.

The survey has 9 core questions which focus on staffing and technology costs as well as the per-customer cost of different types of due diligence.

Smooth transition to new SARs portal continues

Since our last update, at the end of last year, the Suspicious Activity Reports (SAR) Reform Programme has been forging ahead with developing the new system and migrating final reporters to new submission routes.

The new reporting routes have been designed to improve reporting routes to improve data collection, and include tools to improve SAR Data analysis, exploitation, and dissemination. As part of the work to implement the new system, several changes have already been introduced. The last month, particularly, has seen the programme reach a significant milestone. See more in our update below.

SAR Online System – Access Revoked

At the start of March, the programme reached a significant milestone when the SAR Online System submission route was disabled.

As a result, all SARs that used the online route are now being submitted exclusively via the SAR Portal, which is designed to provide a user-friendly way of submitting reports, enhancing investigators' ability to identify key data through the provision of 170 new submission fields.

Martin Sidaway, Programme Director, SAR Reform Programme, said:

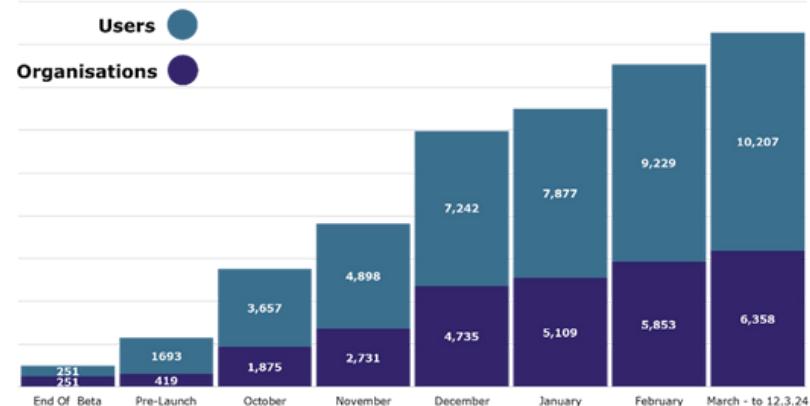
"Switching the online system off represented a leap forward in terms of the progress of this programme and this would not have been possible without the cooperation of those using the legacy system. We would like to express its thanks to everyone for making the smooth transition to the new SAR Portal to submit all future SARs."

"This was critical to us taking the next step in the programme to deliver an enhanced service for colleagues in law enforcement who use SARs to help protect the public."

SAR Online Portal Growth

Since the introduction of the SAR Portal in September 2023, the number of organisations onboarded and using the platform has continued to grow.

So far, the UKFIU has onboarded more than **6,300** reporting organisations and there are currently more than **10,200** individual users actively submitting SARs via the channel.



Ongoing work and commitment

As the portal grows and further progress is made, the SARs Programme is continuing its development activities.

The technical team is currently focused on developing early SARs Digital Service functionality to ensure it can bring end-users a system that works for them – one shaped by user input and ongoing consultation throughout the development process.

This includes the testing of potential new features and further developing wireframe prototypes, exploring new enhanced SAR search capabilities, and daily SAR dashboards as well as re-engaging with SAR users across law enforcement and government and scheduling system releases.

The collaboration of system users is critical to the success of the programme and the programme is grateful to all those we have been engaged with the programme.

Knowledge and Information

The SAR Reform Programme remains committed to ensuring those affected by the changes that are being implemented have the guidance and the support they need.

Any law enforcement or government department colleagues that access SARs can find information and resources on the [NCA SARs website](#).

The SARs Digital Service has launched a new site to host all its communications and learning materials for law enforcement and government department users. The Knowledge Hub is a one-stop shop for information and resources about our programme.

It is open to all public sector partner organisations, but anyone wishing to access the site must register first.

To register and access the site, please visit the following link: [Welcome – Knowledge Hub](#).

THE UKFIU Podcast

In January 2024, the UKFIU Podcast published 'Episode 16: Accountancy Sector', made in collaboration with panellists from accountancy sector supervisory bodies. The panellists were Tim Pinkney, Head of Practice Standards at the Institute of Financial Accounts, Michelle Giddings, Head of AML and Operations at the Institute of Chartered Accountant in England and Wales, and Jody Newman, Head of Compliance and Professional Standards at the Institute of Accountants and Bookkeepers.

The podcast episode explored the breadth and depth of the accountancy sector (considering both large and small firms but also the range of services included within the sector) and considered the range of money laundering threats and red flags that the sector may come across in their day-to-day work. The panel highlighted the key threats and red flags and shared information on resources for the accountancy sector to inform their risk-based approach.



You can listen to [Episode 16: Accountancy Sector here](#).

The panel then explored Suspicious Activity Reporting in more depth and considered whether the sector is making enough reports. It is difficult to make comparisons across sectors, but there is some evidence to suggest that some suspicions go unreported. The panel discussed how firms can ensure that they do report all suspicions but, crucially, how those SARs can be good quality SARs, as these provide an incredibly valuable source of intelligence that law enforcement can exploit in the fight against serious and organised crime. They also considered the use of glossary codes and the importance of writing SARs using language that a non-accountancy third-party can understand.

Forward Look

**Joint Fraud
Taskforce**



3 June

**UK Finance
Economic Crime
Congress**



20 June

PPSG



4 July

PPSG



November TBC

Recess dates:

Recess	House rises	House returns
May Day	2 May 2024	7 May 2024
Whitsun	23 May 2024	3 June 2024
Summer	23 July 2024	TBC