

ANNUAL REPORT 2023





CHAIR'S STATEMENT

As I look back on 2023 for IFB's inaugural annual report, it was in many ways a pivotal year that laid the foundations for delivering the three-year strategy, *Forward Together*.

The environment continued to be unsettled with the impact of Covid-19 still being felt and various strikes taking effect, as well as market fluctuations within our own industry. Despite this, the IFB membership continued to engage with us and give feedback to help drive improvements and innovation across several areas, all geared towards delivering our strategy. I'd personally like to thank our members and industry partners for their continued support.

Fundamentally, *Forward Together* is about IFB evolving and adapting to insurance fraud risk that is so heavily influenced by factors such as digitalisation, the use of social media, new deterrents established at both cross-industry and member level and the ongoing cost-of-living crisis.

In 2023 we saw significant steps towards realising the aspirations outlined in the three pillars of our strategy. These key areas are critical to the strategic changes required to ensure that the IFB continues to deliver products and services that are meeting our industry's needs both now and in the future. This strategy has been born from the response to our market consultation in 2022 and is focused on truly benefiting our existing members but also looking forward as new members join us.





Pillar 1, Broadening the Membership, is focused on developing a broader membership model that is inclusive, equitable and benefits all members. It will deliver a value proposition that resonates and upholds true value to the market, assuring members that the levy is reflective and fair, driving a sustainable IFB for the future. In 2023 there was a high-level independent review of the articles of association to understand the changes needed for the future. This has enabled the project team supporting this work to understand what is required in 2024 to drive this forward.

The IFB was formed 16 years ago and, recognising we need to diversify our products, services and membership, we established the Commercial Fraud Intelligence Group in 2023. Furthermore, a new intelligence product was launched in direct response to member feedback. The IFiHUB Member Submission Proactive Network Report, developed by the team, analyses IFiHUB submissions alongside IFB Exploration's data to identify networks directly linked to fraudulent entities. This demonstrates we are keen to support members with new ways of developing solutions with the new opportunities of today.

Likewise, we made significant progress against the **second pillar, Decommissioning Legacy Technology**. The aim is to decommission some of our legacy technology, simplifying our technology offering, including the provision of self-serve capabilities, giving our members enhanced quality data outputs and efficiencies. IBase was consequently decommissioned in 2023 and some of our legacy internal shared drives were retired. Crucially an RFI was issued to the market, which set the wheels in motion to understand what the future technology solution could be for the IFB and its members. This work has made strides and in 2024 we look forward to reviewing further.

The **third pillar of our strategy, Prevention**, aimed to collaborate more closely with members on campaigns, achieved by establishing an Industry Communications Working Group. Collectively, we delivered the first sustained prevention campaign aimed at raising awareness of the consequences of insurance fraud to deter people from being tempted to commit opportunistic fraud. We also delivered several campaigns aimed at raising awareness to protect victims focused on Ghost Broking, 'Crash for Cash' and paid-ad spoofing. We reached a diverse range of audiences by creating bolder content and advertising on new social media channels. The engagement that the IFB and wider industry observed from these prevention campaigns went beyond expectation, seeing more engagement than ever from the general public via social media, radio and television. We started the education process in 2023, which benefited the industry and the UK public, helping them not become a victim of fraud scams.

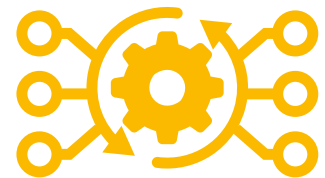
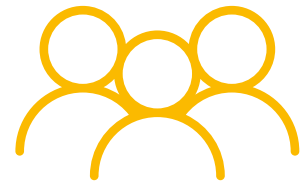
The timescales set to implement the three strategic pillars are ambitious but we are committed to getting the best outcome. The level of engagement from the membership has been instrumental in helping the IFB to meet them whether through continuing to support BAU activity or helping us develop and shape the final outputs of a long-term strategic aspiration.

Thank you again for your continued support.

Karl Helgesen
Chair

Campaigns

“The engagement that the IFB and wider industry observed from these prevention campaigns went beyond expectation, seeing more engagement than ever from the general public...”





2023 ACHIEVEMENTS

We're committed in our efforts to collectively reduce the impact of insurance fraud. In order to achieve this, we're focused on delivering the insights, products and services that our members need, along with supporting law enforcement in finding and prosecuting fraudsters and educating the public about insurance fraud and how to avoid it.

DISRUPTION

Disrupting and preventing fraud to protect businesses from financial loss and prevent the public from experiencing harm is a common goal shared by IFB, our members and strategic partners. The commitment to disrupting those engaged in insurance scams and seeking successful prosecutions remains at our core.

We take pride in our remit to collaborate with law enforcement agencies and regulators in order to share intelligence and coordinate action against organised fraud. Guiding members through investigations and facilitating collaboration is a key part of our offering, as well as being able to build evidence as a result of our unique access to data.

Last year saw 151 investigations with the total value of fraud investigated equating to £88.2

million. The key driver was Ghost Broking, which made up 33% of cases followed by first party risk misrepresentation at 26% and staged incidents at 25%.

Our members rely on us to provide cross-industry insights and data so they can take proactive measures when it comes to fraud prevention and risk management to protect their business and customers. We act as the industry's fraud intelligence hub by collecting, analysing and disseminating information to our members. IFB's management of the Insurance Fraud Register (IFR) is a key example of this as it makes it difficult for insurance fraudsters to engage in criminal activity and provides a deterrent for those who are tempted to carry out opportunistic fraud.

Investigations

151 investigations



Total fraud value equating to £88.2 million

Across 2023 there were 5,102 fraudster loadings from 25 member organisations on the Insurance Fraud Register (IFR).



IFB EXPLORATION

Data-driven insights and analytics enable our members to make informed decisions, identify fraud risks and take proactive measures to stay ahead of fraudsters. We launched IFB Exploration to give our members an agile, shared solution that utilises AI to enhance the accuracy of the high-risk networks established from the industry’s transactional data sets. Following launch in October 2022, it was last year that our members started to see the benefits.

The predictability of identifying networks is more accurate than ever before, allowing members to focus their efforts on high-risk areas. Plus, the intuitive nature of IFB Exploration is resulting in more searches by our members to uncover new intel and fraud networks.

There were 36,571 searches on IFB Exploration in 2023 compared to 8,262 in 2022.

STRATEGIC THREAT ASSESSMENT

Coordinating data and insights from across the industry is one of our strengths. Our Strategic Threat Assessment (STA) is a powerful weapon in the industry’s fight against insurance fraud and it’s designed to deliver the most up-to-date insights into fraud trends and expertly leverage our unique position in the industry.

Collaborating closely with our members and the wider insurance sectors, we gain valuable insights that enriches the data we hold to deliver our annual report.

The STA identifies and assesses the top risks posed by fraud enabling members to develop targeted prevention strategies and develop their systems accordingly.

25 members supported the Strategic Threat Assessment last year representing 53% of the market.

The STA includes the most current data on policy, claims and enabling activity. It spans identified threats across various product lines looking at all 21 fraud categories and identifying

the top five threats. We know that fraudsters are becoming more sophisticated and last year’s STA has highlighted that members are increasingly dealing with the issue of false or fabricated documents, account takeovers and identity theft.

Two commentary topics were also featured: the first explored how the normalisation for fraud in society impacts insurance fraud; secondly, insights were provided by IFB members as to their major commercial insurance fraud threats and how the IFB Commercial Fraud Intelligence Group is helping to target them.

“We can also expect to see a rise in opportunistic fraud whether it’s emanating from genuine losses or in relation to premeditated fraudulent behaviour. Now more than ever it’s important to collaborate with the industry and run Prevention campaigns to help meet this challenge head on.”

Jon Radford, Head of Intelligence, Investigations and Data Services.



PREVENTION

A critical part to helping our members and the wider insurance sector tackle fraud is to ensure the industry has a joined up and coordinated Prevention strategy. In 2023 we set up an industry fraud prevention working group made up of member organisations communication teams and scaled up our entire approach.

In response to opportunistic fraud being the biggest threat facing the industry, we delivered the first sustained campaign on opportunistic fraud. We also stepped up our victim prevention campaigns and for the first time delivered a campaign on a live investigation which raised awareness of 'Crash for Cash' moped scams.

We generated 25 CheatLine reports received in direct response to the 'Crash for Cash' Moped Scam campaign. 15 were received within two weeks of the campaign going live.

We collaborated with members to ensure the campaigns focused on what mattered to them the most and used their insights and expertise to ensure the content of the campaigns delivered

what they needed. This sustained approach to campaigns has meant that we are continually building awareness and educating the public. For members who wish to publically support the campaign, content is available for them to use, whether it's raising awareness with their own staff or their customers.

Our Fraud Cons digital marketing campaign generated 53.7 million ad impressions, leading to 410,594 direct clicks on our website for further information about insurance fraud.

Raising public awareness of fraud scams is fundamental to the fraud prevention effort and the more the public become aware, the more vigilant they become, resulting in an increase in fraud reported to us. As part of measuring the campaign's success, we captured the user journey when someone clicks from an IFB ad to our campaign web page and then goes on to submit a CheatLine form in that moment, known as a marketing 'conversion'. On average the campaign resulted in a conversion every 3.5 days, which was a very positive outcome.

Fraud Cons

53.7 million ad impressions



leading to 410,594 direct clicks on our website

Prevention contributed to 5,126 CheatLine reports received from the public, with 68% of them resulting in actionable intelligence.

MEMBER ENGAGEMENT

Collaboration across the industry is needed to combat fraud in the most effective way. The role we play to bring the fraud community together is something that is close to our hearts.

That's why it's critical we continue to facilitate industry working groups, intelligence forums and workshops to share knowledge, best practices and insights on fraud prevention. The

Industry Communications Working Group we established last year is an example of how we are finding new ways to connect the industry in order to strengthen our impact. Facilitating strategic partnerships can provide our members with the valuable resources, expertise and networking opportunities that make a real difference.

In 2023 we hosted 27 events with 1,019 delegates from 53 member organisations.



INSURANCE FRAUD BUREAU

ANNUAL REPORT AND ACCOUNTS

For the year ended 31 December 2023

Statement of income and retained earnings

For the year ended 31 December 2023

	2023 £	2022 £
Turnover	7,399,756	7,062,706
Gross profit	7,399,756	7,062,706
Administrative expenses	(7,475,865)	(6,638,846)
Other operating income	25,000	25,000
Operating (loss)/profit	(51,109)	448,860
Interest receivable and similar income	87,035	45
Profit before tax	35,926	448,905
Tax on profit	(18,367)	-
Profit after tax	<u>17,289</u>	<u>448,905</u>
Retained earnings at the beginning of the year	4,443,657	3,994,752
Profit for the year	17,289	448,905
Retained earnings at the end of the year	<u>4,460,946</u>	<u>4,443,657</u>

Insurance Fraud Bureau – Registered number: 08203205



Balance sheet

As at 31 December 2023

	2023	2022
	£	£
Current assets		
Debtors: amounts falling due within one year	3,530,744	7,707,267
Cash at bank and in hand	11,275,063	5,944,954
Total	<u>14,805,807</u>	13,652,221
Creditors: amounts falling due within one year	10,344,861	(9,208,564)
Net current assets	4,460,946	4,443,657
Net assets	<u>4,460,946</u>	<u>4,443,657</u>
Capital and reserves		
Retained earnings	4,460,946	4,443,657
Total equity	<u>4,460,946</u>	<u>4,443,657</u>

The financial statements have been prepared in accordance with provisions applicable to companies subject to the small companies regime and in accordance with provisions of FRS 102 Section 1A – small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

K Helgesen – Director

Insurance Fraud Bureau – Registered number: 08203205



IFB Board members 2023

Since January 2023, IFB have had the following appointments and resignations:

Appointments

Ursula Jallow	4 January 2023
Mervyn Skeet	8 June 2023
Scott Clayton	24 November 2023

Resignations

David Nichlos	27 November 2023
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IFB Membership leavers and joiners

Leavers

Plexus	October 2023
Robertson & Co	November 2023

Joiners

Marshmallow	November 2023
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Contact us

To find out more about the IFB please contact:
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 [insurancefraudbureau.org](https://www.insurancefraudbureau.org)