



Home Office

ECONOMIC CRIME QUARTERLY

DECEMBER 2024



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Introduction

Welcome to the Economic Crime Quarterly. We are pleased to restart this newsletter following the July election.

Spotlight



The new government has agreed to the completion of ECP2 and the existing Fraud Strategy. We are pleased with the continued delivery of these, with more than half of ECP2 now implemented (84 of 146 milestones complete and a further 36 in progress) and 28 of 52 actions in the Fraud Strategy complete.

Delivery of these Plans will remain a key focus whilst new strategies are developed. Work has begun to develop an expanded Fraud Strategy and a new Anti-Corruption Strategy, which you can read about in more detail on page 3.

There has also been excellent work to secure the first UN resolution on fraud to galvanise international action. You can read more about this on page 4.

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.

Meet our Ministers

An introduction from the Security Minister and Lord Hanson of Flint

We are both delighted to have been appointed as Ministers in the Home Office, leading on economic crime and fraud. We look forward to working with you all to tackle the constantly evolving challenges of Economic Crime, a threat which undermines the prosperity and security of the UK.

Since being appointed, we have enjoyed engaging across government, law enforcement and with industry, to ensure we are driving a cross-sector approach to Economic Crime. This included Lord Hanson hosting the Joint Fraud Taskforce (JFT) in October. Through the Taskforce, Voluntary Sector Charters have been signed by key industries to commit actions to combat fraud, and we are pleased a further charter was agreed to tackle the estimated £1.1bn lost to fraudulent insurance claims each year. It has also included engaging at the inaugural Economic Crime Academic Forum in October, where the Security Minister spoke to highlight the importance of systemic collaboration between academia and government. You can read more about this on page 8.

We thank you for your continued efforts and look forward to working with you in 2025 and beyond. Together, we will continue to strengthen our shared defences against fraud, money laundering, corruption, and illicit finance.

Dan Jarvis MBE MP was appointed as Minister of State (Security Minister) in July 2024, taking on responsibility for economic crime (excluding fraud) and anti-corruption. He previously served as Shadow Security Minister from September 2023 and has been the MP for Barnsley North since 2011.

The Rt Hon Lord Hanson of Flint was appointed as Minister of State (Lords Minister), with responsibility for fraud, in July 2024. He previously served as the MP for Delyn from 1992 to 2019, during which time he held several Ministerial roles including at the Home Office.

An introduction from the Economic Secretary to the Treasury and City Minister

It is my privilege to have been appointed Economic Secretary to the Treasury and City Minister. As well as driving growth and competitiveness in financial services, my responsibilities include countering economic crime and delivering UK Government's financial sanctions through the Office for Financial Sanctions Implementation.

I know from my ministerial work and from speaking to my constituents just how damaging economic crime can be. The economic crime threat has deep roots, but I am determined to tackle it, combatting the scourge of fraud and ensuring that crime doesn't pay.

I intend to work closely with my ministerial colleagues at the Home Office, and across government. Our network of domestic and international partnerships, including across the private sector, is essential to winning the fight against economic crime, and I look forward to working closely with you all.

Tulip Siddiq MP was appointed as Economic Secretary to the Treasury and City Minister at HM Treasury in July 2024, taking on responsibility for Financial sanctions and countering economic crime, money laundering and illicit finance, including the Office for Financial Sanctions Implementation (OFSI).

Anti-Corruption Strategy and Champion announced

On 9 December, the government announced the intention to publish an Anti – Corruption Strategy drawing on expertise from across government, law enforcement, private sector, civil society and academia, to develop a single UK response to tackling corruption, at every level. Alongside this, in recognition of the Government’s ambition to drive forwards credible change, the Security Minister announced the pilot Domestic Corruption Unit (DCU) within City of London Police. The Unit will seek to enhance intelligence development capabilities providing insight on the corruption threat. It will lead proactive investigations providing much needed capacity and a dedicated response in areas which were previously lacking.

Following this announcement, the DCU is expanding its engagement with the wider policing system, private sector and civil society to further develop the evidence and intelligence picture and will be reaching out at the appropriate time.

New Anti-Corruption Champion announced

To help to drive delivery of the Government’s anti-corruption priorities, both in the UK and internationally, the Security Minister also confirmed the appointment of Baroness Hodge as the Prime Minister’s new Anti-Corruption Champion.

Baroness Hodge is a leading Parliamentary and public campaigner on anti-corruption, bringing valued expertise on relevant topics and experience from a long career in public service. As Champion, Baroness Hodge will act as the Government entry point on anti-corruption issues and together, we look forward to working closely with you on this agenda as it develops over the coming months.



What is the Anti-Corruption Strategy?

Led by the Home Secretary, the Foreign Secretary and the Chancellor, the strategy will look to respond to the threat of corruption through measures such as strengthening integrity standards, tackling the movement of corrupt funds and through our international partnerships and work to enhance global standards. It will also encompass the Foreign Secretary’s campaign to clamp down on corruption and Illicit finance and provide a coordinated response to the threat of corruption, illicit finance and kleptocracy.

Ministers speak at Economic Crime Congress

On 12 December, the Security Minister opened the UK Finance Economic Crime Congress and addressed the importance of continuing a public-private partnership approach to combating economic crime. His remarks set the scene for a new era of collaboration, detailing plans to work together to address critical challenges and opportunities, including through the new Anti-Corruption Strategy. You can read the transcript of the speech [here](#). Lord Hanson also spoke in an impactful speaker session in the afternoon focused on fraud, where he discussed the government’s ambition with the new expanded Fraud Strategy.



UN resolution on Fraud

On 18 October, the UK played a pivotal role in the the **first-ever UN resolution on fraud** which was adopted during the 12th Conference of the Parties for the UN Convention against Transnational Organized Crime (UNTOC COP).

The resolution outlines a set of key recommendations that all signatories to the UNTOC (186 Member States) should implement to mitigate the threat of fraud.

Key Recommendations

To see the full list of recommendations, please see [here](#)

- ▶ **Codifying fraud as a serious crime**
- ▶ **Protecting victims**
- ▶ **Pursuing fraudsters**
- ▶ **Collaborating closely with the private sector to design out fraud**



Global Fraud Meeting hosted by Japan National Police Agency

On 10–11 September, Japan hosted the **Global Fraud Meeting**, in attendance were government or law enforcement representatives from Australia, Brunei, Cambodia, Fiji, Germany, Indonesia, Italy, New Zealand, Nigeria, Philippines, South Korea, Singapore, Thailand, USA and Vietnam, as well as UNODC, INTERPOL and ASEANAPOL.

Aims of the visit:

- Share developments in the UK Fraud Strategy and maintain the momentum developed at the Global Fraud Summit in the global fight against fraud by presenting our proposed actions
- Further understanding of the rapidly developing fraud threat in the South-East Asian (SEA) region
- Build connections in the regions

Outcomes

The meeting demonstrated that global momentum to tackle transnational, organised fraud is being continued as well as developing, especially in Asia.

Likewise, there is a genuine desire from partners around the world to collaborate closer on both policy and law enforcement efforts to combat joint threats. This is

both on a bilateral level, including non-traditional partners from the SEA region as well on the multilateral level, especially through the UN and G7.



New rules and approach to help victims of fraud

New fraud reimbursement rules

The Payment Systems Regulator's new reimbursement rules on the way payment service providers reimburse victims of Authorised Push Payment (APP) fraud came into force on Monday 7 October 2024, covering payments made across both the Faster Payment System and Clearing House Automated Payment System (CHAPS).

Preparation for the new rules required a significant undertaking from the financial sector to ensure readiness, including the request of UK Finance to develop a data sharing platform to allow the effective handling of APP reimbursement claims from day one. Other UK Finance deliverables included an APP Best Practice Guide for industry and a separate guide and toolkit for consumer communication. With these now all in place, the focus now is on compliance and specific work with the Payment Systems Regulator (PSR) to collate evidence for its review.

The impact of the new reimbursement rules on fraud levels, criminal activity and consumer behaviour will be discussed by a panel of senior representatives from regulation and industry at UK Finance's Economic Crime Congress on 12 December.

What is a 'Risk Based Approach' to Payments?



HMT, following collaboration with UK Finance and industry, published the Statutory Instrument (SI) enabling a Risk Based Approach to payments. This will allow Payment Service Providers (PSPs) to delay making a payment transaction where they have reasonable grounds to suspect fraud or dishonesty.

The Banking Protocol Initiative

The Banking Protocol initiative, a partnership between industry and law enforcement where branch staff inform the police if they believe a customer is a potential victim of fraud, reported **£29.2 million** had been prevented from being stolen in the first half of the year following a **7% increase** in total calls received to law enforcement and an **18% increase** in the number of crimes reported.

Additionally between January and July the industry funded specialist police unit for card and payment fraud crimes, the Dedicated Card and Payment Crime Unit (DCPCU), also reported the prevention of **£53.5 million** worth of potential fraud.

Preparing for the UK's next FATF Mutual Evaluation

The UK will undergo our next evaluation by the **Financial Action Task Force (FATF)** in 2028 and work is now underway to prepare the information needed to demonstrate the effectiveness of the UK's anti-money laundering (AML), counter-terrorist financing (CTF) and counter-proliferation financing (CPF) systems to the assessment team and FATF members.

In its last FATF evaluation in 2018 the UK was assessed to have one of the best AML/CTF/CPF systems in the world. However, the assessment team did identify areas for improvement.

The UK has been working hard to address these through:

- **2019 Economic Crime Plan**
- **2023 Economic Crime Plan 2**

Since the last evaluation, FATF standards have been revised to keep up with emerging risks and to align with international best practice. The UK will need to demonstrate that we have kept pace with these changes.

FATF Definition

The FATF is the global standard setter for AML/CTF/CPF policy and assesses countries based on their compliance with **40 recommendations** (looking at legislative and structural elements) and their performance against **11 Immediate Outcomes** which looks at the overall effectiveness of the system.



What happens next?

A governance structure for senior officials has been put in place to provide oversight for the preparations and to identify priority areas for improvements and further engagement with the private sector will follow. The evaluation will touch on all areas of the UK's AML/CTF/CPF system.

The UK will supply information on its effectiveness in combatting money laundering, terrorist financing and proliferation financing (including statistics and case studies) and will welcome the assessment team to the UK for a two-to-three-week onsite period in 2027 to conduct interviews with representatives from government departments, supervisors, law enforcement, prosecutors, the private sector and non-profit organisations.

2024-25

2027

2026

2028

The UK will supply extensive documentation related to technical compliance to the assessment team, which will be made up of experts drawn from FATF member countries.

FATF members will adopt and publish the report, including ratings and recommendations for steps to improve the UK's system.

Law Society hosts AML Conference

Law Society hosts their anti-money laundering (AML) and financial crime conference, including case reviews and a popular Q&A session.

Industry experts and practitioners from the Law Society Economic Crime Task Force along with representatives from the Solicitors Regulation Authority (SRA) attended the conference, hosting a wide range of discussions alongside a workshop on key topics and issues.

The event saw insights from Tom Bell, the Home Office's Deputy Director for Criminal Finances and Asset Recovery, Graham Barrow, Director at the Dark Money Files and Sarah Schofield, Head of the Treasury's Economic Crime Strategy Unit, who discussed the economic crime landscape under a new government.

Attendees discussed regulation 21 AML audits. Experts examined the "adequacy and effectiveness" of their firm's AML programme. They were advised to test their policies, controls and procedures (PCPs) to ensure they are compliant before the SRA conducts an audit.

Another panel also discussed how best to identify source of funds and source of wealth. The panel advised that solicitors are not required to undertake a forensic examination of a client's finances, but the key is checking that the source of funds and verification is consistent with their knowledge of the client.

For high-risk clients, more information about source of wealth is required, which can be obtained using information in the public domain, and from the client or an associated regulated professional. Customer due diligence challenges for large firms was also touched upon.

One of the biggest challenges is fee earner engagement. Firms need to get the balance of responsibility right between the fee earners and a centralised compliance team, as well as making sure that the fee earners know which parts – such as source of funds and ongoing monitoring – they are responsible for through training and via the firm's PCPs.

Richard Atkinson
President, Law Society of England and Wales

Richard Atkinson was announced as 180th President of the Law Society

On 9 October, Richard, who is a managing partner at Tuckers Solicitors LLP and specialises in criminal law, focusing on serious crime litigation, became the 180th President of the Law Society of England and Wales

With over 30-years' experience, Richard has served as chair of the Policy and Regulatory Affairs Committee and is a member of the Criminal Law Committee, aspiring to promote justice and the rule of law both in the UK and internationally.



RUSI Conference on Greater Collaboration Between Academia and Government

The Centre for Finance and Security, in partnership with NECC and the Home Office, hosted the Economic Crime Academic Forum, at RUSI.

On the 17 October, the Home Office and the National Economic Crime Centre (NECC), hosted the inaugural Economic Crime Academic Forum, at the Royal United Services Institute.

Opened by the Security Minister, Dan Jarvis MBE MP and Adrian Searle, Director NECC, the event marked greater and more systematic collaboration between academia and the government.

“Economic crime is a pernicious, constantly evolving challenge that must be reckoned with. Its harm is widespread, from facilitating serious and organised crime, to enabling threats to our security and undermining the prosperity of the UK. I look forward to continuing to work with law enforcement partners and academics on this vital issue.”



Security Minister, Dan Jarvis MBE MP



Key discussion points:

- 1** Research gaps in our understanding of the threat and impact of our existing response
- 2** Research to help inform future policy and operational response to economic crime



Informed by the discussion, an **‘Areas of Research Interest’** will be published in due course setting out the key evidence/research gaps in our understanding of the threat and response that we look to collectively address.

Home Office hosts National Financial Investigation Working Group

On the 5 and 6 November 2024, the Criminal Finances and Asset Recovery Unit hosted the National Financial Investigation Working Group (NFIWG).

The meeting gathered representatives from various Proceeds of Crime Act (POCA) agencies and system leaders. The working group is practitioner-focused but discusses cross-cutting issues, with systemic and management matters being escalated further.

Guest speakers included a representative from Interpol, who presented to the group on the basics of what Interpol is and what it does as well as two specific tools (one they already have and one which they are about to get) which are useful for asset recovery/financial investigators. The IT team working on the new SARs Digital Service also visited and gave an interesting and comprehensive presentation about their work.



Other topics discussed

- Performance
- Victim compensation
- Successes with the new crypto powers
- Nigerian Black Axe organised crime group



Did you know?

The Nigerian Black Axe organised crime group have been targeted by Interpol recently and have been previously linked to a USD 5 billion money laundering scheme.

Home Office attends G20 Anti-Corruption Working Group

Colleagues in the Joint Anti-Corruption Unit in the Home Office recently represented the UK at the G20 Anti-Corruption Working Group (ACWG) in Natal, Brazil.

A number of documents were negotiated and agreed, including a High Level Principles paper focused on 'Incentives for the Private Sector'. This paper, along with other agreed documents focusing on anti-corruption, will be available to the public and will be published on the G20 ACWG website in due course, here: [G20 Anti-Corruption Resources \(unodc.org\)](https://www.unodc.org/g20acwg/).

We are grateful for the ongoing engagement with colleagues across government, as well as the Business 20 (B20), the official G20 dialogue forum with the global business community.

We encourage continued engagement as we approach South Africa's 2025 G20 Presidency.

If you would like more information or would like to get in touch, please reach out to [Jennifer Mcgilvray](mailto:jennifer.mcgilvray@homeoffice.gov.uk).

Forward Look

19 December



**Parliament rises for
Christmas Recess**

6 January



**Parliament returns
from Christmas Recess**

**16–17 January
2025**



**The Joffe Charitable
Trust Conference**

March 2025



**PPSG (date to be
confirmed)**

March 2025



**Joint Fraud Taskforce
(date to be confirmed)**