



## **Cryptocurrency Crimes**

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**Document Owner:** Director, NFIB

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**Date:** 11/10/2022

### **Introduction**

An FOI request was received by the NFIB relating to fraud reports involving cryptocurrency. The below information was requested;

1. How many cryptocurrency related crimes have been reported in the last year.
2. How much has been reported as stolen/lost etc in £
3. How many have been allocated to the relevant police services for investigation as a percentage.
4. What percentage has been closed and not investigated or referred.

The below information has been provided\*;

- Reporting volume and associated financial losses.

*\*No data is held by the NFIB on questions 3 & 4*

### **Methodology**

Statistics were derived from analysis of Action Fraud crime reports classified as one of the nine investment or pension fraud Home Office Crime Codes. An explanation of each Home Office Crime Code can be found online.<sup>1</sup>

- NFIB1E - Recovery Fraud
- NFIB2A - Share Fraud or Boiler Room Fraud
- NFIB2B - Pyramid or Ponzi Schemes
- NFIB2C - Prime Bank Guarantee Fraud
- NFIB2D - Time shares and Holiday Club Fraud
- NFIB2E - Other Financial Investment Fraud
- NFIB16A - Pension Fraud Committed by Pensioners (or their estate)
- NFIB16B - Pension Fraud Committed on Pensioners
- NFIB16C - Pension Liberation Fraud

A series of keywords were then searched against the reports to identify instances where cryptocurrency or a crypto asset had been referred to.

<sup>1</sup> [Home Office Crime Codes \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

## Results

### Cryptocurrency Reporting Volume and Financial Loss

The below tables provide the volume of fraud crime reports concerning cryptocurrency investments reported to Action Fraud between 1st October 2021 to 30<sup>th</sup> September 2022 broken down by month and the associated financial losses.

2021-2022		
Month	Report Volume	Financial Loss
Oct-21	808	£15,623,715
Nov-21	815	£16,662,324
Dec-21	783	£15,661,991
Jan-22	1,040	£19,158,977
Feb-22	900	£15,225,636
Mar-22	936	£37,698,663
Apr-22	892	£12,908,057
May-22	911	£33,024,379
Jun-22	802	£12,713,677
Jul-22	720	£15,769,822
Aug-22	754	£14,156,296
Sep-22	669	£17,426,280
<b>Total</b>	<b>10,030</b>	<b>£226,029,818</b>

## Caveats

- Action Fraud is a self-reporting tool; information provided within Action Fraud reports may not have been verified by law enforcement or interrogated for authenticity or accuracy and may be subject to discrepancies.
- There is no formal agreement with Scotland to report to Action Fraud and Action Fraud data is not a full representation of the level of fraud in Scotland. Police Scotland remain responsible for the gathering and enforcement of fraudulent activity affecting Scottish victims.
- Underreporting to Action Fraud may affect the extent and loss, as it may not be a true value of the fraud that is occurring nationally. Action Fraud is based on victim reporting and reports have not been verified.
- The Action Fraud reporting system is a live reporting system. Reports can be updated by the reporting person or other administrators as necessary; loss amounts, details and fraud classifications can change on occasion throughout the life of a report. For consistency, and to enable an accurate temporal dataset for reporting volumes, the original version of a report has been extracted from the system for use in this dataset. This dataset is accurate as of the time it was extracted.
- The inclusion of the relevant reports is reliant on the information provided in the 'Additional Information' section of the report provided by the reporting person. Only those containing the specific search terms identified above within the body of the report are included; any reports that contain misspellings or differing formats of the defined keywords will not have been captured.
- Whilst defined keywords have been used to identify reports relating to cryptocurrency and NFTs, it is possible that the resulting data set from this methodology may include some reports that do not relate directly to cryptocurrency and NFTs. If fraud reports have been recorded using other terminology or spelling than the defined search terms used, then it is possible that some reports relating to cryptocurrency and NFT fraud may not have been captured.
- Reports have been captured by date of initial reporting to Action Fraud. This date is consistently used across NFIB data analysis, as it is a consistently populated data field, and is automatically generated by the system. Any other date fields are liable to inaccurate data entry, or of not being populated at all by the reporting person.