

FOI2021/00007 Freedom of Information Request - Investment Fraud

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Introduction

A Freedom of Information (FOI) request FOI2021/00007 was received by the National Fraud Intelligence Bureau (NFIB) regarding volumes of investment scams reported to Action Fraud.

The following figures have been requested:

- Statistics on the number of investment scams reported to Action Fraud in the last five years, broken down by year and by type of investment opportunity (e.g. cryptocurrency, foreign exchange etc).
- Statistics on the number of forex scams reported to Action Fraud over the last five years, broken down by year, for both crime and information reports.
- Statistics on the amount of money reportedly lost to forex frauds reported to Action Frauds in the last five years, broken down by year.

Methodology

Statistics were derived from analysis of Action Fraud crime and information reports classified as investment frauds. Note that reporting is categorised under the following 9 Home Office Crime Codes (HOCC) to show the type of fraud that has been reported. An explanation of each Home Office Crime Code can be found online.¹

- 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

¹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/881505/count-fraud-apr2-2020.pdf

Reports pertaining to Forex scams could be identified from all reporting through use of relevant keywords commonly appearing in such frauds.

Results

Table 1 confirms the number of crime and information reports pertaining to investment frauds made to Action Fraud between 01/01/2015 and 31/12/2020, broken down by Home Office Crime Code.

HOCC	Report Volume					
	2015	2016	2017	2018	2019	2020
NFIB1E	1251	877	1259	1184	1699	1891
NFIB2A	2589	1219	327	1133	3951	5880
NFIB2B	416	175	218	563	1723	1988
NFIB2C	85	61	45	52	5	3
NFIB2D	442	237	203	177	685	81
NFIB2E	3237	3785	4475	6486	9209	10863
NFIB16A	35	10	7	12	2	0
NFIB16B	259	177	220	184	125	123
NFIB16C	1059	360	182	161	297	545
Grand Total	9373	6901	6936	9952	17696	21374

Table 2 provides a breakdown of both cryptocurrency and forex related scams within investment fraud reporting broken down by year. The table also provides the percentage that cryptocurrency and forex related scams represents within investment fraud.

Year	Volume			
	Cryptocurrency	Forex	Forex & Cryptocurrency Reporting Combined	Overall percentage of Investment Fraud Reporting per year
2015	220	170	390	4.2%
2016	249	78	327	4.7%
2017	534	145	679	9.8%
2018	1974	197	2171	21.8%
2019	3651	624	4275	24.2%
2020	5758	1008	6766	31.7%
Grand Total	12386	2222	14608	20.2%

Table 3 confirms the total value of these scams across all reports, broken down by year.

Year	Volume		
	Cryptocurrency	Forex	Total
2015	£7,853,328	£5,971,734	£13,825,062
2016	£6,796,155	£2,658,460	£9,454,615
2017	£13,996,445	£5,420,332	£19,416,777
2018	£30,638,410	£7,281,828	£37,920,238
2019	£82,822,345	£14,768,898	£97,591,243
2020	£118,101,927	£14,682,739	£132,784,666
Grand Total	£260,208,610	£50,783,991	£310,992,601

Caveats

- Action Fraud reporting 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. Police Scotland remain responsible for the gathering and enforcement of fraudulent activity affecting Scottish victims.
- Underreporting to Action Fraud and omissions of data when reporting to Action Fraud may affect the extent and quality of reporting and may not be a true reflection of the fraud that is occurring nationally.
- Losses reported by victims may be inclusive of the profits alleged to have been made via investments; as such these figures may not accurately reflect individuals' actual loss.
- Both Crime and Information Reports made to Action Fraud between 01/01/2015 - 31/12/2020 have been included within these figures. It is not possible to differentiate Crime and Information reports dating prior to October 2018 as this data has been ported from a legacy system.
- When compiling the value of Forex investment frauds, all reports above a threshold of £1,000,000 were reviewed manually to confirm veracity and accuracy. Declared losses not substantiated within the report were omitted from the results; 25 such instances were found and disregarded when tabulating total losses. Totals were rounded up to the nearest pound sterling.