



Insurance  
Fraud  
Bureau

Insurance Fraud and Technology  
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# Learning Points

- Introduction to the IFB
- The use of technology in counter fraud
- The use of technology by fraudsters
- Considerations about technology in counter fraud



# Introduction to the IFB

# Introduction to the IFB

Who we are?



- Established in 2006 as an industry response to organised insurance fraud
- Over 98% of the general insurance market are IFB members, in addition to brokers, aggregators, solicitors and investigation firms
- Based in London and Milton Keynes
- Work closely with Law Enforcement to disrupt organised insurance fraudsters
- Will also assist with insurers to implement front end strategies to prevent and detect fraud

2006 – IFB  
formed  
NetReveal  
created

2008 – Go  
Compare  
receives  
BIBA  
accreditation

2010 -  
Instagram  
founded

2012 –  
Instagram  
purchased for  
\$1 Billion

2007 – First  
iPhone  
released

2009 –  
WhatsApp  
founded

2011 – Social  
media plays  
significant  
role in Arab  
Spring

2013 –  
Amazon  
plan  
delivery by  
drones

2015 –  
Tesla test  
self-driving  
car

2017 –  
Bitcoin  
booms

2019 –  
Kennedys  
launch  
virtual  
defence  
lawyer

2014 –  
Google  
announces  
autonomous  
car  
production

2016 – IFB  
NetReveal  
Upgrade

2018 –  
IFiHub  
launched

2020 –  
EncroChat  
decrypted

# The use of technology in counter fraud

# The IFB and Technology

IFB NetReveal

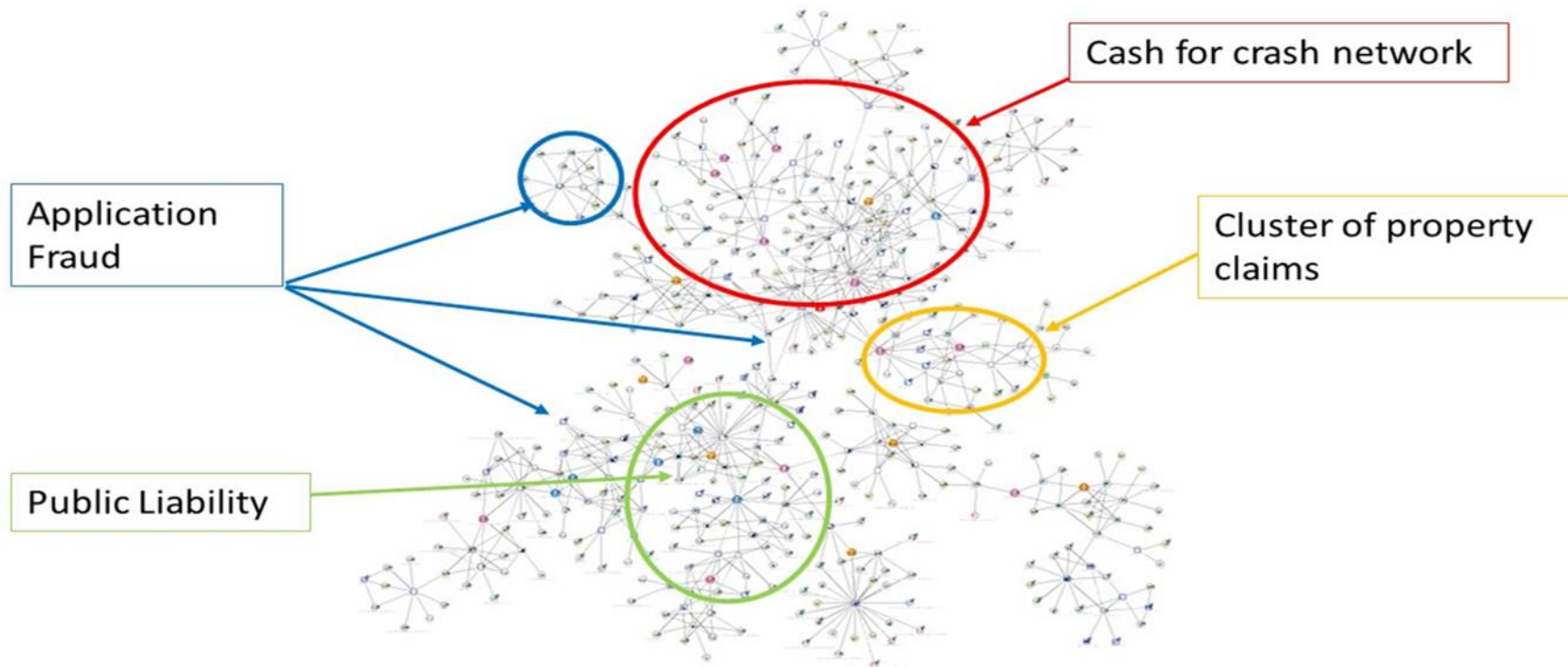


- NetReveal has over 150m entities
- Composed of five datasets
  - MIAFTR
  - MID
  - CUE Motor
  - CUE PI
  - CUE Home
- Supplemented by IFB intelligence
- Creates entities from data to create networks of suspicious activity



# The IFB and Technology

IFB NetReveal



# The IFB and Technology

Insurance Fraud Intelligence Hub



- IFB intelligence platform
- Collaborative project with SAS
- Allows IFB customers to directly load and access intelligence
- Collates suspicious intelligence in relation to all types of insurance fraud
- IFB will use intelligence to produce problem/subject profiles and to direct investigations



# The IFB and Technology

## The Insurance Fraud Register



- IFB managed database to record instances of confirmed insurance fraud
- Covers all insurance product lines
- Only proven cases of fraud linked to individuals can be loaded
- Helps identify networks within NetReveal
- Due to be incorporated into IFiHub



# Additional Counter Fraud Technology

- IFB commissioned research into behavioural science
- Device ID technology can link fraudsters across sectors
- Increasing research into AI use in counter fraud technology
  - University of Manchester's Decision and Cognitive Sciences Research Centre
- University of Portsmouth's Centre for Counter Fraud Studies

# The use of technology by fraudster

# Technology and Fraud

“A scam artist is committing malpractice if he’s not using the Internet.”  
*(Danner 2000 cited in Langenderfer and Shrimp 2001: 764)*

# Technology and fraud

- The internet has made fraud a global business
  - 1.1 billion internet users in 2006
  - 2.5 billion in 2011
  - 4.6 billion in 2021
- Allows for the globalisation and industrialisation of fraud
- Facilitates secure communication between fraudsters
- Technology provides opportunities for fraudsters
  - Can use technology to commit the offence of fraud in ways never previously possible
  - But also have to adapt to exploit the opportunities to commit fraud

# Technology and Fraud

## The Dark Web

### The Dark Web

- Part of the internet that requires specific software to logon to
- Provides a market place from criminality
  - See Silk Road <https://www.investopedia.com/tech/ross-ulbricht-dark-net-pirate/>
- Difficult to identify suspects
- Data from hacking/theft/loss regularly shared
- <https://www.privacyaffairs.com/dark-web-price-index-2021/>
  - Hacked Facebook Account \$45
  - 2.4 Million Canadian emails \$10
  - UK credit card details \$20



# Technology and Fraud

But it doesn't need to be that complicated...

- Fraudsters will quite easily exploit the surface web
- Personal details openly available on social media
- Open approaches to employees to steal data
- Ad-spoofing can mislead members of the public
- Phishing emails and text
- Fraudster exploit technologies individuals use on a day to day

# Ghostbrokers

Then vs Now

## Circa 2014

Kab Insure

- Limited Company
- Office trading address
- Company website
- Abuse of motor trade policies
- Suspects directly linked to business and policy inception



## 2020

“The Instagram Broker”

- Advertises on social media
- Not referred to by actual name
- Obtains cheaper premiums through quote manipulation
- Will receive “admin fee” for organising quote
- Policy incepted using policyholders contact and financial details

Legit Insurance Broker 🏠 🗑️

Insurance Broker

Let us save you money, time and stress 💰 Making car insurance affordable, Cheap car insurance 🚗 🏠 DM us today for a free quote! Low admin fee

# Claims Fraud

Then vs Now

## The traditional view

- Crash for Cash
- Opportunistic fraud
- Fraudster exploiting some form of real world loss
- Conscious participation in fraud
- Multiple lines of enquiry
- Financial cost can be significant and can put lives at risk
- Operation Dino - 150 convictions

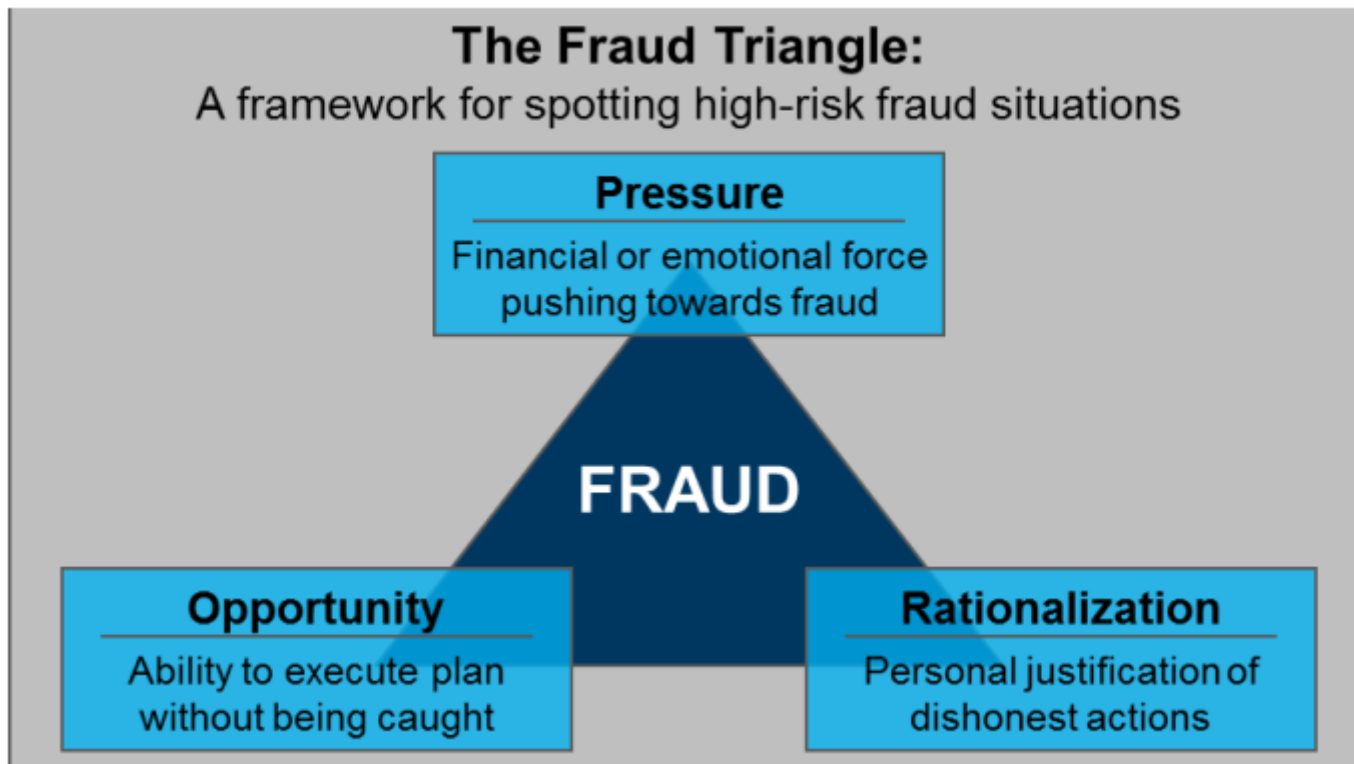
## Evolution of claims fraud

- Data is a valuable commodity
- Data bought and sold
- Claims can be submitted without individuals knowledge
- Can be used to exploit genuine claims
- Limited lines of enquiry
- Financial cost after the event and low risk to public
- May operate as part of a network but difficult to prove
- <https://ico.org.uk/action-weve-taken/enforcement/kim-doyle-and-william-shaw/>

# Considerations about technology in counter fraud.

# Applying technology to the fraud problem

Cressey's Fraud Triangle



# Applying technology to the fraud problem


Where to start?

- Understand the nature of your fraud risk
  - The solution should fit the problem not vice versa
- Understand fraud rules
  - Inductive v deductive reasoning
- Understand the limitations of data
- Does the technology feed into the future counter fraud strategy
- Technology is a tool in counter fraud not a silver bullet

# Technology in fraud investigations

- Various tools available that can bring together various data sources
- Technology can assist in fraud investigations, but what are you using it for?
- Intelligence
  - Can help highlight risks or lines of enquiry
  - But will need to be disclosed if used as evidence
- Evidence
  - Criminal vs Civil burden of proof
  - Potentially risks disclosing how technology is used
  - Requires a human to present evidence

# Thank you

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