CCTA SUMMIT

SUMMER 2024

11
JUL
2024

Welcome

Jason Wassell, Chief Executive, CCTA

Fraudscape 2024: Current threat landscape and key challenges

Duncan McLellan, Senior Fraud Intelligence Analyst, Cifas

Consumer Duty update

Naveed Asif, Head of Policy & Advice, CCTA

Consumer Duty panel

- Mike Deans, Managing Director, Borderway Finance
- Geoff Schwarz, Company Director, Mutual

CCTA update

Jason Wassell, Chief Executive, CCTA

Summer Summit
Welcome

Jason Wassell

Chief Executive, CCTA

CONSUMER CREDIT
TRADE ASSOCIATION

Fraudscape 2024:

Current threat landscape and key challenges

Duncan McLellan

Senior Fraud Intelligence Analyst, Cifas

CONSUMER CREDIT TRADE ASSOCIATION

Fighting Economic Crime Together

Cifas Intel Update

- Cifas SIA 2024
- OFIG
- New Intel Service

Cifas Intelligence Team

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SIA/Fraudscape – Overview

Aim: Intel & NFD analysis to support members/partners & inform Cifas' business plan… & Fraudscape

Collection Plan

Intel Req – **40 x** member/LE responses

150 fraud threats, **32** OFIGs, Cifas depts, open source.

NFD – Case types, sectors, filing reasons, products demographics, docs, nationalities

Topical Issues

- **Generative AI**
- **False docs Synthetic IDs**
- **Cost of living**
- **Tool kits**
- **Cyber threats**
- **Fraud behaviours**

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Key Findings & Future Risks

9% following surge in 2022
1 x NFD case every 2mins!

ID fraud accounts for 64%
Biggest risk & concern for members

+14% facility takeover
+59% from Telco sector.

MOF (+5%)– 2nd biggest case type (21%) Evasion of payment, rise in U18 mules

- Identity fraud & false documents
- AI enabled ID fraud and scams
- Social media – cross cutting enabler e.g. LinkedIn
- Spoofing & brand impersonations
- Education & vulnerable/susceptible customers
- “Hot data” – voices, online retail, telco accounts
- First party fraud behaviours

Future Risks & Aligning Cifas

“innys”

Repeat victimisation

HQ synthetic IDs

Generative AI

Fraudster awareness

COL scams (rental/jobs)

‘New look’ mules

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Sector Breakdown (2023 vs 2024)…

+3%

Asset Finance

- Increase centred on theft/disposal of assets and evasion of payment
- Identity fraud accounts for 58% of filings
- 19% relate to false applications - focused on altered docs & undisclosed info
- Breach of contracts, high quality fake docs and cases of intimidation from OCGs

+3%

Loans

- Spikes in evasion of payment & no intention to pay from outset
- Altered documents now account for a higher proportion
- Disputing loan applications linked to historic investment scams and claims of coercion.

-5%

Plastic Cards

- Despite overall decline, facility takeover on personal credit cards rose +36%
- Misuse of facility increased against personal credit cards
- Intelligence gaps around the scale of muling activity against these products

-19%

Online retail

- Third most impacted sector (accounts for 10% of filings in 2023)
- 2nd most impacted sector for facility takeover
- Increase in young individuals (U21s) impersonated for retail products
- High demand for compromised accounts being sold on forums

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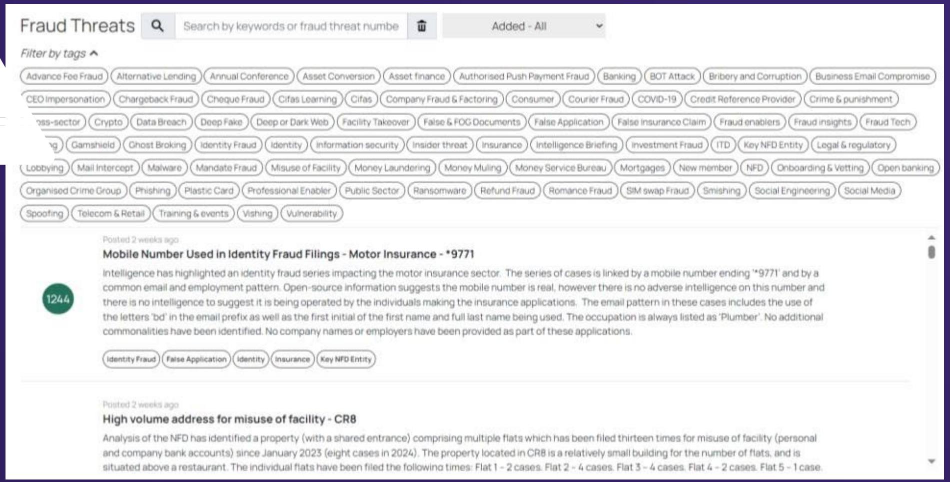
NOT FOR WIDER CIRCULATION WITHOUT CONSENT

Intel Outputs & Engagement - 2023

24 x OFIGs - 150 organisations (incl LE)

Public Private Working Groups & Sector Intel Cells



220 Intel alerts

Strategic Mos and NFD tactical intel

Strategic Publications/Threat Assessments

LE Requests

Supported **152** LE investigations

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OFIG – Organised Fraud Intelligence Group

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The UK's Fraud Prevention Community

OFIG

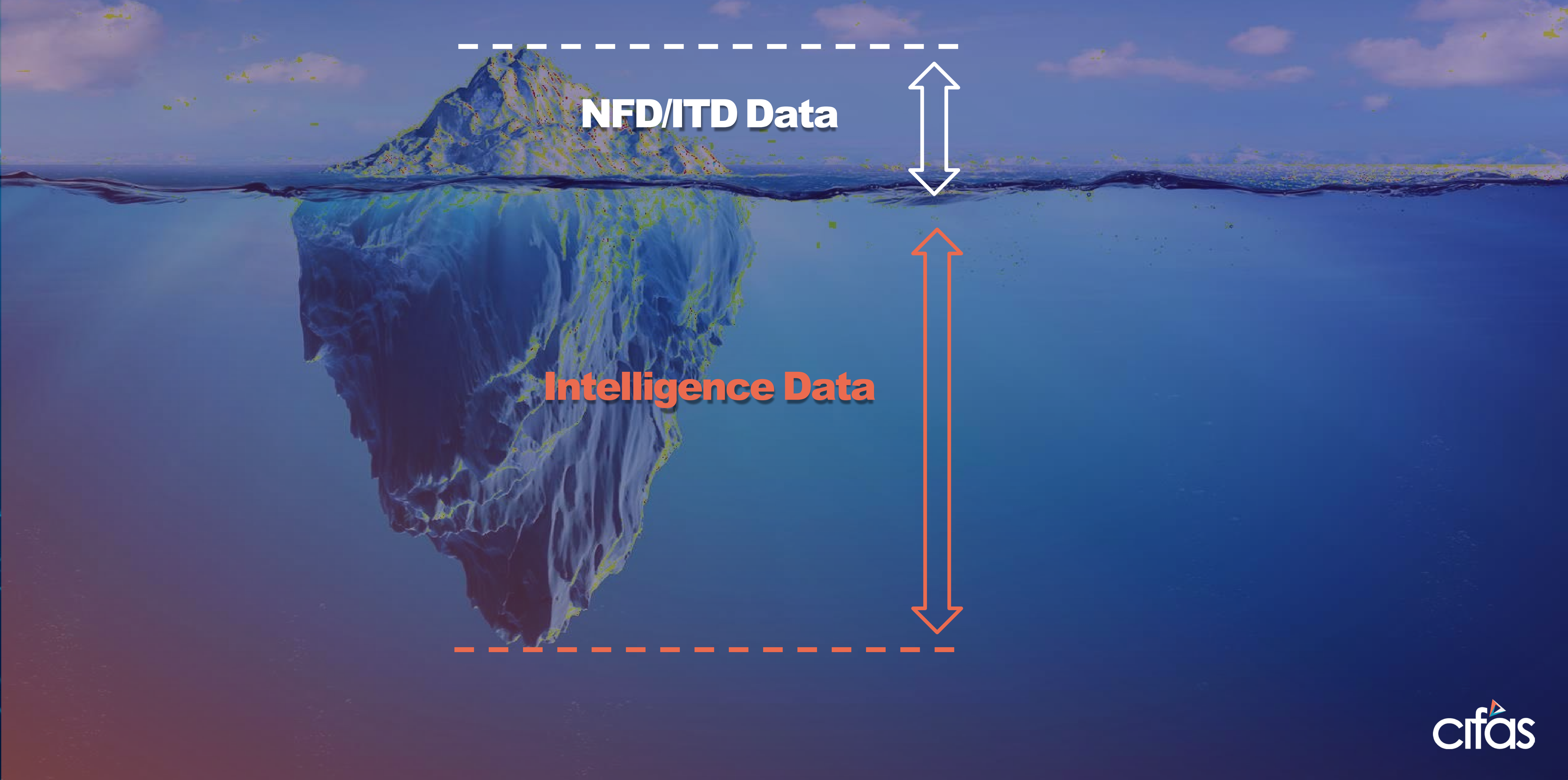
Organised Fraud and Intelligence Group

- An essential forum for organisations to share fraud threats, intelligence and vulnerabilities across sectors
- Exchange best practice to combat the latest fraud methods and tactics with investigation and intelligence professionals
- Bridge intelligence gaps and collaborate across the fraud prevention community

- 8 x regional meetings (currently virtual)
- 3 x per year (Feb, June and September)
- Chaired & governed by OFIG committee

Cifas Intelligence Service...

Cifas Intelligence Service



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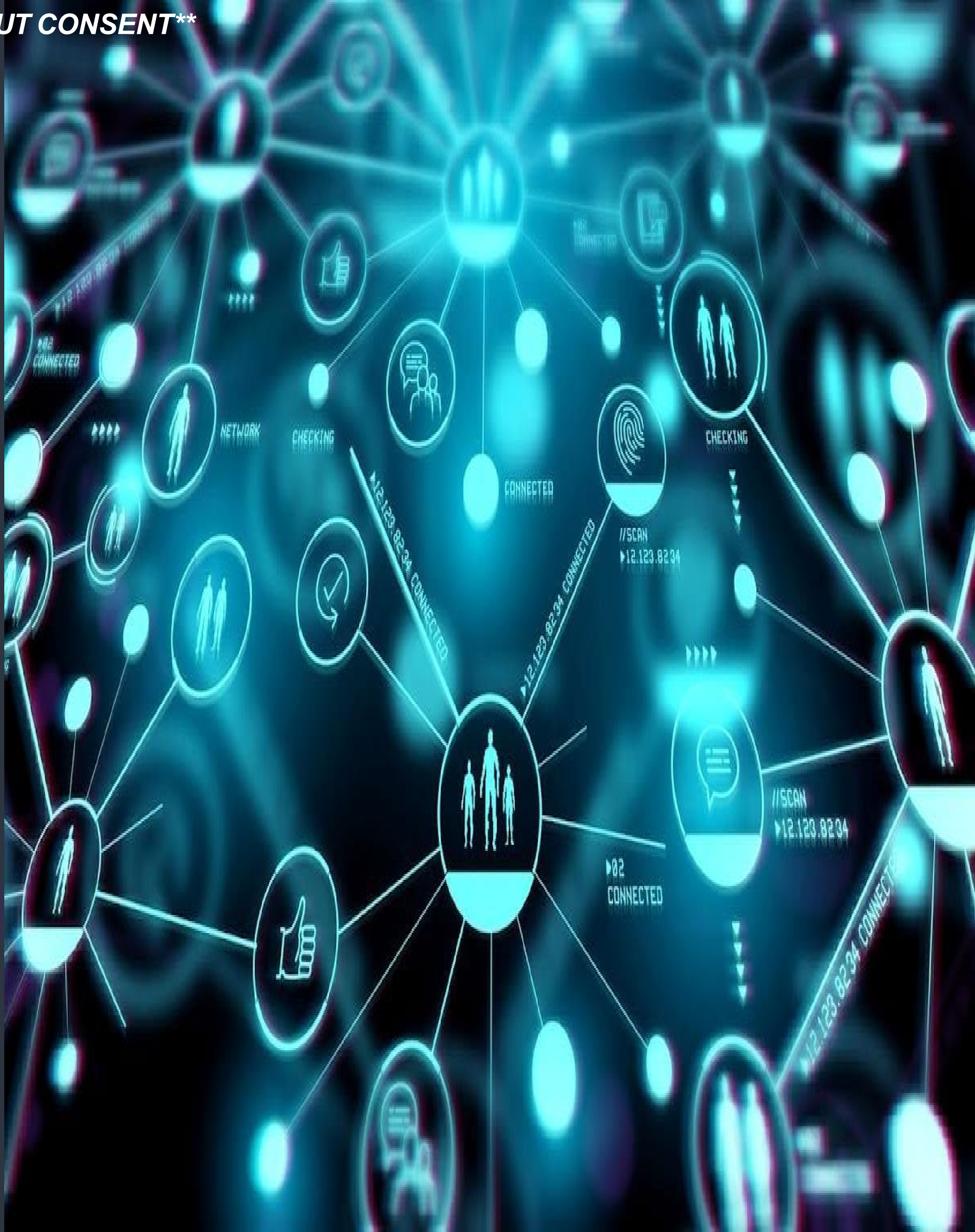
The Intel Service

- A framework for the sharing of suspect economic crime data & intelligence outside of NFD.
- Provide members with actionable entity level intelligence to fight more fraud.
- Create a suite of data & intelligence products for a targeted approach to tackling fraud in different sectors.
- Develop the technology to safeguard data and reduce risk.
- Build our data analytics capability for the future.



Any Questions?

Fighting Economic Crime Together

- OFIG@cifas.org.uk - All OFIG enquiries
- intel@cifas.org.uk – All intelligence enquiries
- policeliaison@cifas.org.uk - Police liaison requests

Consumer Duty:
CCTA Update

Naveed Asif

Head of Policy & Advice, CCTA

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CONSUMER CREDIT
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Consumer Duty
Panel

Mike Deans

Managing Director, Borderway Finance

Geoff Schwarz

Company Director, Mutual

CCTA Update:

Post-election update
Regulator discussions
Member matters

Jason Wassell

Chief Executive, CCTA

Lucy Donovan

Head of Communications, CCTA

CONSUMER CREDIT TRADE ASSOCIATION

1. Access to credit

- Pressure builds further – another Fair4All piece
- One of our core missions has been access to credit
- Labour will focus on Financial Inclusion

Working with the FCA

- Discussions with Roma Pearson and Martha Stokes of the FCA
- A more positive narrative from the FCA?
- The importance of different types of lenders – Shape is important

2. CCTA Political Update

General election result:

- Labour majority of 170
- But small vote share for governing party
- Bad result for Conservatives, upcoming leadership election
- Small parties did well

New Government appointments

- Rachel Reeves MP appointed Chancellor
- Tulip Siddiq MP appointed Economic Secretary and City Minister
- Jonathan Reynolds becomes SoS Business and Trade

Labour priorities for Government

- Little said during campaign and within manifesto
- Financing Growth publication

- **What do we know?**
- Support for Credit Unions
- Commitment to a national financial inclusion strategy
- Fair Banking Act?
- Action on BNPL?

New Parliament

- Opening of Parliament & King's Speech will take place on the 17th July
- Following this Select Committee Chairs will be allocated and the election of members will follow
- Will see if some Committees resume previous inquiries – such as House of Lords Financial Services Regulation Committee

3. FOS and CMC charging

- Regular discussions with FOS – including Industry Steering Group
- The issue of CMCs has been of concern
- Change in the law opened an opportunity

Consultation – CCTA responds

- **Full fairness is a £650 fee**
  - Most CCTA members and UK Finance

- **Partially fair would be the loser paying more**
  - Why should lenders always pay more?
  - £450 and £200

- Charge CMCs at the beginning of the process

- Watch out for Legal Firms breaking the charging cap

Consultation closed:
The discussion continues

- 22 Firms used the consultation tool, and another 3-4 went directly
- Still needs a last parliamentary debate on the secondary legislation
- October 1st implementation?

SRA moves to cap charges

- Solicitors Regulation Authority looking to introduce a charging cap – end of July
- Closes down a move across jurisdictions to avoid regulation
- Consumer Redress Association aiming to Judicial Review the decision
- The 3-month deadline is closing fast

4. Motor finance

- Significant public coverage – Martin Lewis is still talking
- The focus is on variable commission rates or discretionary commissions
- FCA placed this issue on hold by freezing time limits
- CCTA members have expressed more interest in disclosure issues

Consequences

- Discussions about transparency
- Discussions about confidence in motor finance
- Discussions about future regulatory intervention

5. Credit Information Market Study

- Credit Information Market Study
- Industry Governance – creating a new regulatory body
- Board of directors – Mix of independent directors and nominated directors
- Funded by firms
- Other remedies are on hold

Any questions?