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LEGISLATION TACKLES ON LINE FRAUD

UK firms should be able to report online fraud more easily in future, thanks to legislation that came into force this month that makes financial institutions the first point of contact for any fraud reporting.

The new rules have been introduced to streamline the reporting and investigation of these crimes, according to Sandra Quinn of the UK payments association, Apacs.

The legislation requiring firms to report online fraud to banks rather than the police follows a shift in the way the police tackle computer crime, which has been widely criticised by business leaders. In April last year, the National Hi-Tech Crime Unit (NHTCU) was subsumed into the newly formed Serious Organised Crime Agency (Soca) and responsibility for investigating online crime was passed down to the regional police forces. The move caused many firms to question whether sufficient resources would be devoted to fighting e-crime.

"Soca doesn't seem to be as public-facing as the NHTCU was," said Quinn. "This [new legislation] will be a way of filling that gap. Each police force will now have someone responsible for liaising with the banking industry."

Under the new rules, banks will decide whether to report an incidence of fraud to the police, depending on the amount lost and whether the fraud appears to have been committed by the same perpetrator as related crimes.

"The difficulty has always been that various regional police forces have different priorities," said Quinn. "There's a lack of awareness in law enforcement about this kind of fraud and we're looking at ways of bridging that gap too."

David Roberts, chief executive of blue-chip user group The Corporate IT Forum, said his organisation "welcomes any initiative that genuinely makes it harder for cyber criminals to attack businesses and makes it easier for consumers and corporates to report cyber crime".

Reporting online fraud was also on the agenda at last month's fourth Prove -ID forum for retail fraud managers hosted by 192.com Business Services.

"A common theme was that when retailers try to report fraud, it's a slow and arduous process," said 192's marketing director, David Pope. "Each police force has three strategic directives and fraud is not in the top three. A lot of retailers lamented the fact that the NHTCU's priorities have been realigned in Soca."

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