



In collaboration with **Digilog**, **Modern Insurance Magazine** presents its readers with three fraud roundtables. Taking place in: Manchester, Virtually and London. The three discussions aim to cover issues of fraudulent activity within the claims process, the evolution of fraud and how the pandemic has affected activity, as numbers begin to return to pre-COVID levels.

Fraud

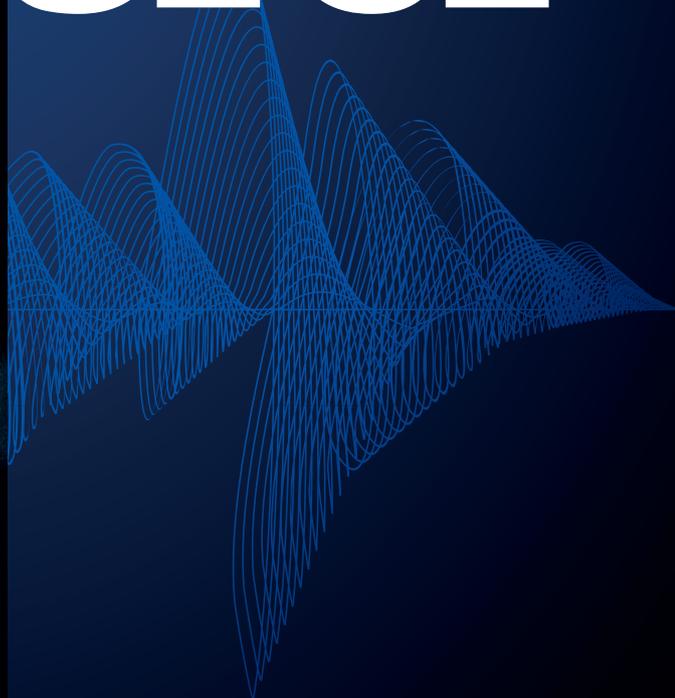
Roundtables:

After the upheavals of the last year or so, today's discussions are timely.

We have seen a general reduction in activity during the Covid-19 lockdown; however, over the past few months, things are starting to return to a near-normal. That said, a new challenge has presented itself in rising living costs, and insurance is still seen as an easy target for personal gain. These challenging times have created new opportunities for fraud.

In this discussion we will consider and discuss what fraud looks like now, what trends are emerging and how we can collectively fight fraud going forward, giving consideration to the use of technology.

Lior Koskas,
Chief Executive Officer, Digilog



Manchester Fraud Roundtables:

Thursday
3rd March 2022



Carl Mather,
Manager, UKGI Special Investigations Unit,
Aviva



Martin Stockdale,
Partner, Head of Fraud,
Kennedys



Steve Crystal,
Head of Claims Fraud, International,
Sedgwick



Sarah Glenn,
Commercial Director,
RGI Solutions



Claudia Mason,
Counter Fraud Manager,
Protector Forsikring ASA



Nick Jackson,
Partnerships Director,
CDL Software

The conversation starts in Manchester, where our first roundtable conference takes place. Chaired by Lior Koskas, CEO of Digilog, and attended by experts from across our industry, we discuss fraud in its current state. The discussion centres around spikes of fraudulent activity, implications of home-working, the need for collaboration, ghost broking, the human-machine relationship, and other topics.

Lior opens the discussion by looking at the reduction in levels of activity we saw throughout lockdown: what impact will this, and Covid-19, have had on insurers and providers when it comes to fraud and the world of claims?

We haven't seen much off the back of the pandemic yet "in the way of trends or spikes", starts Steve Crystal. This might be due to the government aid that was provided. Indeed, Steve believes that we are now headed towards the "perfect storm" – end of government support, end of Covid, spikes in electric and gas prices, all of which will result in people being forced to make bad choices and put in some suspicious claims.

Steve's points are met with general agreement. Claudia Mason, however, disagrees. She explains that a spike already exists; public liability and pothole claims are currently through the roof. A high number of motorcyclists claims were also submitted during lockdown. Claudia positions how difficult it has been to challenge these claims as insurers couldn't adhere to their "inspection regimes in inspecting highways".

It has been "a real boom" for fraudsters, agrees Martin Stockdale. He quotes a report from the DWP (from November 2021), reporting £8.3 billion worth of fraud and error loss as a result of benefits paid during the pandemic. The question to be asked in combatting fraud, for Martin, is where does the opportunity exist? Fraudsters move around the industry and the markets, preying on weak spots. We need to counter where their opportunity lays.

So, where does the opportunity exist? Going back to something Steve said, Martin looks at the different situations that lead to fraud. Knowledge of the process is one, but also "push factors like economic distress". An unemployed person who has a minor collision, given the current economic distress, is more "susceptible to committing fraud".

Harking back to a comment made by Martin, Lior says fraudsters tend to find a "soft spot" to exploit. And it is his belief that the government was not ready for this during the pandemic.

Steve agrees, "it was a gift" to fraudsters he says. He suspects that liability product is going to be targeted in this spike in claims. Many companies are being set up, with names such as 'COVID Claims'; Steve suspects that they're positioning themselves for a future of hordes of liability claims. And it's going to be difficult to challenge them, as how can you track if someone indeed got COVID due to a lack of PPE and their claim is legitimate? There's going to be a big opportunity for some people to commit fraud, concludes Steve.

Lior agrees we must brace ourselves for the incoming impact from fraudulent activity; he asks a follow-up question: "Where will we see the biggest spike in fraudulent activity in the coming months? Where will it decrease?"

Steve is first to answer, continuing on the point he was making about liability claims. These spikes won't just be key workers making a claim about PPE, he explains, "many were disaffected with their employers while home-working and will want to seek compensation on some front". The challenge will be in challenging claims of invisible injury, like an employee with a bad back due to working from home.

Nick Jackson believes that in the case of most insurance companies, general inflation rate impact is going to be one to cause concern. He believes as soon as rates increase, the rate of applications increases with it. It's "a softer side of things but it's still fraud".

Martin brings up an important point about using legacy fraud detection methods to new types of claims. He contends that there might be spikes that we don't even see because we continue to "look for the old thing rather than changing the ways we detect to look for the next thing".

Home-Working and Fraud

Referring back to a point made about home-working leading to liability claims, Lior turns the topic on its head and asks the table: "How did working from home impact your ability to fight fraud as an organisation?"

The response is mixed. Sarah explains that it didn't affect her organisation as they were used to hybrid-work. Whereas for Carl Mather, their whole operation was affected, including their front-end capabilities. He explains how difficult it is when you do not have people working alongside you off whom you can bounce ideas and suggests uncertainty and lack of confidence can make it easier to pay a claim than not to pay it and get into a challenge with the customer".

Steve chimes in next, disagreeing with Sarah and backing up Carl's point. Some businesses were definitely impacted. He explains how fraudsters knew that insurers had to be very customer-centric focused during the pandemic and that it would be "less challenging" to get claims through while everyone was home-working and isolated. And as Carl said, handlers found their ability to challenge a claim from home difficult, unable to ask for help on specific aspects.

Martin explains that there is also "an element of disassociation" when it comes to the new investigation processes undertaken. He talks of the importance in face-to-face conversations and the disconnection happening when you put a computer screen in between that interaction – "it creates an environment where it is easy to lie". Everyone seems to agree with this point.

Martin and Carl also make the point that "skills are being [...] eroded" due to the online shift. People cannot learn from working alongside more experienced workers anymore, "there is a two-year knowledge gap" says Martin.

Lior considers another big discussion happening in the industry post-Covid: "Post-pandemic it's hard to ignore how more and more organisations are choosing to stay online. What are the threats we face with moving online and having less face-to-face interaction with the customer?"

It worries Steve in terms of straight through processing of claims. If you're not ready for the technology, it can be a problem he says. Steve stresses how we must use data to help check the validity of claims, and that "human interpretation is absolutely vital". Don't underestimate the fraudsters, who can easily find a way to "beat the system".

On the opposite side of the argument, Martin looks at the "economist assessment" that needs to be made. He argues that if you are slowing down a claims process with human assessment, you are costing yourself more money in damages. For example, a family, victims of flooding, having their temporary accommodation stay prolonged ends up costing the insurer more money. It's benefit versus cost. He poses a question to his fellow experts: "how much fraud are we prepared to price in alongside these decisions?"

For Steve, the answer is straightforward: "it should be nil!". We should be tackling the fraud that exists rather than pricing its share in the decisions taken. Carl asks Steve, "how could it be nil?"

And Steve's opinion is that while you cannot ever cover it off completely, so it is nil, the goal should always be to reduce it. "Just think about the impact of fraud", he tells Carl.

Collaboration

The next question Lior poses to the table is: What are your views on the current counter-fraud measures available in the systems that we use?

Claudia believes that it is important to have a "consistent approach across the board" as fraudsters know which soft spots to strike – a unified approach stops this.

Steve expresses a level of uncertainty about the industry actually working together given everyone has their own approaches, but he agrees it ought to be the goal. That said, Steve agrees with Claudia's point, it is a legitimate threat we must recognise (even the FCA recognises and regulates it), so we must collaborate in order to create effective counter-fraud.

Carl points out that fraudsters are aware of how they can change and adapt to a situation, as well of being aware of how an insurance company "cannot just change their response as quickly", so we need to find within our current format how to be as agile as we can.

Ghost Broking

"What are we doing about Ghost Broking?", asks Lior, describing it as a topic that is said to be 'haunting' the industry.

Everyone around the table agrees with Claudia who says "it is a big concern, especially when you have so many teenagers getting caught up in it". It can be done from someone's bedroom and requires a different kind of intelligence in order to effectively fight it.

"It is haunting" says Steve, it strikes at the heart of what insurance is trying to do. It preys on the vulnerable. Many young people, who haven't yet had the experiences to know otherwise, are being targeted.

Claudia believes the way forward is education. Educating people against crimes like spoofing is essential. The issue is, however, that spoofing in the form of ads, for example, form part of lead generation, and they are easy to fall for if you don't know better. Sarah agrees with Claudia, but also points out the need for the government to give the topic more attention.

Carl argues that not enough effort is being put into fighting ghost broking as it is such a long process. The process is complex with hundreds of policies and not enough resources for investigation. It takes 12 to 18 months for an investigation, and then over 3 years for police to take the matter to court and be able to prove beyond unreasonable doubt.

Nick explains that there is technology to help detect where a device committing this kind of fraud is located, but it's not being used enough. Ghost broking is also going back to call centres, he explains, in order to avoid these kinds of detections.

Lior discusses the "if it's too good to be true, it probably isn't" rule, going back to Claudia's point about education. The attendees all agree, however, that if you're 17 or 18, life hasn't necessarily taught you this rule yet. A lot of young people get pulled into this fraudulent activity.

Physical versus Desktop Investigation

After the pandemic, we are reviewing claims through technology from home more often than on-site. Lior asks the table for the table's thoughts on the human element in fraud detection.

It is generally agreed that it needs to be a balance. The big things still need to be looked at.

"The world has changed", says Steve, and detection needs to be a combination of human and machine, a "partnership approach". As an industry, we should guarantee to screen every claim for fraud. That said, a lot can be done from the desk with technology but you need the right people to understand the right data that is needed and how to utilise it best.

For Carl, it is quite simple: "you need IQ and IT". Claudia shares the same sentiment, saying the two must go "hand in hand". She talks of how a computer might pick up the finer detail but intuition, or "gut feeling", is crucial when it comes to fraud detection.

Lior agrees, you can never replace human knowledge and experience. It's not just about using the right technology, it's about putting the right person, with the right knowledge and experience, behind the computer.

Virtual Fraud Roundtables:

Thursday
10th March 2022



Colin Mitchell,
Senior Partner,
MTB Solicitors



Steve Heywood,
Senior Sales Manager,
eviid



Neil Thomas,
Director of Investigative Services,
AX Innovation



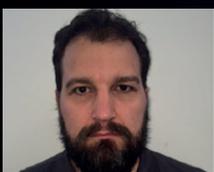
DCI Tom Hill,
Head of IFED (Insurance Fraud
Enforcement Dept) at City of London Police



Adele Summer,
Head of Counter Fraud and Financial
Crime,
RSA



Faye Fishlock,
Head of Defendant Services,
Carpenters Group



Phil Mairs,
Head of Fraud and Business Support
Services, EDAM Group



Nick Edge,
Head of Fraud Technology,
Likewise

The conversations continued during a virtual roundtable conference once again chaired by Digilog CEO, Lior Koskas, around the topic of new opportunities for fraud in the current climate. Covid has impacted household insurance businesses and individuals alike, and fraud is now in full capacity. This conversation covers topics such as premeditation and opportunistic fraud, education, human versus machine, ghost broking, Credit Hire companies, desktop investigations, and other pertinent topics.

Lior opens the conversation, asking the table: “Are we expecting to see a spike in fraudulent claims post-pandemic, and as a result of the rising cost of living?”

Colin Mitchell agrees that there’s an increase in personal injury claims, and in road traffic accidents. He explains that in a time of economic distress, it is common to see such spikes. Colin also broaches the important topic of our definition of ‘fraud’ – are we looking at people going out of their way to take money from insurance companies, or are we looking at people renewing policies without proper due diligence and committing a crime in the process? He suspects that lack of oversight in the past two years has given rise to the latter.

Steve Heywood resounds Colin’s point, adding that home-working claims have become a big part of personal injury claims. They focus on push-back from the shift to home-working, whether that be mental health isolation-type claims or physical injury due to a lack of proper equipment. These have been caused by oversights over the past years, and they’re difficult claims to challenge.

Lior asks Faye Fishlock whether opportunistic claims are now becoming a trend. Faye believes it is too soon to tell. She mentions the “very fine line” between fraud and exaggeration. For example, adding your iPhone was destroyed in a car accident claim – is that exaggeration or fraud?

Neil Thomas disagrees with the claim of spikes coming post-Covid. While there was a decrease in vehicle-born insurance scams (crash for cash, etc.) during lockdown, there was a spike in I.D. theft, specifically targeting vehicles. People are using innocent motorists’ insurance policy details with the specific objective of stealing hire cars. Neil focuses particularly on “crash for ready cash” schemes, targeting young drivers for their high premiums and high excesses. Adele Summer finalises Neil’s argument, pointing out how “agile” fraudsters are and how the industry needs to find a way to keep up. What she suggests is, going back to the “brilliant basics”, looking at what fraudsters are doing and building from that.

Colin, referring back to a previous point made, warns that “exaggeration is a term you need to be careful with”. He explains the difference, in a court of law, between loss of credibility and dishonesty versus fraud. Exaggeration doesn’t always fall in the latter.

Education

Insurers have the budget to put tools in place for processes and systems, but what about the individuals working within the business? Lior asks the table for their opinion on making sure that staff have the right tools, not just in terms of technology but also in training.

“It must be part of that company-wide requirement”, answers Steve. Fraud detection needs to be part of the start of a process, not the end, and that means training all of your people. With technology, explains Steve, people tend to become lax, not as alert to fraudulent activity. Therefore “upfront” training is a must, so that fraud can be “verified at source”.

Adele points to an important consideration when it comes to training: you must keep recruits engaged, with speed and relevance. “The best way to get people interested in fraud is to tell them about fraudsters”, explains Adele, recruits must be trained for the fraudsters of today not yesterday. It’s not just about induction training either, it is about “continually updating people” on new methods of fraud.

Human Expertise

Using technology in isolation or using experience in isolation does not work. Combatting fraud means a combination of the two. There’s been a strong focus for insurers to develop technological tools, but “the human element has to be part of it, a solution of a solution”. Lior asks the table for their opinion on the human involvement within the technological advancement we are seeing.

Neil believes that we simply cannot do without technology nowadays; however, it is about creating that “culture” where the technology works for you. There should be no hesitation in finding the right technology that works for you. Lior agrees. He also points out that the right investment in technology isn’t just for the sake of counter-fraud, but also to enhance the customer journey, like fast-tracking claims for customers in desperate need.

“Rubbish in, rubbish out”, starts Steve, “there’s a limit to the uses of AI”. If the data being inputted isn’t correct then you’re not going to have good results. You must combine human expertise with AI, they must assist each other with the human verifying the data and the machine taking care of the results.

Colin agrees wholeheartedly with what’s been said, making the point that “it is much easier to lie to a machine”. A human element overlooking the process helps reduce the number of opportunistic fraudsters.

Home-Working

Referring to the previous roundtable, Lior recounts the attendees’ experience with home-working and the difficulty of detecting fraud sufficiently. Some claims were fast-tracked due to lack of resources, lack of aid from colleagues and to avoid prolonging cases with further challenges from the customer. The question Lior poses to this cohort is: “Did you have the same experience?”.

In Phil Mairs’ case, there was definitely a reduction in the number of fraud referrals during the pandemic. He suggests it was probably due to the same reasons the other group mentions. He also points out “the risk of internal data theft” throughout this time, since people weren’t being supervised. Tom Hill nods in agreement to this comment, adding that the IFED has seen around a “100% increase in data theft referrals over the past year”.

Adele makes the interesting point that the sense of ‘we’re all in this together’ during lockdown might also have led many to be more relaxed and not look as intently at potential fraudulent claims.

Lior agrees with Adele, and looking at another issue of online work, he asks: Should more attention be given to the impact that the industry’s quick virtual shift has had/will have on fraudulent activity?

Faye explains how that is dependent on what is being done online, how “frictionless” a company’s process is. You cannot have a blanket answer to this issue, it depends on what system is being used, how it was built, and how secure it is.

Nick Edge explains that in the gadget world they’ve seen a massive spike: “In May 2021 we were averaging 10,000 claims a month, now it’s 22,000 claims a month”. He saw this transition as working from home eased and people returned to the office. In Nick’s world, AI is important as a claims journey is a “50-50 split between logging a claim virtually or going via a contact centre”. However, when claims were being made online, he explains, they were accounting for 72% of their detected fraud. Their solution is that AI drives the fraud-triggered claims to a human route.

Ghost Broking

Lior discusses the current rise in ghost broking, with victims ranging from young drivers with high premiums, children too trusting of social media and with a lack of experience, to foreigners coming into the UK and looking for an insurer. He asks the room for their thoughts on solutions against ghost broking.

Tom explains that in the IFED, “23% of all referral at the moment are ghost broking”. It is their number one threat. It is a very challenging

and difficult crime to investigate, admits Tom, given claims of “complicity” argued for by the prosecution in these cases. The phrase “done with a nod and a wink” has been used.

Adele retorts with quite an opposing view, especially in regards to the phrase “ghost broking is haunting the industry”. Ghost broking has been around for many years, explains Adele, as have many other forms of insurance fraud; “it is just another nuance of fraud” that needs dealing with. Adele admits that ghost broking does need a different technology to combat, different means of tracking and more upfront validation of who customers are; however, we shouldn’t ask ‘Is there a solution?’. There is no one-way solution for ghost broking, we must continually look at our fraud responses and educate our staff to share new trends, then we can educate and innovate our fraud technologies and our responses/activities, believes Adele.

Credit Hire

Lior asks the table, “Should insurers put more pressure on credit hire organisations to put in place more fraud-deterrent technology?”.

“Credit Hire companies will never be on the same footing as insurance companies”, explains Colin, they simply don’t have enough resources (databases, underwriting information, claims history, etc.).

Lior agrees that there is a limit to what they can do, but asks if there are ways in which Credit Hire companies can improve.

Colin believes that Credit Hire companies are doing the best they can do, and the insurance industry should help in ways like sharing data.

Neil wholeheartedly agrees with Colin’s point. “It should be the Credit Hire industry and insurers against the fraudsters”, here should be no battle between us. He believes the answer is collaboration.

Small Items

Lior briefly refers back to something mentioned within the topic of exaggeration: the addition of small items into a claim. Is this a problem we need to think more about?

A fraud element is introduced when phones that never existed are being claimed for, explains Nick. However, in terms of the car insurance industry, the value of a claim is “prohibited by the policy wording”. For example, only a £500 limit is given for contents within the vehicle, which won’t cover an iPhone 13.

Adele discusses from a household insurance perspective, agreeing with Nick that there is opportunity for fraud. However, nowadays no one would be without their phone and claims tend to be “high volume, low value”. The important step is in the validation, explains Adele, “keeping track of the phone after the claim has been made”. That is when you sometimes find it’s being sold by the customer.

Physical versus Desktop Investigations

During the pandemic, we saw a shift online. “Are you doing more investigations from the office instead of in-person?”, asks Lior.

Tom explains that from a police perspective, investigations are more successful with physical examinations. Lior asks Tom if nowadays there are more preamble checks they’re able to do prior to physical investigation. Tom admits that indeed there are, and that it is a balance you need to strike between what can be done from a desk and on the field.

For Faye, it is all about what you are investigating. In the pandemic, a lot of companies invested greatly in digital methods, and with good results. It needs to be a combination and specific to the claim: “a desktop investigation on a low-value whiplash, but with a catastrophic injury, you need to be in person”.

“It’s all about balance”, concludes Lior. We can use technology to do more beforehand and make the eventual process easier. The benefit to this is better counter-fraud action, as well as an enhanced customer journey experience.

London Fraud Roundtables:

Wednesday
23rd March 2022



Chris Edwards,
COO, Digilog



Michael Lewis,
CEO, Claim Technology



Ben Robertson,
Managing Director, Robertson & Co.



Steve Heywood,
Senior Sales Manager, evidi



Mark Allen,
Manager, Fraud and Financial Crime, ABI



Sarah Hill,
Partner, Head of Fraud Practice Group and
Head of Office, Birmingham, BLM Law



Kevin Kingdon,
Fraud Manager, Commercial Property, Aviva



Matt Gilham,
Head of Fraud and Financial Crime, esure



Martyn Mathews,
Senior Director of Personal and Commercial
Lines, LexisNexis Risk Solutions Insurance U.K.
and Ireland



Harry Holdstock,
Partner, Financial Crime, PwC United Kingdom



Mark Gallagher,
Partner and Head of Property Fraud,
DAC Beachcroft

For our last fraud roundtable in collaboration with Digilog, Modern Insurance Magazine hosted a conference in London. Chairing it was Chris Edwards, COO of Digilog. The discussion aims to look at what fraud looked like pre-Covid, post-Covid and the various changes in the system for both the fraudster and the insurer.

Chris Edwards begins by describing technology as “not a silver bullet” for defeating fraud. There are different layers vital to counter-fraud: both technological and human. “Technology gives you points, people give you answers”, says Chris. His first question to the cohort is, “What has fraud looked like since Covid? What are the new trends?”

“I don’t see trends that are too different now than what they were pre-Covid”, answers Sarah Hill. There was displacement even before the pandemic, she explains, especially on the claims side of insurance. Sarah discusses the “massive spikes” seen in travel sickness claims around 2016-17, as one example. Covid has introduced some new trends but it hasn’t massively changed the landscape.

Ben Robertson agrees with Sarah, explaining similar trends he saw on the automotive side.

Matt Gillham nods in agreement with the two previous points, adding that there are “a number of factors at play”. He contemplates the “traditional view” that an increase in fraud rates correlates with recession, believing it is a falsifiable statement to make. He believes any metrics showing the key risk indicators around fraud and how they compare pre- and post-Covid are too skewed for comparison. As a result, it is hard to predict what the next threat will be as there are “too many moving parts”.

Michael Lewis believes that the way people are committing fraud has not changed. Ben agrees, “fraud is similar”, for him it’s in which part of the claim the financial exaggeration exists, that has changed.

For Mark Gallagher, “we’re always behind the curve”, trying to catch up with the fraudster. It’s a question of how close can you stay with them. Mark also differentiates between “organised” and “opportunistic” fraud; he believes we are now seeing more of “maximising claims”. While this opportunistic fraud is becoming more prevalent, Mark agrees with Sarah that it’s “nothing new”. More importantly, he asks around the table: “Where do you draw the line where exaggeration tips over into fraud?”

Sarah believes that we’re seeing more claimants being “vulnerable in the process”, as they don’t understand what they’re doing. The problem starts at the front-end, as people are coerced into making claims, she explains. What is vital is the industry must do more around education.

Matt agrees that we must support customers more; we must “maximise the customer journey and still be anti-fraud”. He discusses the maturity of the industry over the years, from the “old thinking” of you can either have a good customer journey or a good counter-fraud system, to the present day where the two co-exist.

Mark Allen asks his fellow experts: do you think that exploitation of the vulnerable customer, especially with Google Ad Spoofing starts at the roadside, at the outset of an accident?

Matt believes that is absolutely the case. He recalls a personal experience he had with a vehicle collision, where he Googled his insurer online and the first number was not actually his insurer’s. “These fraudsters are businessmen”, he explains, they know where to prey on the weak.

Harry Holdstock asks the table whether they are seeing a shift in fraud towards more of a commercial space instead of a personal line. Is the technology we use better tailored for a personal claim, leaving “gaps” for corporate entities?

“From a commercial property point of view, you’re spot on”, believes Kevin Kingdon. Commercial has been behind, given that crime gangs prefer to target personal lines, giving way to more direct investment there. Kevin understands there has now been a shift in focus, with the commercial arena starting to respond. Mark Allen agrees, noting how his organisation now has a group looking at commercial lines specifically.

Training

Having discussed what fraud look like post-Covid, Chris now considers what our counter-fraud strategies are. We need to think about the human element backing up the technology used. Chris asks the table: “Where does this human involvement start? Do we need to spend more time training staff?”

“There is definitely a need for handlers to understand fraud better”, starts Ben. Having software helps give them a “leg up” but constant training is important.

Martyn Mathews agrees, “prevention is always better”. He believes we should be investing more time in prevention at the front door rather than letting it get to a secondary stage.

Following on what’s been said, Chris asks whether we’re not investing in people because we don’t think they’ll be around long enough? He elaborates on the fact people often use insurance as a stepping stone to another sector.

Matt disagrees with Chris’ point of people wanting to leave insurance. He explains his experience with his team: they hold a monthly anonymous engagement survey, which has shown that people who work in fraud “really like working in fraud”. It’s true, he divulges, that some people want to move through but generally speaking, people want to work in fraud. In terms of training, Matt believes we have an “obligation”. The goal is to give the customer such a brilliant experience that they trust us, and doing this requires an “unbeatable platform”. This, in turn, requires the right technology, systems and data. They all come together to form a great process; however, that can’t happen without the “right people to make the decisions”. And that’s why training is so valuable.

Sarah agrees, echoing how “education raises awareness” and you must do that across the board.

Mark Allen believes we must do more to attract people to the industry, as it’s only once people start working in the industry do they see the strong impact insurance has on society.

Michael Lewis provides proof of this, recounting how hosting a summer placement for undergrads resulted in the employment of one student who went on to recently win the ‘Rising Star Award’ at the British Claims Awards. There are many who want to work in insurance, he explains, “we’ve got to make it an industry that attracts talent”.

Technology

Moving on from people to systems, Chris is intrigued to learn about the cohort’s opinion on the technology currently being used to counter fraud.

Michael discusses Fardoe Software whose decentralised “Blockfrauds” fraud bureau enables different market participants to securely save voice recordings or images to the blockchain and then see if the same individuals or similar images are being used on claims with other companies. He believes this will help people “detect fraud across boundaries”.

Chris mentions “layers of technology” that are now coming to the fore, which the industry is heavily investing in. He asks the table for their views on whether all of this tech is the way forward or whether companies can do more?

Steve Heywood believes that the way forward is “a different suite of solutions”. There is now an acceptance of digital media within the business, and we need to improve on that. We need to combine that media with human expertise to “prevent rather than cure”.

“The only constraint is really the imagination” is Michael’s belief. In order to make the customer journey great and deliver settlements in seconds, we must digitise our process and take out the human, explains Michael. However, you must integrate counter-fraud within that digital experience.

Martyn mentions the “connected car” technology, passing data directly from vehicles to insurer. A car won’t lie and this would help reduce fraud. Kevin, however, points out: “where does that personal data sharing start and stop?”. He agrees that this technology would make it very black and white, but it’s something that calls for an industry-wide debate.

Referring back to a previous point, Michael describes how frustrating it is to have clients wanting to automate their access data that is managed by the MIB. There are no APIs and “no real desire to open up data”. Michael believes we are doing ourselves a “great disservice” as an industry by not exposing data via API to help automate processes.

Matt believes that we must find a way of “aggregating data to make it cost effective” and that’s where the evolution will be. Disagreeing with Michael’s first point, Matt believes that the constraint isn’t imagination but finding a way of combining all our technologies to maximise value.

Speaking from experience with vendors across Europe, Harry describes the challenge as having the supply chain segregated, with data not always being accessible for all its possible uses. Furthermore, people with the correct skillset are not being positioned behind the right systems to use them in all their capabilities. This goes back to the previous point about training and how crucial it is to generate value.

Kevin agrees that we need to hit that sweet spot of the three pillars: “the human touch, the tech touch and the intelligence touch”.

Application Process

Chris Edwards now looks at online applications. Should we speak to the customers more at the front-end of the process to find out what they’re putting forward?

Martyn believes that our mission is to reduce our manual intervention through data sharing. He quotes results from a recent piece of research showing that two thirds of consumers are comfortable misrepresenting truths if they thought they’d get lower premiums. There’s a “disconnect” going on. Martyn agrees that we need better quality data used in the right ways at the point of quotation, which would in turn reduce the need for human intervention.

Michael describes the technology used by Wonga, which “transformed the banking industry”. The application process only had one question – “How much do you want to borrow?” – and the intelligence was behind the slider used. If the applicant pushed it to the right quickly, it meant they “weren’t really thinking about it”, whereas, if they slid it bit by bit to see if they could afford it, that person “was a good risk” to take.

Ben talks of the importance behind face-to-face investigation. People find it much easier to lie over the telephone but in person it’s “less natural” and people are too self-aware of their body language. Michael agrees. Even something as “low tech” as asking the claimant to send a video of themselves helps deter fraud, as people are less likely to lie if they’re watching themselves.

Mark Allen explains findings from work he’s done on behavioural science. Having one pop-up message show at an early stage, saying “did you know the insurance industry has a police unit?” reduces people’s propensity to lie “by a third”. Matt agrees that we must have a combination of “data science and behavioural science” at the stage process.

New Types of Claims

It is suggested that claims fraud will shift focus from whiplash injuries to property disrepair. Chris asks the others whether they’ve seen this as a growing trend.

Rather than whiplash, explains Steve, it’s more “staged accidents” that are becoming a trend and “the norm”, describing a particular incident involving two men who were traced to the same location in London.

Sarah believes that professional enablers are “moving into new arenas”, something that was even happening pre-Covid. However, “the industry has reacted really well”, she continues, as it is taking a hard stance.

Steve believes new personal injury claims coming in will be linked to home-working during the pandemic. Especially due to the isolation, stress, mental health, and possible breaches of the legislation requiring employers to provide employees with the “right work environment” at home.

E-Scooters

Shifting focus slightly, Chris explains how claim figures for e-scooter collisions are rising. There is a grey area around the categorisation of this vehicle, opening the door for potential fraud. Only scooters forming part of the government trial are insured for use on public roads, while private ones aren't. He asks the cohort what their views are.

Mark Allen is concerned over the scooters' use on private land. As only the government ones are insured, there's “potential to commit fraud”.

Mark Gallagher agrees that it's definitely something that will increase, and we'll get more police reports and data made available. However, he believes, “it's an issue but not necessarily one for insurers yet” as the insurance market isn't “stabilised” right now.

Sarah believes that the current scams around mopeds could be replicated with e-scooters. She explains that individuals are targeted when they're parked, their vehicle photographed and reported to the police as a collision where no details were exchanged. The claim for damage, which never took place, is then filed.

Desktop versus Field Investigations

There is a debate regarding field-based investigations versus desktop investigations. Many businesses now use desktop validation, and it is surely in the best interests of the claimant and the insurer to look to fast-track genuine claims, whilst maintaining a high level of risk analysis. Considering the technology available, Chris asks the attendees for their views.

“Remote investigations were an absolute godsend and we continue to utilise them going forwards in non-complex fraud and other types of investigation” but they are not without their limitations when investigating complex and organised fraud. Reiterating a previous point, Ben emphasises how it's “much easier to lie remotely”. Having someone talking to you face-to-face in your living room can't be beaten.

Chris agrees. He believes there is now a place for each, where certain claims can be reliant on just technology, while others need the human element.

“Let's not forget the customer”, says Matt. Another reason for preferring in-person investigation is the emotional support you can provide the client. “We must invest that time in the customer”, and that invested time is in the shape of sending someone over to listen and understand what the person has gone through.

Ben agrees, saying that's where a “good investigator will be”, showing empathy. He doesn't believe you could do this over a screen as it feels too “clinical”.

“I can't ever see a position where we are fully digital”, admits Kevin. He explains that for genuine claims, a higher reliance on technology makes sense, but for “orange or red” claims, the field side will always be important. “Ultimately, we're dealing with a very human piece, which is a lie. The best detection on that line is another human”, concludes Kevin, summarising the cohort's general opinion on the matter.

Chris agrees with what's been said. He concludes that the “tools and technology” are there to help the customer journey, but at the end of the day, the insurer must have a person behind that claim to see it through.

Conclusion

Across the three days, the debate went back and forth over the existence spikes in claims as a direct result of the pandemic. Many of the experts argued that with any period of recession come spikes of desperate or opportunistic attempts at fraudulent claims. Others argued that we've been seeing spikes for years and the pandemic hasn't had an ultra-direct effect. The issue of home-working was also discussed, looking at ways in which it might have affected claim journeys. Many were in agreement that it hindered the ability to detect fraud, given the lack of available resources and aid.

The entire cohort was also in agreement over the need for the insurance industry to invest further in education and training. The need to stop fraud at the front-end was echoed throughout the three discussions, and education at every level is a vital first step.

A key term over the three days was ‘collaboration’ – the need for the insurance industry to work more intensely as a unit in counter-fraud was a thought shared by all.

The strongest debate pertained to which kinds of technologies are best used against fraud. As well as, how extensive should the human element be when it comes to counter-fraud measures. No cohesive opinion was formulated on

this front, with some believing a reliance on technology yields better results (such as better customer experience), and others believing the human touch is indispensable and a combination is the answer.

E-Scooters and their ambivalent position in the industry were also discussed. They were a difficult subject to draw any conclusions on given their recent introduction to the street and the lack of legal guidance currently in place.

The attendees went back and forth over the issue of ghost broking, with some agreeing that it's an ever-increasing concern while others believe it is just as pertinent as other issues. However, one message did come through very clearly: we need better societal-wide education in place to help those vulnerable to spoofing and other crimes that fall under ‘ghost broking’.

While some topics reached a conclusion, and others didn't, these discussions were very successful in bringing different areas of the industry together to discuss a very important concern we must all share: our response to fraud. The diversity of thoughts showed how alive with ideas the industry is. This series of roundtables showed how collaboration, education and discussion are key in our fight.