

Fraudscape: The size of the fraud problem around the world

BRIEFING PAPER

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Fraud is not just a problem for the UK, it is a pressing issue for many countries around the world. Using data from 15 countries, this paper provides an aggregated picture of the scale of the 'fraudemic' being experienced by populations across the globe.

KEY POINTS

- We surveyed a representative sample of adults across 15 countries about fraud. These were the G7 nations, along with Australia, New Zealand and Singapore, as well as Argentina, Brazil, Mexico, Portugal and Spain. The survey showed that around one in five respondents had been a victim of fraud at least once between 2021 and 2023.
- Around four in ten of victims had suffered repeat victimisation in the same period, with one in six being a victim three or more times.
- That implies that there were around 228 million victims and that there were more than 331 million frauds committed against individuals in the 15 countries over the three year period.
- Fraud victimisation is evenly spread across age cohorts, with those aged 35-44 the most likely to fall victim to fraudsters (23%).
- The most frequently reported kind of fraud are "push payments" (40%).
- More than half of survey participants believe that their government gives no or only a low priority to fraud.

INTRODUCTION

This briefing note

Though we at the SMF have spent the last couple of years documenting the scale of the problem of the UK fraud challenge, and what policymakers can do about it, fraud is clearly not just a British problem.^{1 2 3 4} Not only do many fraudsters perpetrate their crimes from a variety of countries around the world,⁵ but victimhood is widespread across the globe too. The data presented in this briefing note provides an aggregated picture of the scale of fraud committed against the people of 15 countries.ⁱ Those countries that were surveyed to inform this research are listed in Table 1.

Table 1: The 15 countries surveyed about fraud against individuals

Asia	Australasia	Europe	North America	South America
Japan Singapore	Australia New Zealand	France Germany Italy Spain Portugal UK	Canada Mexico USA	Argentina Brazil

Source: Focal Data fraud survey

The countries surveyed were chosen for a variety of reasons which, together, ensure a good spread of country experiences are captured. These reasons included:

- Helping to get a better idea of the extent of victimisation across both richer and less developed nations.
- Allowing us to build a clearer picture of the scale of fraud being perpetrated against people in countries with both similar and very different political systems and cultures.
- Offering an idea of how fraud varies across different regions of the world.

This paper will also show:

- How fraud victimisation divides up across age cohorts across eleven of the surveyed countries.
- The kinds of fraud being perpetrated against the victims in the nations targeted with our fraud survey.
- Whether the people of the 15 countries believe their governments are prioritising fraud as a problem that needs to be tackled.

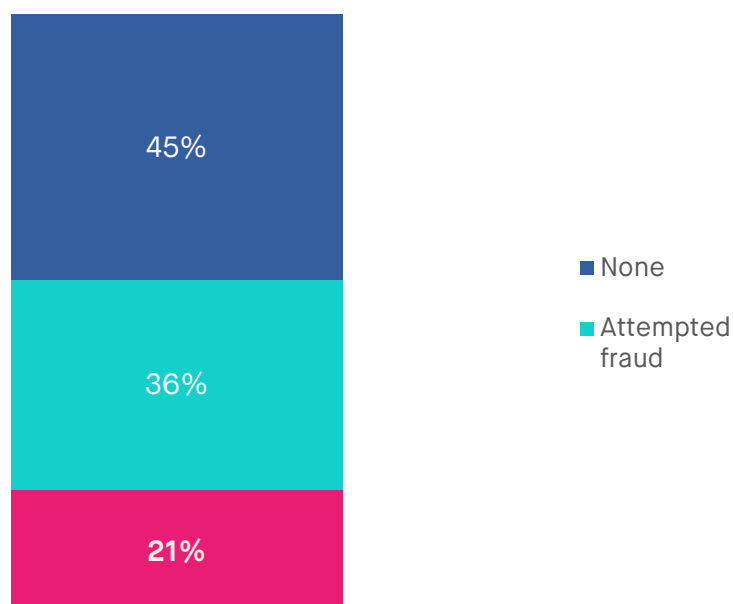
ⁱ See more on the research in the Annex to this briefing note.

FRAUD VICTIMHOOD ACROSS 15 COUNTRIES

The aggregate level of victimisation

Across the 15 countries surveyed, just over one in five (21%) respondents reported being a victim of fraud at least once between 2021 and 2023 (Figure 1).

Figure 1: Aggregate victimisation across 15 countries, 2021 - 2023



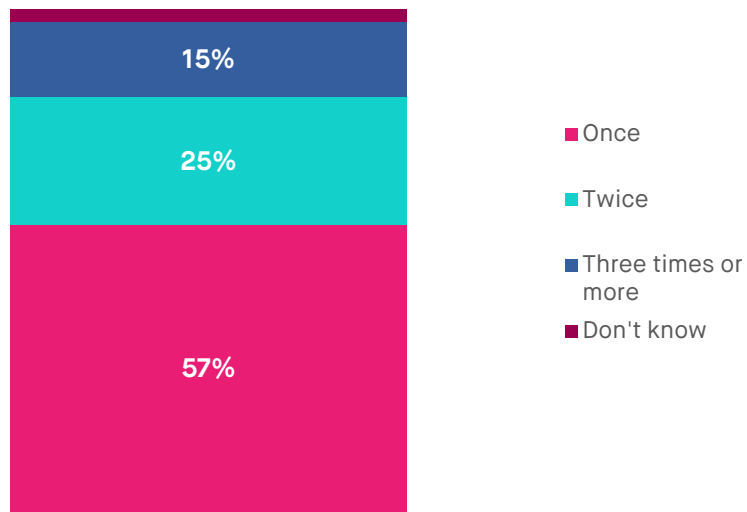
Source: SMF Focal Data fraud survey Jan-Feb 2024

NB: Please note that the total sums to slightly more than 100 due to rounding

Repeat victimisation

Figure 2 demonstrates that four in ten victims between 2021 and 2023 suffered than once from fraud. Around one in six victims of those who reported experiencing a fraud were victimised three or more times.

Figure 2: Aggregate repeat victimisation across 15 countries



Source: SMF Focal Data fraud survey Jan-Feb 2024

Total victimisation across 15 countries

The aggregated survey data on victimisation rates set out in Figures 1 and 2 suggests that between 2021 and 2023, across the 15 countries.

- There were 228 million victims.
- There were more than 331 million frauds committed against victims.

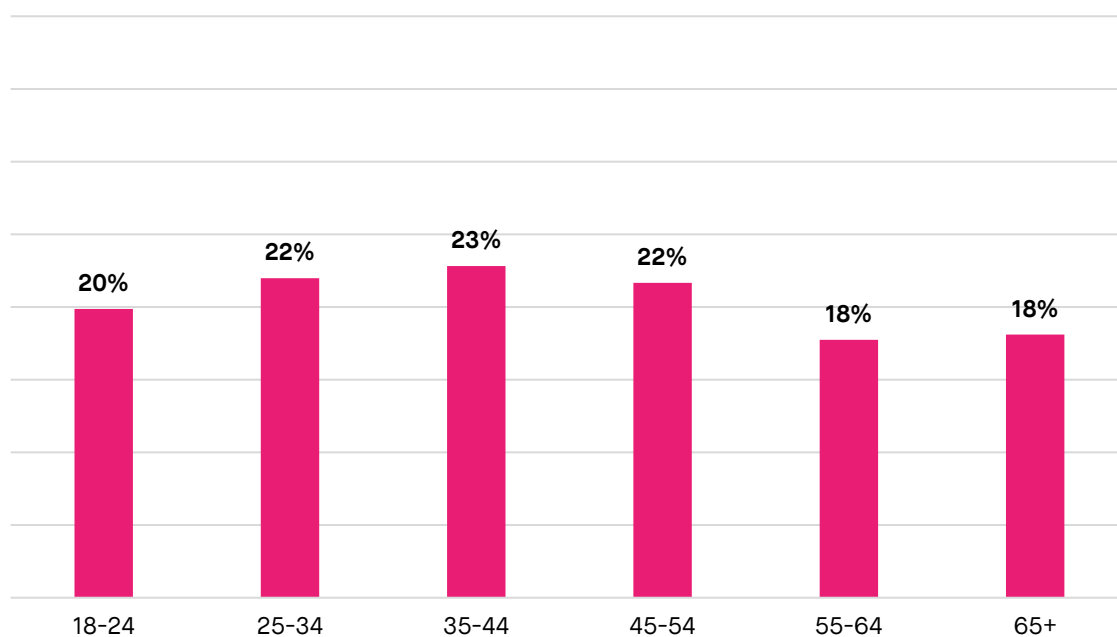
The aggregate victim numbers imply that, annually, there were an average of:

- More than 76 million victims.
- Upwards of 110 million frauds perpetrated against the individual victims.

Due to sample size limitations, data on the rates of victimisation among over 65s in Argentina, Mexico, New Zealand and Singapore could not be collected. Consequently, for the purposes of estimating the total number of victims across all 15 countries, the victimisation rate for over 65s was assumed to be equal to the overall rate of victimisation for the 18-65 population in these four countries.

The age distribution of fraud victims

The distribution of victimisation across the age cohorts surveyed shows that, contrary to common perception, falling victim to a fraud is by no means limited to older people.

Figure 3: Age distribution of fraud victims across 11 countries,ⁱⁱ 2021 – 2023

Source: SMF Focal Data fraud survey Jan-Feb 2024

On the contrary, Figure 3 shows that younger people are in fact more likely to be victims of fraud. Across the different age groupings we surveyed in the 11 countries that we have victim data from all age cohorts for:

- 20% of those aged 18–24 fell victim to fraud.
- Those aged 35–44 were the most likely to fall prey to fraudsters (23%).
- 18% of those who were over 65, experienced at least one fraud.

THE NATURE OF THE FRAUD PROBLEM

Fraud is committed in a wide range of ways. Some fraud is “socially engineered” with victims, for example, tricked into making a payment or transferring some (or all) of their money or assets to fraudsters. Where the victim plays an inadvertent role in the fraud, this is often described as “push-payment fraud”.

Digital technologies have played a key role in the proliferation of fraud.⁶ For example, identify theft committed through crimes such as hacking, often then result in frauds such as card-not-present (CNP) fraud where fraudsters use stolen personal data (e.g. bank card or credit card details) to spend a victim’s money.

ⁱⁱ Australia, Brazil, Canada, France, Germany, Italy, Japan, Spain, Portugal, United States and UK.

Figure 4: The nature of the frauds being committed across 15 countries, 2021 - 2023



Source: SMF Focal Data fraud survey Jan-Feb 2024

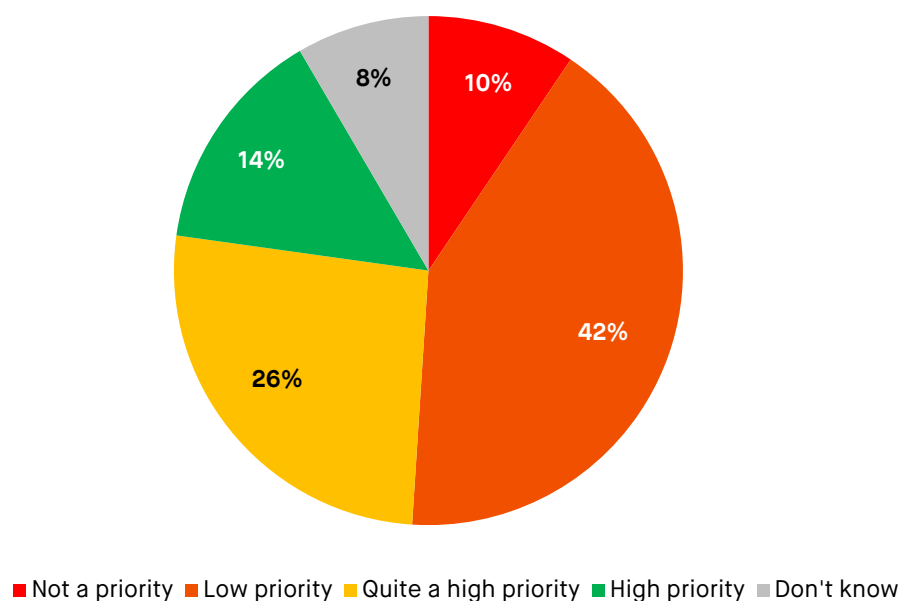
Figure 4 shows that “push-payment fraud” is the most common across the 15 country sample, with four in ten victims reporting that the only or most recent fraud they experienced in the period 2021 to 2023 was of this kind. Aggregated up across the victim population described earlier, there were likely around 91 million individuals who suffered from “push payment fraud” over the three year period in the 15 countries studied.

Around a quarter of fraud victims had suffered from payment frauds i.e. their money had been taken and spent without their consent. The most well-known example of this kind of payment fraud is Card-Not-Present (CNP) fraud. This implies that between 2021 and 2023 there were 62 million victims that suffered from CNP or similar kinds of fraud in the 15 countries studied.

PERCEIVED GOVERNMENT RESPONSE TO THE “FRAUDEMIC”

Figure 5 makes clear that a majority of people across the 15 countries do not believe their government is prioritising fraud.

Figure 5: The extent to which fraud is perceived to be a government priority area across 15 countries



Source: SMF Focal Data fraud survey Jan-Feb 2024

52% of respondents reported that fraud was “not a priority” or only a “low priority” for their government. Only one in seven said that their government treated fraud as a “high priority” problem to be tackled.

THE IMPLICATIONS OF DEPRIORITISING FRAUD

Given the scale of the fraud problem, it is perhaps somewhat anomalous that it is seen to be a relatively low priority for governments. Certainly, a serious effort at tackling fraud at the international level seems a remote possibility until domestic governments prioritise the problem. The latter has to be the starting point for any kind of concerted action that could realistically reduce, in any significant way, the fraud risk facing the peoples of the 15 countries that this briefing note reports upon. If this does not happen then the fraud problems will persist, creating more first-time and repeat victims in each of the countries we looked at. Further, with the advent of tools such as AI, the likelihood is that the fraud problems will get further out of control.⁷

ANNEX: FURTHER SURVEY DETAILS

The data presented in this Briefing Note derives from a survey of 15 countries (see Table 1) carried out by Focal Data. The multi-country survey is one part of a wider SMF project looking at some of the international aspects of the fraud problem and in particular how the nature and extent of fraud, and the public understanding towards it, differs across countries:

- The fieldwork took place across late January and early February 2024.
- In each of the 15 countries, the sample size in each was 2,000 adults, except New Zealand and Singapore where population limitations meant the sample size was 1,000.
- The Australia, Brazil, Canada, France, Germany, Italy, Japan, Spain, Portugal, United States and UK samples were representative of the whole adult populations of those countries. It was not possible to survey fully representative samples of the adult of populations in Argentina, Mexico, New Zealand and Singapore. Therefore, the results for these latter countries excluded people that were 65 years of age and over. However, the survey samples were representative of the adult population in those four countries under 65.
- For additional assurance, all survey results were weighted by Focal Data to ensure consistency with the population demographics of each respective country surveyed.

ENDNOTES

¹ Richard Hyde, Scott Corfe, and Anderson-Samways, 'Fraud Is Now Britain's Dominant Crime, but Policing Has Failed to Keep Up', *Social Market Foundation*. (blog), 4 March 2022, https://www.smf.co.uk/commentary_podcasts/fraud-is-britains-dominant-crime/.

² Richard Hyde and Peter Wilson, 'Fraudemic: Adding to the Evidence Base on the Scale and Impact of Fraud on the UK', Social Market Foundation., accessed 11 September 2023, <https://www.smf.co.uk/publications/impact-of-fraud-on-the-uk/>.

³ Richard Hyde, 'Fraudulent Times: Identifying a Consensus for an Agenda to Beat Fraud', 2023, <https://www.smf.co.uk/wp-content/uploads/2023/10/Fraudulent-times-October-2023.pdf>.

⁴ Richard Hyde and Peter Wilson, 'The View from the Ground: Building a Greater Understanding of the Impact of Fraud and How the Public View What Policymakers Should Do about It', 2023, <https://www.smf.co.uk/wp-content/uploads/2023/09/The-view-from-the-ground-September-2023.pdf>.

⁵ Sasha Jespersen, 'Trafficking into Forced Criminality: The Rise of Scam Centres in Southeast Asia', 18 January 2024, <https://www.rusi.org/networks/shoc/informer/trafficking-forced-criminality-rise-scam-centres-southeast-asia>.

⁶ 'Fighting Fraud: Breaking the Chain' (House of Lords: Fraud Act 2006 and Digital Fraud Committee, 12 November 2022).

⁷ Richard Hyde, 'The AI Fraudsters Are Coming – We Need to Act Now', *CapX* (blog), 30 October 2023, <https://capx.co/the-ai-fraudsters-are-coming-we-need-to-act-now/>.