

Older people, fraud and scams



Introduction

People lose an estimated £10bn to fraud every year. People of all ages and backgrounds are victims. However, older people are over-represented as victims of particular frauds, including pension and investment scams, postal scams, doorstep scams and telephone scams.

Some older people are especially at risk, either because scammers target them or because their circumstances make them vulnerable, for example if they are bereaved, lonely or living with dementia. The financial and health impacts can be devastating.



Key facts

5 million targeted

Almost 5 million older people (65+) believe they have been targeted by scammers.¹

12% responded

While only 12% of those targeted responded to a scam, this means around half a million older people could have fallen victim.²

Single older people

Single older people are more likely to respond than married people, and half of all people aged 75+ live alone.³

2.5 times health impact

People defrauded in their own homes are 2.5 times more likely to either die or go into residential care within a year.⁴

3.4 million frauds

There were 3.4 million incidents of fraud in the year to March 2017.⁵ Over half of these (57%) were cyber-related. This compares to 3.3 million incidents of theft. It also means nearly a third (31%) of all crime is fraud.

75 average age

The average age of victims of mass marketing postal fraud is 75.⁶

£43 million pension scams

People have lost an estimated £43 million to pension scammers since April 2014.⁷

£32,000 average loss

In 2016, victims of investment fraud lost £32,000 on average.⁸

7 romance frauds

Action Fraud receives around 7 romance fraud reports every day. A quarter of victims are in their 50s, losing £10,000 on average.⁹

1. Banks

Banks have a vital role to play in helping consumers avoid scams. They can educate and warn customers; spot and challenge suspicious payments and patterns (e.g. cheque usage); deny scammers access to a bank account; and support customers who become victims.

However, while current legislation makes them liable for scams which have not been authorised by the customer, they are not liable for scams where the fraudster has manipulated someone into authorising a payment.

‘So I rang my bank last week [about a possible phone scam] and they said “Well, I don’t know anything about the phone call but we wouldn’t ask for your bank details if we had rang you”, but they were flippant about “Well, it might have been a scam”, they weren’t that interested... No, they weren’t bothered.’



‘I would say it’s the bank’s responsibility [to stop scams] because they’re using your money and it’s therefore their responsibility, and also they’re [doing] transfers, cards, all the rest, and it’s not as secure as they say it is.’

(Participants at Age UK workshops on scams)

What Age UK wants to see

Banks must:

- Do much more to reduce the risks of customers responding to scams, or face calls for their liability to be extended to losses where the customer has been misled into authorising the payment.
- Offer a range of extra security features that customers can opt into, for example delays on large or unusual payments.
- Do more to stop scammers opening bank accounts or using them to commit fraud.
- Designate a named board member with a remit to cover fraud/scams against retail customers.
- Ensure victims are supported to deal with the financial and emotional impacts, including signposting to other organisations that can help.

In addition, we believe a league table of the level of fraud by individual bank would boost transparency and drive better practice.

2. Local agencies

Local authority social services and Trading Standards teams working together with local police forces, Police and Crime Commissioners and the voluntary sector, have a key role in protecting and supporting people in vulnerable circumstances.

What Age UK wants to see

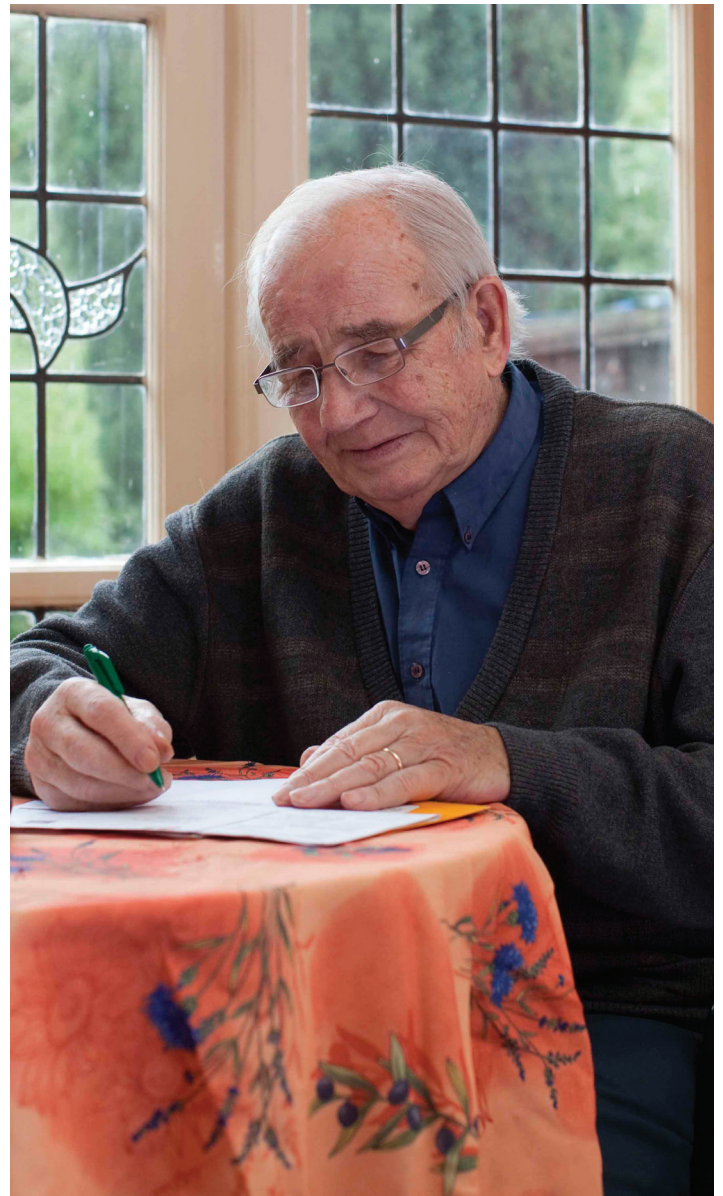
- More partnership working between these agencies, along the lines of Operation Signature¹⁰ in Sussex and the West Yorkshire Financial Exploitation and Abuse Team.¹¹
- Safeguarding Adult Boards should consider the prevention of fraud as part of their strategic planning.
- All Police and Crime Commissioners should make protecting vulnerable people from fraud a strategic priority.

3. The Government

While it is impossible to end fraud altogether, the Government needs to be alert to the potential for fraud arising from policy change. For example, reforms to private pensions (pension ‘freedom and choice’) have been followed by a significant increase in pension fraud. It also needs to ensure that bodies with a key role to play in tackling fraud, such as local authorities, are adequately resourced.

What Age UK wants to see

- The Government must urgently implement planned legislation to ban pensions cold calling and strengthen pension providers’ ability to stop pension transfers going ahead when fraud is suspected. It should widen and strengthen the cold call ban, for example by covering calls relating to any kind of investment.¹²
- The Joint Fraud Taskforce currently under way should make strong recommendations for meaningful change and the Government must implement these promptly.
- The Government should ensure that local authorities have adequate resources to fulfil their duties under Section 42 of the Care Act to make enquiries into suspected financial abuse, including fraud.
- The Government should step up efforts to help people plan ahead and put in place measures to safely manage their money, such as through Powers of Attorney.
- The Government must ensure statistics remain available to track progress. In 2015, the ONS produced experimental statistics on fraud and computer misuse, but there is concern that these may not be repeated, because of reduced funding.



If you would like further information please contact Head of External Affairs, Hannah Pearce at Hannah.Pearce@ageuk.org.uk

References:

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- 3 Labour Force Survey (LFS), Office for National Statistics, 2015
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- 5 <https://www.ons.gov.uk/peoplepopulationandcommunity/crimeandjustice/bulletins/crimeinenglandandwales/yearendingmar2017#what-is-happening-to-trends-in-crime>
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- 7 <https://www.gov.uk/government/consultations/pension-scams/pensions-scams-consultation>
- 8 <https://www.fca.org.uk/news/press-releases/inside-mind-scammer-tactics-investment-fraudsters>
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- 10 <https://sussex.police.uk/advice/protect-yourself-and-others/fraud/operation-signature/>
- 11 [https://www.westyorkshire-pcc.gov.uk/news-events/news/current/specialist-multiagency-task-force-to-tackle-financial-exploitation-and-abuse-\(7-mar-2017\).aspx](https://www.westyorkshire-pcc.gov.uk/news-events/news/current/specialist-multiagency-task-force-to-tackle-financial-exploitation-and-abuse-(7-mar-2017).aspx)
- 12 http://www.ageuk.org.uk/Documents/EN-GB/For-professionals/Policy/safe-at-home/CR_response_to_pension_scams.pdf?dtrk=true

Age UK

Tavis House, 1-6 Tavistock Square, London WC1H 9NA

0800 169 80 80

www.ageuk.org.uk

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