

'Take action on fraud', regulator warns charities, as new figures show over £8 million reported lost to crime last year

This latest data from Action Fraud also shows 1,059 separate incidents of fraud were reported by charities in just one year from April 2020 to March 2021. The true scale of fraud against charities is believed to be much higher, as fraud is known to be underreported.

The Commission is highlighting these figures, and the live risk to charities from fraud, as part of [Charity Fraud Awareness Week](#), an annual campaign kicking off today that aims to highlight ways charities can protect themselves from this crime.

This warning comes as other new figures, released today, show that around 65% of charities feel the pandemic has increased their risk of fraud. Charities expressed concerns that risk may have been increased as a result of more remote working and virtual sign-off processes.

Together with the Fraud Advisory Panel, the regulator is today urging all trustees to sign up to a new [Stop Fraud Pledge](#), which commits charities to taking six practical actions to reduce the chances of falling victim to fraud.

The pledge includes measures such as appointing a suitable person to champion counter-fraud work throughout the organisation, performing stringent checks and due diligence, and assessing each year how well fraud controls are working, what new risks there may be and what improvements are needed.

Helen Stephenson CBE, Chief Executive of the Charity Commission, said:

Charity is special – it delivers good to so many people's lives and helps strengthen our society. When the public donate generously to charities it is because they want to make a real and positive difference to a cause they often care deeply about, and they want to know their money will reach the 'front line'.

Sadly, as these figures we have released today show, there remain criminal individuals who would take advantage of organisations that seek to do good and of those that generously donate.

That is why I am calling on all charities to take the risk of fraud seriously by signing up to our new Stop Fraud Pledge and taking six simple steps to protect their charity. Combating fraud gives the

public confidence that their money is safe, protects vital funds for charities and more widely helps maintain trust in the charities we all care so passionately about.

David Clarke, Chair of the Fraud Advisory Panel, said:

With fraud and cybercrime at record levels it has never been more important for charities to be aware of the risks and how they might be affected. As we emerge from the pandemic, charities need to recover and flourish without fear of fraud. Taking relatively simple measures can go a long way to protecting your charity and keeping it safe from harm.

It is concerning that a small minority of charities still do not financially invest in fraud prevention activities. This shows that there is still more to be done. We encourage charities to sign up to the pledge to help protect themselves and minimise the risks.

Charities that are concerned they have been the victim of fraud or cybercrime, should report to [Action Fraud](#) and as a serious incident to the [Charity Commission](#).

Individuals can also report phishing messages to the National Cyber Security Centre through the [Suspicious Email Reporting Service \(SERS\)](#).

ENDS

Notes to editors

1. [Charity Fraud Awareness Week](#) runs from 18 to 22 October 2021. The week aims to raise awareness of fraud and cybercrime affecting the sector and to create a safe space for charities and their supporters to talk about fraud and share good practice. #StopCharityFraud.
2. Figures on reports of fraud and total fraud losses to charity are based on reports made to Action Fraud between April 2020-March 2021.
3. A small-scale survey of charities (70 responded) conducted by BDO LLP in partnership with the Fraud Advisory Panel in September 2021 revealed the following: 65% of respondents either agreed or strongly agreed that the pandemic has increased the risk of fraud to their charity. 53% of respondents believed that the pandemic has made it more difficult to manage the risk of fraud within their charity. 60% of charities said that their financial investment in fraud prevention has stayed the same during the pandemic. A further 14% said they do not financially invest in fraud prevention at all. 90% of respondents said that the risk of fraud to their charity over the next 12 months is expected to remain at the same level or increase.
4. Charities can find free tools and advice on the new website preventcharityfraud.org.uk

5.The National Cyber Security Centre and the Charity Commission have worked together to produce resources relevant to charities of all sizes. The [Cyber Security: Small Charity Guide](#) provides simple, free/ low-cost steps to improve cyber security. [The Board Toolkit](#) is most relevant for larger charities and helps boards and senior managers understand cyber security from a governance perspective.

6.The Charity Commission is the registrar and regulator of charities in England and Wales. Its purpose is to ensure charity can thrive and inspire trust, so that people can improve lives and strengthen society.

7.The Fraud Advisory Panel is the voice of the counter-fraud profession, committed to tackling fraud and financial crime. We aim to strengthen fraud resilience by championing best practice in fraud prevention, detection, reporting, investigation, and prosecution. We do this through education, advice and [researchfraudadvisorypanel.org](https://www.researchfraudadvisorypanel.org).