

NFI MATTERS

DEVELOPING STRATEGIES TO DETECT AND PREVENT FRAUD

**A record
£301 million
found in just
2 years...**

Preventing and detecting fraud
and error through the NFI



Cabinet Office

5 key fraud-fighting strategies for the next 4 years **Get the most out of the NFI by working effectively** **Top tips for achieving a smooth data submission**
How the NFI products help organisations fight fraud **GDPR update**

Welcome to NFI Matters

...Bringing you news about what matters most, in the fight against fraud

We're delighted to introduce the first edition of NFI Matters for the NFI 2018/19 exercise.

NFI Matters is being re-launched to help keep you in touch with news and developments on all things that relate to the NFI - and help to promote a real sense of community amongst users. It will be published twice a year going forwards.

In this, and future editions, NFI Matters will keep you updated and informed about a whole range of areas that are important for you to be aware of, to help you improve your ability to combat fraud, including;

- NFI product developments and our vision for the next 4 years
- The latest public sector fraud research
- Thought leadership and industry expert articles
- Case studies to celebrate your success in the fight against fraud
- News updates - such as changes to policies and legislative requirements that affect the NFI

The launch of NFI Matters will form part of a wider programme of user engagement, being introduced by the Cabinet Office NFI Team with the support of NFI colleagues in Scotland, Wales and Northern Ireland. We hope the material and features will be of interest and use.

To keep NFI Matters relevant and useful we would be delighted to get feedback on this edition, especially on areas of specific interest to you for future editions - so please feel free to contact us at:

Cabinet Office
nfiqueries@cabinetoffice.gov.uk

Scotland
acairns@audit-scotland.gov.uk

Wales
david.rees@wao.gov.uk

Northern Ireland
nficoordinator@niauditoffice.gsi.gov.uk

Yvonne Addison,
Head of Operational Delivery and Communications,
Cabinet Office

We would encourage you to share this edition with colleagues within your organisation, so that they can also benefit from the intelligence and insight provided.

Events

Glasgow – a user engagement session took place on 25th September followed by an Auditor event on 26th September. Over sixty delegates heard Nathan Nash and Graeme Thompson from Cabinet Office and Anne Cairns from Audit Scotland give presentations on the NFI strategy and future pilots. The event was also attended and supported by the Public Sector Team from Synectics Solutions.

Telford - 9th -11th October Nathan Nash, Kirsty-Louise Brinn and Synectics Solutions' Public Sector Team exhibited at 2018 IRRV Annual Conference and Exhibition.

London – Representatives from Synectics Solutions were joined by Nathan Nash from the Cabinet Office at the London Fraud Forum on 2nd October 2018. Delegates heard Mark Cheeseman, Deputy

Director of Public Sector Fraud, Counter Fraud Centre of Expertise at the Cabinet Office, speak about the Government's counter fraud agenda.

We will also be exhibiting at the upcoming Counter Fraud Exhibition in London on 13th February 2019. For further details visit <https://fraudanderror.co.uk>

"It was really useful bringing everyone together in Glasgow for a NFI workshop. Participants were positive about the developments being made to the NFI web application and the concept of risk scoring matches. The suggestions made during the sessions for new areas the Cabinet Office and Audit Scotland could look at were gratefully received. They will be considered, and some of them progressed, over the next year or so."

Anne Cairns, Audit Scotland.

“We’re living through challenging times”

...An overview from Darren Shillington, Head of the Cabinet Office NFI Team

“I think it’s clear to us all that we’re increasingly living through challenging times when it comes to the rising cost of fraud and financial crime. As a result of continued developments in technology, and changes in the way that our lives are structured, one thing is certain - the environment we have been used to is changing and we need to prepare for a quite different future.

Amongst this change the risk of fraud will continue to be a consistent challenge that all organisations and individuals face, and the public sector is no different. As fraud is often a hidden crime, with those who commit fraud actively trying to avoid detection, it’s essential that we proactively investigate it as a community to identify and address it wherever possible.

It’s important that you realise that as an organisation you are not alone in fighting this problem. The NFI team is committed in its support to assist you in detecting and preventing fraud in the most effective way possible – and building a community to help make this easier.

We have exciting plans for rolling out a programme of enhancements to the NFI product suite that will provide you with increasingly effective means to tackle these issues.

NFI Matters is designed to help make sure that we are communicating these developments in the most effective way – and to ensure that the NFI community across the UK can stay up to date and celebrate the successes that we have achieved together over the last 20 years - as a team of committed professionals in the battle against fraud and error in the public sector.

I do hope you enjoy this edition of NFI Matters and I look forward to hearing your feedback to ensure it becomes a great success in helping to inform, update and build the NFI community engagement process.”

Darren Shillington,
Head of the NFI Team,
Cabinet Office

Inside this issue:

- 4** Look what you have achieved with the NFI

- 6** 5 key fraud-fighting strategies for the next 4 years

- 7** Cutting edge technology to continually improve our service. You asked... we responded

- 8** Help us to help you... ensure your data is timely, accurate and high quality.
Top tips for achieving a smooth data submission

- 9** Get the most out of the NFI by working effectively...

- 10** Data security is an essential part of the NFI

- 11** GDPR update

- 12** Our enhanced Council Tax Single Person Discount service helps you protect public services

- 13** Work smarter, save time and money

- 14** Case studies – hear how the NFI products help organisations fight fraud

Your feedback matters

Please let us know what you think about our services and this newsletter. Send your comments to nfiqueries@cabinetoffice.gov.uk

Look what you have achieved with the NFI

Thanks to the hard work of everyone who participates in the NFI, a record £301 million of fraud and error has been identified and prevented in the last 2 years – protecting public services across the UK. This brings cumulative outcomes to £1.69 billion. Well done everyone!



England
£275.3m

Scotland
£18.6m

Wales
£5.4m

Northern Ireland
£1.9m

The UK broken down into years

1996/97	£19m
1998/99	£42m
2000/01	£54m
2002/03	£83m
2004/05	£111m
2006/07	£140m
2008/09	£215m
2010/11	£275m
2012/13	£229m
2014/15	£222m
2016/17	£301m
=	£1.69b

The main categories of fraud identified by the NFI in the UK relate to:



£152.7m

Pension fraud and overpayments



£38.4m

Fraudulent, or wrongly received, council tax single person discount



£27.8m

Housing benefit fraud and overpayment



62

Social housing properties recovered



1,839

Cases of incorrect Council Tax reduction identified



7,761

False applications removed from housing waiting lists



37,551

Blue badges revoked or withdrawn



265,421

Concessionary travel passes cancelled



399

Cases resolved, where a council continued to make mistaken payment to private care homes for deceased persons

5 key fraud-fighting strategies for the next 4 years.

What does the future hold? We are committed to developing the NFI, working with organisations that take part, to enable them to get the most out of it and ensure that taxpayers' money is spent where citizens need it most.

Our aim? To ensure that the NFI continues to provide users with flexible and sophisticated fraud prevention and detection tools which achieve results quickly and efficiently – exactly what the NFI is renowned for across the UK.

We are already delivering on our new strategic aims... these are some examples of work we are already putting in place.

1.

Better targeting existing and new fraud risks

We've launched a new 'social care payments to deceased' pilot to address emerging risks in this area - highlighted by a pilot in Scotland.

"The pilot allowed us to review all of our care packages, in a quick and efficient manner, against up to date and accurate deceased records. The results not only identified savings of £40K, which would not have been possible without doing the match, but also identified the need for the introduction of further controls, which have now been implemented. Importantly it also provided assurance regarding the validity of the remaining care package payments."

East Dunbartonshire Council Chief Finance Officer, Jamie Robertson

This pilot is available now in ReCheck for those that want to take part, and costs £350 for data uploads with less than 10,000 records. You just need to make sure you have the correct privacy notices in place prior to upload.

Plus....

- Ongoing work to utilise HMRC data in NFI 2018/19 to assist with risk scoring and to generate new match types.
- A new premium Council Tax Single Person Discount (CTSPD) service bringing in credit reference agency data.

2.

Improving communication and engagement with users to better understand and meet customer need

Several user engagement workshops have been held since May 2018. We will bring together groups of users to influence developments in the web application. We have launched this newsletter, and we will seek to use more flexible solutions to deliver training.

3.

Increasing both the volume and frequency of data that is used in, or accessed through the NFI

Bringing in regular feeds from DWP and Companies House and working with HMRC and Credit Reference Agencies.

See the full strategy in the National Report at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/738283/National-Fraud-Initiative-Report-2018.pdf

NEW!

Cutting edge technology to continually improve our service. You asked... we responded.

As part of our continuing drive to improve, we are making exciting changes to the web application based on your feedback from the NFI survey, NFI consultation, queries and recent workshops hosted in London, Stoke and Glasgow with the support of Synectics Solutions public sector team.

Over 90 people attended our workshops.

In terms of new developments, look out for:

- A new risk scoring methodology. Recommended filters will be replaced by a new risk score. We will now use sophisticated data analytics to help you better prioritise matches for follow up. This should give you certainty that you are prioritising your resources and time most effectively.
- A new 'Risk Area' view of matches will be introduced in addition to the traditional summary report view. This will allow you to select matches with the highest risk scores across the key risk areas most relevant to your organisation. For example, you will be able to see at a glance all high risk, housing related matches.
- Enhanced performance metrics, including a configurable dashboard, to enable you to better track, and report, the impact of the NFI for your organisation.

We have lots of other developments in the pipeline. We will release details as we get closer to match release in January 2019.

If you have any ideas about improvements you think we could make or if you want to volunteer to take part in user engagement activities please get in touch with the team or email nfiqueries@cabinetoffice.gov.uk

4.

Embracing new technologies and techniques to improve existing and develop new products

We are exploring advanced data analytics and machine learning, remodelling products around fraud risks rather than datasets, introducing risk scoring to allow better prioritisation and implementing new security encryption.

5.

Securing the extension to legislative purposes to increase the usage and impact of NFI

We are carrying out research to determine the potential for these additional data matching purposes to assist the public sector. When sufficient evidence is collated we will seek a legislative slot to secure the purposes.

Help us to help you... ensure your data is timely, accurate and high quality.

The NFI receives over 8,000 datasets from over 1,200 participant organisations from across the public and private sectors. This equates to over 3 million data records producing around 5 million matches. The datasets come from organisations in England, Wales, Northern Ireland and Scotland.

For the data matching to work most effectively, and to give you the best quality data matches possible, we need to ensure the data we receive is timely, accurate, and high quality.

It is paramount that all data is received as close to the upload date as possible. This helps to minimise timing differences, such as where a person has moved on from an address before a match is released. This can be especially true for cases where the data relates to students or people whose immigration status may be subject to change.

We review the data specifications for each exercise to ensure we are asking for only relevant information. We also try to keep data specification changes to a minimum to help maintain continuity in sourcing and uploading the data.

Your data will be processed and checked by our IT partner, Synectics Solutions Limited, soon after it is received and they will contact you if there are any data quality issues.

In the meantime here are some top tips for getting your data to the NFI team, on time and with a minimal amount of changes...

Further guidance on uploading your data can be found here.

www.gov.uk/guidance/uploading-data-to-national-fraud-initiative

Top tips for achieving a smooth data submission

Have you:

- Checked the Information Commissioner's Office guidance on privacy notices and made sure they are in place for each dataset?
- Checked for changes to data specifications and reflected them in your extract routine?
- Given adequate warning to each of your internal departments to source and upload the data to the NFI in time? Sometimes departments need a lead in time to prepare a data file extract routine.
- Checked who will be uploading the data to the secure web application and that they have the correct accounts on the web application?
- Instructed the users that are going to upload data to quality check your data files prior to upload to the web application?
- Please see our online guidance on pre submission checks.

www.gov.uk/guidance/uploading-data-to-national-fraud-initiative#data-checks

- Checked if any users require training/guidance?

Please remember that data should only be uploaded through the secure data file upload facility in the NFI web application. You must not email data to the NFI team or Synectics Solutions.



Get the most out of the NFI by working effectively...

To make the best use of your resources



Act on time-critical matches quickly



Key contacts should schedule staff resources so that time-critical matches, such as students (as they will complete their courses) and immigration (to minimise illegal working) can be dealt with as soon as they are received.

Use NFI software efficiently



Ensure you and the staff within your organisation that are working on the NFI matches keep up to date with new features of the web application and good practice by reading the guidance notes before they begin work on the matches.

Coordinate investigations



Key contacts should coordinate investigations across internal departments, for example, organise joint investigation of single person discount matches involving housing benefit, to ensure all relevant issues are actioned.

Prioritise matches that meet local risks



Use the tools within the web application, such as the new fraud risk scoring to help prioritise matches that are the highest risk. This will save time and free up staff for the most important investigations.

Respond to other participants promptly



The web application shows the number of comments which require a response on the Outstanding Actions tab. These responses should be prioritised if they relate to an ongoing investigation so that it can be progressed promptly.

Address data quality issues



Review the quality of the data supplied before the next exercise as external providers normally have to phase in changes to extraction processes. Better data quality will improve the quality of resulting matches.

Data security is an essential part of the NFI

Security is of utmost importance to the NFI, and we have a comprehensive security policy in place to ensure that all participants comply with the latest security protocols.

This means that....

- Anybody with access to the NFI web application should have undergone appropriate pre-employment screening checks to ensure that the threat to the system or the information is mitigated as far as possible.
- Information sharing must be strictly limited to authorised individuals who need to know it for the purposes of their necessary business duties.
- Users must abide by the Code of Data Matching Practice.
- All data must also be password protected in line with the NFI policy before it is uploaded.

To check that all this is done correctly, the Cabinet Office can, if required, monitor and log all traffic on the NFI system and infrastructure.

Rest assured, our web application is security accredited

Our web app is accredited to handle personal data securely, and the Cabinet Office has also committed to maintaining the accreditation of the NFI system - so that it provides:


- Appropriate security measures to handle information up to a level of Impact Level 3 aggregating to Impact Level 5 covering information with a protective marking of OFFICIAL or legacy protective marking of RESTRICTED.
- OFFICIAL-SENSITIVE where the caveat is used to cover sensitive personal information can also be processed by the system.

It is important to stay ahead of the game when dealing with data security, so we continuously review our security protocols to ensure they meet best practice. We have recently strengthened the encryption used when you communicate with the NFI web applications.

But we are always looking at ways to improve security

It is important to stay ahead of the game when dealing with data security, so we continuously review our security protocols to ensure they meet best practice. We have recently strengthened the encryption used when you communicate with the NFI web applications. [1]

In a bid to better protect your data we recently reviewed the process for authenticating users when they log in to the web application. In line with current best practice, we have introduced a two stage authentication log in process from Tuesday 30th October 2018. Ask your Key Contact for further details.



Don't forget to complete your security compliance declaration

Please could we also remind you to complete your security compliance declaration, if you have not already done so. You can access this in 'Compliance' from the home page. Select the relevant product to view the individual forms.

[1] <https://www.gov.uk/government/publications/email-security-standards/transport-layer-security-tls>

GDPR update

As you know, the General Data Protection Regulation (GDPR) came into effect on 25th May 2018 across Europe and places greater obligations on how organisations handle personal data.

The Data Protection Act 2018 is the UK's third generation of data protection law; it gives force to and complements the GDPR. A key transparency requirement under the GDPR is that individuals have the right to be informed about the collection and use of their personal data.

Launch of the 2018 Code of Data Matching Practice and Data Deletion Schedule

As a result of the GDPR, the Data Protection Act 2018 and a number of other major changes to the NFI portfolio, the Code of Data Matching Practice has also been updated following a consultation that ran from September 2017 to November 2017.

The new Code was laid before parliament on 12th September 2018 and replaces the previous code published by the Audit Commission in 2008. Alongside the Code we have also set out our data deletion timetable in a Data Deletion Schedule.

Follow the links for all the important information you need to know

The 2018 Code, Data Deletion Schedule and Consultation response are on GOV.UK:

<https://www.gov.uk/government/publications/code-of-data-matching-practice-for-national-fraud-initiative>

For more information refer to the ICO website page on privacy notices:

<https://ico.org.uk/for-organisations/guide-to-the-general-data-protection-regulation-gdpr/individual-rights/right-to-be-informed/>

Privacy notice information on the NFI web application (NFI sign in required):

https://www.nfi.gov.uk/StaticDocs/Privacy_Notice_Guidance.pdf

Privacy Notices

For reference, please make sure you are using the correct link to our privacy notices on any of your layered notices:

England:

<https://www.gov.uk/government/publications/fair-processing-national-fraud-initiative/fair-processing-level-3-full-text>

Scotland:

http://www.audit-scotland.gov.uk/uploads/docs/um/nfi_privacy_notice_2018.pdf

Northern Ireland:

<https://www.niauditoffice.gov.uk/sites/niao/files/media-files/Updated%20NFI%20Privacy%20Notice%202018.pdf>

Wales:

<http://www.audit.wales/privacy-and-cookie-policy>

Codes of Data Matching Practice

You can find the relevant documents here:

England:

<https://www.gov.uk/government/publications/code-of-data-matching-practice-for-national-fraud-initiative>

Scotland:

<http://www.audit-scotland.gov.uk/our-work/national-fraud-initiative>

Northern Ireland:

www.niauditoffice.gov.uk/sites/niao/files/media-files/Code%20of%20Data%20matching.pdf

Wales:

<http://www.audit.wales/about-us/national-fraud-initiative>

Our enhanced Council Tax Single Person Discount service helps you protect public services

In 2017, we partnered with a major Credit Reference Agency to develop and deliver a premium Council Tax Single Person Discount (CTSPD) service.

The new service combines both public and private sector data capabilities to give you a comprehensive and robust view of an individual.

When you upload your council tax and electoral register data in December 2018 for the annual CTSPD exercise, you will have the opportunity to select this new service for a competitive rate per record. Contact us for details.

Using the new NFI data from the 2018/19 exercise together with Credit Reference Agency data, the new service will look at current residency, mortality data and data about other individuals who may be living at the address to generate a new NFI report that presents your matches in a user friendly format.

Identify your most 'high risk individuals'

This new report also provides a risk assessment of the generated matches and additional unique insight into the individual's eligibility for a CTSPD. This will allow you to focus your resources on investigating individuals that are considered to be most 'high risk'.

The benefits to your organisation and to public services

By using the new service you are protecting public services by:

- Ensuring people are not receiving discounts they are no longer entitled to;
- Maximising the revenue from council tax collection;
- Reducing fraud levels for your organisation;
- Maintaining up to date customer records

For further information please email:

nfiqueries@cabinetoffice.gov.uk or

publicsectoroperations@synectics-solutions.com





APPCHECK

Use AppCheck to spot fraudulent applications before they enter your systems

Using AppCheck, from the Cabinet Office National Fraud Initiative (NFI) will ensure that, from the outset, you have a validation and authentication process in place to minimise errors and costly investigations in the future. It is designed to;

- Reduce the risk of your organisation falling victim to fraud by stopping invalid or fraudulent claims at the point of application
- Reduce and stop the provision of invalid or fraudulent payments
- Reduce administration and future investigation costs by managing the risk of getting it wrong at application.



RECHECK

ReCheck... A flexible and cost effective system that allows you to manage and monitor ongoing customer relationships to reduce fraud

Over short periods of time, existing customers' personal and financial circumstances can change, affecting their entitlement to a benefit, employment or other services you provide.

ReCheck allows you to proactively check your existing customer records to establish and monitor these changes. Proactive checking enables you to reduce overpayments and update your records at a time or frequency that suits you.

For more information about how AppCheck or ReCheck could help you to save time, resource and reduce fraud even further in your organisation, email:

nfiqueries@cabinetoffice.gov.uk

publicsectoroperations@synectics-solutions.com

WORK SMARTER, SAVE TIME AND MONEY

Case studies – hear how the NFI products help organisations fight fraud



Scotland

An individual applied to East Dunbartonshire Council for a taxi licence. The council used AppCheck and discovered that the applicant has a Glasgow address and also a tenancy in Milton Keynes. The investigation led to Milton Keynes Council recovering their property. [1]

Northern Ireland

A data match highlighted that a housing association tenant also had a tenancy in a London Borough. Investigations confirmed that the tenant had moved permanently to London and that the tenant's sister was living in the Belfast property without entitlement. The housing association recovered the property in September 2017. [2]

Wales

Caerphilly County Borough Council investigated an NFI match that showed an individual that started claiming Council Tax Reduction (CTR), Council Tax Single Person Discount (CTSPD) and housing benefit from April 2016 had, since September 2016, been living with a Council employee at the property to which the claims related. The claimant had not notified the Council of his change in circumstances and had not declared the Council employee's income for benefit assessment purposes. The Council referred the case to the DWP as a potential fraud. When the DWP contacted the claimant, he admitted that he was in a relationship with the Council employee and that they had jointly contrived the tenancy in order to falsely claim housing benefit and CTR. The Council cancelled the CTR, CTSPD and housing benefit claims and are recovering £5,309 in over-claimed housing benefit and £1,212 CTR. The Council commenced disciplinary action against the employee and her employment has now been terminated. [3]

[1] http://www.audit-scotland.gov.uk/uploads/docs/report/2018/nr_180705_national_fraud_initiative.pdf

[2] https://www.niauditoffice.gov.uk/sites/niao/files/media-files/NFI%20report%202016-17_2.pdf

[3] <http://www.audit.wales/system/files/publications/national-fraud-initiative-english.pdf>

AppCheck trial results in £180,000 saving for City of London Corporation anti-fraud and investigation team

“Since the solution was introduced we have stopped 10 properties from being fraudulently obtained as a direct result of the intelligence that AppCheck has provided. The solution has proved itself to be a cost effective and positive assurance tool that helps us to protect the public purse, and stop fraudulent applications at source. Our next steps are to assess how we can deploy AppCheck across other areas within the Authority to help us combat fraud.”

**Chris Keesing, Anti-Fraud Manager
within City of London Corporation**

The City of London Corporation agreed to trial the National Fraud Initiative (NFI) AppCheck fraud prevention solution to help them address a growing problem of fraud in social housing applications. AppCheck was deployed on a trial basis to identify those applying, or who have obtained, social housing under false pretences.

- As AppCheck is a web based solution, deploying it across the departments involved was incredibly easy and no IT hardware changes or system deployments were needed.

Enhanced fraud intelligence and prevention for St Leger Homes

St Leger Homes is an award-winning company that provides housing services across Doncaster in the social and private sectors. The Estates and Rents Team deal with current tenants and they introduced AppCheck as part of a new tenancy fraud scheme, screening housing tenancy and Right To Buy applications.

- By using AppCheck, they have a greater ability to prevent fraudulent or mistaken applicants from obtaining a tenancy and reduce the volume of referrals that are generated from historical claims or payments.
- Their change to a fraud prevention investigations model has reduced their caseload. The team’s investigation capacity can be managed much more effectively.
- This has also allowed a focus on areas that yield bigger benefits or cost savings.

- Initially the City Corporation purchased a number of AppCheck Credits to perform searches on housing applications that were going through their system at the time.
- The AppCheck system was easily assimilated into the teams existing processes and provided an additional layer of intelligence to the verification process.

Results:

- Significant results from the start of the trial
- Fraudulent applications were cancelled, where dishonest information had been provided
- Easy to integrate within existing processes
- Identified over £180,000 worth of fraud during the trial
- Now part of operational processes and being tested in other departments

“This is a valuable tool in the prevention of fraud and I would recommend it to anyone looking at potentially using it. It has helped clarify some situations that did on face value look suspicious. AppCheck fits well with our existing checks and enhances the process.”

**Nicola Bouse, Customer Service Advisor
for Central and Tenancy Fraud**

Results:

- Cost and time savings
- Efficiency increases and enhanced intelligence
- Increased confidence that all applications have been vetted correctly
- Fraud and error prevention rather than detection



For technical queries contact:

0845 345 8019

helpdesk@nfi.gov.uk or

publicsectoroperations@synectics-solutions.com

For general queries contact:

England: nfiqueries@cabinetoffice.gov.uk

Scotland: acairns@audit-scotland.gov.uk

Wales: david.rees@wwao.gov.uk

Northern Ireland: nficoordinator@niauditoffice.gsi.gov.uk



Cabinet Office