



## Debt Recovery Fraud Alert

### April 2017

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## DEBT RECOVERY FRAUD ALERT

The content of this alert is based on information gathered by the National Fraud Intelligence Bureau (NFIB). The purpose of sharing this information with law enforcement partners and key stakeholders is to assist in the prevention and detection of crime, bring offenders to justice and increase awareness of enablers currently being utilised by criminals.

### ALERT CONTENT

The NFIB have identified a new fraudulent trend that may impact legitimate companies and organisations in the near future.

The NFIB are aware that fraudsters are researching, via open source, solicitor organisations and obtaining their Document Exchange (DX) number to further the intended fraud. Generally the detail is available within the website content of the targeted company.

Solicitors communicate using a variety of methods with the majority having an account with the inter-law firm postal system, DX. This is a cheaper service and allows next-day delivery – an advantage over using the Royal Mail service.

The fraudster will choose a solicitor's firm that is either licensed to recover debt, or just completely falsify a licence and subsequent documentation.

A solicitor that may have been deceived, or person purporting to be a solicitor, will go to court and submit a large volume of debt collection forms. It is understood the Judge will ask if there is any representation from the companies concerned; normally there is no representation.

The paperwork will receive an official court stamp and is then handed to the appropriate debt collectors.

The fraudsters aim is to intentionally target a very large organisation who are unlikely to challenge the recovery order (at least before they hand over the money) - this would generally be to avoid any reputational damage that may impact an organisation's standing.

The debt collectors will attend the head offices of the companies with the signed paperwork. Chief Financial Officers (CFO's) will usually be contacted but the advice is more often than not, to pay the money and appeal later. None of these companies want debt collectors in the reception area threatening to start removing company property. We understand that companies can appeal an order, however by that time the fraudsters are not traceable.

### PROTECTION / PREVENTION ADVICE

- Undertake appropriate due diligence in respect of any official documentation.
- If you dispute or recognise discrepancies contact your legal team for further advice.
- Ensure your finance team are meticulous if a debt recovery order is received.

### FEEDBACK

The NFIB needs feedback from our readers to evaluate the quality of our products and to inform our priorities. Please would you complete the following NFIB feedback survey through: <https://www.surveymonkey.com/r/FeedbackSDU>. This should take you no more than 2 minutes to complete. If you have other feedback or additional information that you would prefer to provide by email please send to [NFIBfeedback@cityoflondon.pnn.police.uk](mailto:NFIBfeedback@cityoflondon.pnn.police.uk).

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