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News Release

GOVERNMENT AND REGULATORS NEED TO MAKE IT EASIER FOR BUSINESSES TO SHARE DATA, SAYS NEW REPORT FROM STOP SCAMS UK AND RUSI.

- Red tape around privacy law is stifling the ability of banks, telcos and tech companies to tell each other what they know or suspect about potentially fraudulent activity in their systems.
- Report published 20 October from Stop Scams UK and RUSI is the first to investigate the barriers to data sharing across key business sectors affected by scams.
- Firms are ill equipped to share data on a cross-sector basis and find it difficult to navigate complicated and inconsistent regulations and guidelines.
- Stop Scams UK calls on policy makers and regulators to make clear to business that responsible data sharing to stop scams is not only allowed but encouraged.

New research commissioned by Stop Scams UK and published today by the Royal United Services Institute sheds light on significant challenges faced by business in sharing data with one another to help keep consumers and business safe from scams. The report, “Enabling Cross-Sector Data-Sharing to Better Prevent and Detect Scams,” is based on intensive discussion with Stop Scams UK’s industry members earlier this year.

Complex guidelines and processes around privacy law have made it difficult for companies to develop processes for sharing data for the purpose of stopping fraud. Risk of regulatory intervention and a lack of clarity on what is allowed under the law stifles initiative, the findings show.

The report helps identify how organisations seeking to prevent scams can use systems and tools more effectively to share information between them. It opens up new possibilities and initial steps for solutions to an issue identified by both business and regulators.

The research heard how cultural and behavioural barriers within companies as well as the regulatory environment have slowed progress in data sharing. It explored how companies have struggled to navigate what they should do to exchange information with counterparts in other sectors. The research tested Stop Scams UK members’ knowledge of what privacy regulations allow them to do; it asked how businesses respond to requests to share data; and heard expert advice on how to share data in a manner consistent with regulation.

The report makes clear that if data sharing is to happen at scale across sectors it will need to be backed by policy change. Stop Scams UK calls on policy makers and regulators to simplify guidance around privacy law to make it clear that data sharing of this kind is both allowed and encouraged, ensuring that language used by regulators incentivises rather than stifles responsible data sharing.

Stop Scams UK has now launched an ambitious programme of work with its members to build on the report findings and expedite data sharing initiatives on a cross-sector basis. Work now under way and expected to be completed in 2023 prioritises initiatives to prevent investment fraud.

This work aims to change attitudes and behaviours within companies around data sharing. Pilots will be started that can be scaled up and replicated, while building knowledge and insight that will

benefit all three sectors and industry more widely, in keeping with Stop Scams UK's objective to bring together responsible businesses to help stop scams at source.

Report recommendations include:

For business:

- Start data sharing by exchanging discrete data points, so that trust and confidence can be built up between organisations and sectors. Modest, small-scale initiatives to begin with will also provide insight and learning for wider-scale initiatives to follow.
- RUSI recommended that SSUK members move ahead with pilot exercises in a programmatic way that sets up processes that can be built on over time. Pilots could cover customer propensity models; sharing information with social media platforms to better understand the behaviour of people tricked into sending money to criminals; and sharing voice biometric data of known suspect users of their systems.

For policy makers and regulators:

- Policy makers are asked to investigate the cultural and behavioural barriers that are holding back organisations from exchanging information with each other that could help prevent scams. This includes changing guidance to make clear that responsible data sharing is encouraged by privacy law, and helping business see it as a benefit not a risk.
- Focus should be on making it easier for companies to share signals and flags which can help prevent a fraud from happening in the first place, disrupting criminal business models. Because of the complexity around the use of the data, it is likely this will mean updating regulatory guidance to enable it to happen faster.

Ruth Evans, Chair of Stop Scams UK, said:

"I am delighted at the publication of RUSI's report today. It makes a vital and timely contribution to the debate on what responsible businesses can do to end the losses and heartache faced by so many innocent victims of scams.

Together with our members and with RUSI's input, Stop Scams UK is now getting to the core of a complex issue. The report sets out a clear way forward for businesses who want to share their information to help keep consumers safe. Beyond business, the report also makes important recommendations to Government and regulators. If we are to unlock data sharing at scale, we call for proportionate and sensible changes to guidance around the interpretation of privacy law.

I look forward to Stop Scams UK's work building on these recommendations as our important work on data sharing gathers pace."

Right Hon Sir David Lidington CBE, Chair of RUSI, said:

"Fraud has reached epidemic levels and is a threat to the national security of our country. Organised, large-scale, volume frauds, often perpetrated by international Organised Crime Groups (OCGs), exploit the vulnerable, damage the UK's economy and undermine our financial stability. The money obtained through fraud is laundered through the financial system and feeds further criminality including terrorism, human trafficking, and the trade in drugs and weapons.

RUSI has always believe that information-sharing is at the heart of the fight against financial crime but progress has been slow. This new report makes some vital recommendations about how we can better work together to tackle this epidemic.”

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NOTES TO EDITORS

The report will be available from 20 October at <https://stopscamsuk.org.uk/media>
For more information, contact simon.miller@stopscamsuk.org.uk or hester.abrams@stopscamsuk.org.uk. Visit our website at <https://stopscamsuk.org.uk>

For comment or insight from our Members please contact their respective media teams:

- Barclays
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About Stop Scams

- 2021 was Stop Scams UK first full year of operation. We are a private to private, not for profit, industry-led collaboration that was set up with support from Ofcom and the Financial Conduct Authority.
- Stop Scams UK is made up of responsible businesses from across the banking, technology and telecoms sectors who have come together to bring forward technical solutions to help stop scams at source. Our members include UK’s largest High Street banks; Meta, Microsoft and Google; BT, TalkTalk and Three.
- For solutions to scams to be effective, they must span each of these three core sectors, bringing together knowledge, insight and expertise from each. Stop Scams UK exists to help these businesses work together. We know they want to, but they can find this difficult as regulation and legal considerations have incentivised competition and hampered efforts to collaborate.

- We do this by providing the leadership, trusted space and resource to take collaboration forward, bringing together industry leaders and technical specialists to develop the technical solutions and ways of working that will make a real difference in the fight against scams.
- Stop Scams UK is led by Ruth Evans as independent Chair. Ruth led work for the FCA on the Contingent Reimbursement Model and has spent over 35 years leading work to champion consumer causes and fairness.
- In addition to our work on data sharing, other stop scams initiatives include the 159 short code phone service that connects consumers with their bank when they receive an unexpected or suspicious call, and our work on URL blocking with our Alliance Partners which has led to over 46,000 malicious domains being blocked.

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