



## ‘If UK is to lead on AI safety, fraud should be high on the political agenda’

**Rishi Sunak needs a new and improved approach to tackling fraud, if AI (Artificial Intelligence) is to help rather than hinder the fight against it, a think tank warns today.**

With the UK preparing to host a global AI summit later this week, the Social Market Foundation – a cross-party think tank – says that policymakers need to implement a ‘whole eco-system’ approach to fraud, in order to make the best use of new technologies like AI and get ahead of fraudsters and criminals who are looking to adopt and exploit it themselves.

The analysis comes from a new SMF briefing, commissioned by Stop Scams UK. The SMF retains full editorial independence.

The UK is experiencing a fraud emergency, and the scale of the crime is far greater than the efforts to tackle it have been. Estimates from the Crime Survey for England and Wales for the year ending June 2023 showed that there were 3.3 million fraud offences. 9% of the UK population fell victim to fraud in 2021-22 and recent SMF research found that fraud against individuals cost the UK around £12.8 billion in the same year. Whilst technologies like AI can help combat fraud, if the UK is not prepared, it could also make the situation much worse – enabling fraudsters to generate “synthetic content” such as deepfakes for “spear phishing” and “social engineering” purposes, SMF said.

Stop Scams UK and the Social Market Foundation organised two expert roundtables with senior politicians, policymakers and regulators representatives from the financial, telecoms and technology industries, as well as consumer and business groups. Experts at the roundtables said that while the Government’s Fraud Strategy is a step forward, it falls short of the transformation needed to make a big impact on fraud.

Most crucially, there was a broad consensus among many in industry and across the public sector about how fraud can be beaten. That consensus has a number of elements:

- Greater coordination across the firms in the fraud chain and between the public and private sectors, underpinned by the sharing of data will be key to beating the criminals.
- A focus on prevention and a more proactive approach by financial services and digital and telecoms companies and others.
- Improved consumer education efforts with greater reach across the population.

These have to be underpinned by a focus and resolve that has been sorely lacking to date, with determined leadership to prioritise fraud from the top of politics and the boardroom downwards as the main priority, the SMF argues.

Experts highlighted a number of obstacles to this new approach, such as wildly different levels of prioritisation of fraud and legal obstacles to the scale and depth of the data sharing that is

needed. The ability of fraudsters to exploit new technologies like AI for their malicious ends should put pressure on top policymakers to act quickly, the SMF said.

The report concludes with the outline of an agenda that could build and embed the “whole eco-system” approach in the UK, which could both substantially reduce the current levels of fraud and put the UK in a good position to deal with the rise of AI-enabled fraud:

- Help the organisations in the fraud chain take more concerted anti-fraud action by encouraging and facilitating improved coordination of the industry response to fraud against the UK.
- Increase consumer understanding of fraud and encourage greater levels of “fraud hygiene” among the public.
- Build a more accurate picture of the fraud threat to inform better policymaking.
- Anticipate and get ahead of new and emerging fraud threats.

**Richard Hyde, Senior Researcher, said:**

*“Whilst it is promising that the Prime Minister is looking to lead on AI safety, the threat of fraud needs to be part of that debate. Tools such as AI are highly likely to be exploited by fraudsters for malevolent ends. Therefore any serious effort to ensure AI is safe has to encompass safety from crime enabled by it. This requires having the right approach and infrastructure in place to combat the current fraud emergency and create a strong foundation on which to face the new threats.*

*Many of those most connected with fraud – companies, regulators, policymakers, consumer and business groups – have indicated that there is considerable common ground about how to tackle fraud and be prepared for the next evolution of the threat. However, to do it requires far more will, cooperation and resourcing than we’ve seen so far.*

*Given the international dimension to much of the fraud that is perpetrated against the people of the UK, and the fact that AI is going to turbo-charge the fraud threat, the Summit represents an unmissable opportunity for the international community to get ahead of the AI-fraud challenge, in contrast to the slow and inadequate efforts made against the current fraud emergency.”*

**Ruth Evans, Chair of Stop Scams UK said:**

*“Scams and fraud impact us all with almost £600m stolen by fraudsters from UK consumers in the first 6 months of this year alone. For too long the policy framework around fraud and scams has failed to keep paces with changes to technology and the proliferation of new scam types.*

*This report, commissioned by Stop Scams UK, makes a vital contribution to the policy debate. It sets out the pressing need for a whole eco-system approach, built around clear leadership from Government and the better coordination of industry action, and underpinned by the seamless sharing of data between firms and across sectors. Stop Scams UK’s pilot projects*

*have started to light the way for cross-sector data sharing. This report shows just how urgent that work is and how much more there is to do.”*

## **Notes**

1. The SMF briefing, *Fraudulent times*, will be published at <https://www.smf.co.uk/publications/a-consensus-to-beat-fraud/> on Monday, 30<sup>th</sup> October at 5 AM.
2. The report is sponsored by Stop Scams UK. The SMF retains full editorial independence.
3. The first expert roundtable was co-convened by the Social Market Foundation (SMF) and Stop Scams UK and took place in March 2023, prior to the launch of the UK Government’s fraud strategy. The second was convened by Stop Scams UK (with SMF in attendance) and took place in June 2023. The latter was a follow-up to the first and happened after the publication of the Government UK Fraud Strategy.

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