

Ethics rule

Ben Robertson states the case for ethical and admissible surveillance evidence in fraudulent claim assessments

The threat of a growing compensation culture is putting additional pressure on the industry to accurately identify and manage away fraudulent claims in order to protect honest customers and mitigate financial losses.

Bogus and inflated insurance claims currently cost the UK insurance industry over £1.6 billion a year and this can add 5% to every policyholder's premiums. Recent figures released by the Association of British Insurers (ABI) indicate that one in five people are tempted to cheat on their insurance, despite the likelihood of being caught, facing trouble in obtaining financial products in the future and getting a criminal record.

The current recession has exacerbated this situation and we are witnessing a rise in incidents of fraudulent claims in direct correlation with worsening economic conditions. This issue is growing across the board – from opportunistic claims (including household, motor and personal injury) and organisational fraud (from employer liability to redundancy claims and threats to corporate data) to organised crime (particularly the heinous 'crash for cash' phenomenon that is spreading across the UK).

A BATTLE OF ETHICS

The efficiency of an organisation's claims management process is critical when dealing with suspected fraudulent cases and the provision of ethical and admissible evidence plays a central role in mitigating losses.

Ethical and legitimate surveillance and investigations firms can add significant value to the claims management process, through the provision of relevant, timely and high quality evidence and statements to repudiate false claims. Surveillance has long been accepted by both the civil and criminal courts as an effective, independent and objective means of securing evidence – providing that the surveillance is fairly and lawfully carried out.



One personal injury case we've worked in involved a claimant making allegations that he could not work, walk for more than half a mile or squat and kneel. Subsequent ethical surveillance filmed him playing a full round of golf.

Surveillance undertaken during cases such as this provides an impartial and objective assessment of an individual's day-to-day activities and routine. The evidence gathered is presented to the relevant medical experts to aid their evaluation of the claimant's true capabilities. Some surveillance companies may intentionally omit footage of the claimant if it is detrimental to their client's case – thinking that they are being 'helpful'. If they are caught out it can be hugely embarrassing and costly for the insurer involved.

A DIRTY GAME

Other 'dirty tactics' employed by unethical firms include the use of illegal methods to trace individuals – often through the misuse of National Insurance numbers, 'agent provocateur' techniques and trespassing or intrusive surveillance to obtain footage of a claimant.

Whether working with a regular panel of suppliers or buying in support on a case-

by-case basis, therefore, it is important to ensure that strict ethical standards are adhered to throughout all investigations and surveillance procedures. In addition to an increase in PI claims, we have also seen more fraudulent commercial and household property investigation instructions and motor cases, with a rise in thefts of and/or arson to higher value vehicles. This suggests that dishonest claimants need more money to avoid business collapse or pay off creditors, mortgages and credit card bills.

In such cases where the vehicles are leased, there is often a history of failing to keep up payments immediately prior to the loss.

In travel and household claims, there has been an increase in cases where additional items have been fraudulently added to the list of property lost or stolen in order to increase the value of the claim.

CRIME STOPPERS

Ethical surveillance and investigation can have an equally positive impact on organised crime. For example, these include supporting collaborative efforts of the insurance industry and UK police forces by providing evidence to assist the latter in the prosecution of criminal elements involved in the growth in High Net Worth and Fine Art claims.

It is important that efforts are made to take these cases to court in order to make an example of fraudsters and show others like them that the insurance industry is not an easy target from which to raise illegal profits.

Recession or boom, the claims management process can benefit a great deal from expert investigation and the provision of ethical, admissible evidence. Together, insurers and ethical investigations and surveillance firms can make significant in-roads in identifying and repudiating fraudulent claims and protecting honest customers from inflated premiums. ●

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