



rradar

product data sheet

fraud and financial crime



## Fraud and Financial Crime

A company's own money, property and data can provide attractive targets for theft – often by employees. Even the best internal controls frequently fall short of stopping a trusted employee from engaging in fraudulent activity, especially as employees are often uniquely placed to know how to circumvent such controls.

In their 2013 Global Profiles of the Fraudster report, KPMG identified that the most common fraudster profile was a 34-45 year old individual working in senior management, having been with their organisation in excess of six years.

Corporate identity fraud costs businesses millions of pounds every year.

It is not difficult for a fraudster to change a registered office or trading address of a company as Companies House takes all applications at face value. Fraudsters can file false documents with Companies House to change details of your company's directors and registered office – and then use this for criminal purposes.

Once in possession of your corporate identity, fraudsters can obtain goods and services in your company's name, or trade illegally on the back of your good name and reputation.

Staff infringing IP rights at work can impact productivity, put your systems at risk from malware and put you and your business at risk of legal liability for their actions.

Businesses may encounter IP crime in a variety of ways - they may be victims of IP crime or they might be committing acts that infringe the IP of another party. If you buy and then sell counterfeit or pirate goods in the course of your own business you run the risk of committing a criminal offence. Even if you do so unwittingly, you are still at risk of prosecution and you may be open to civil action by the rights holder. You need to have systems in place to prevent problems, and also to deal with problems if they come to light - ie 'due diligence' procedures.

A business can infringe the IP rights of others by not having the correct licence to support the activities that take place within the business. The Internet continues to evolve at a dizzying pace – and criminals are often on the leading edge, seeking new ways to steal money and take advantage of the unwary.

Many attacks may come through your business IT system. Thieves may try to access usernames, passwords and credit card details through 'malware' such as computer viruses, worms, Trojans, spyware or adware.

Phishing is the attempt to acquire information or even money by masquerading as a trustworthy entity in an electronic communication. The number of phishing attempts run into the millions.



## AXA MLP

**The wide cover included in the AXA MLP includes the following which may be relevant to the fraud and financial crime exposures:**

### Employee dishonesty cover

We will pay for your direct financial loss caused by the dishonesty of an employed person discovered during the period of insurance. Provided that there was a clear intention to cause you financial loss or damage and for that person to obtain a financial gain other than salary, bonus or commission. The most we will pay under this cover is £100,000 for any one claim. This is also the most we will pay for all Employee dishonesty claims in any one period of insurance.

### Identity fraud cover

We will pay for your loss resulting from identity fraud.

### Third party electronic funds transfer cover

We will pay for your direct financial loss caused by the dishonesty of any third party accessing your computer systems and transferring funds with the intention of obtaining an improper financial gain. The most we will pay under this cover is £100,000 for any one claim. This is also the most we will pay for all third party electronic fund transfer claims in any one period of insurance.

We will pay the costs of replacing or restoring any document, data or information lost, damaged or destroyed whilst in your possession during the period of insurance. The most we will pay under this cover is £100,000 for any one loss of documents event. This is also the most we will pay for all loss of documents events in any one period of insurance.

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