



EXPERIAN UK FRAUD INDEX

Q4 HIGHLIGHTS AND 2024 SUMMARY



Our latest findings

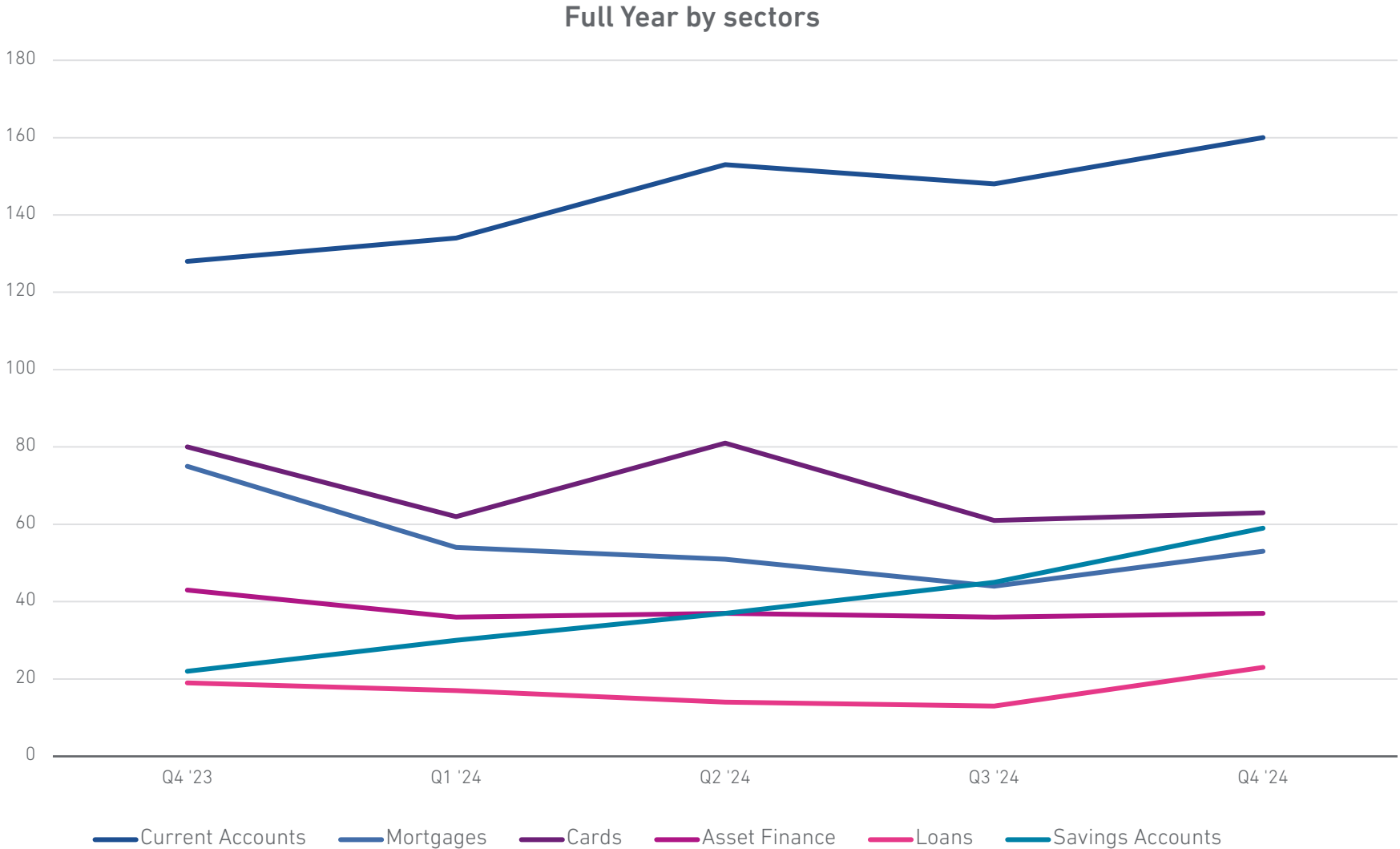
Q4 FRAUD INDEX HIGHLIGHTS



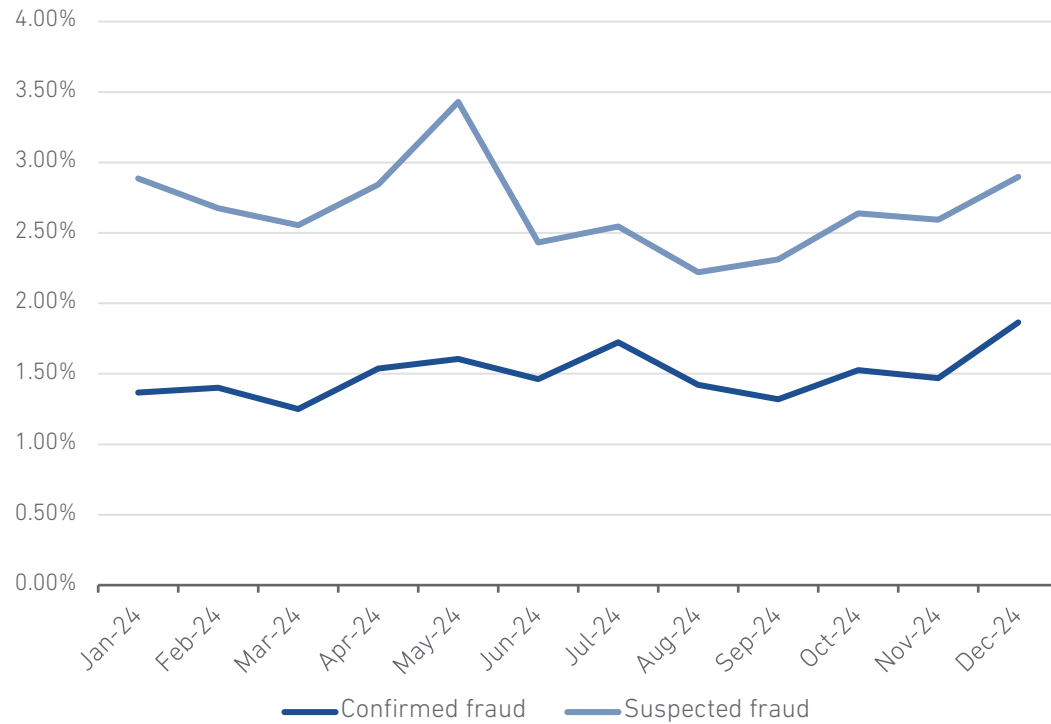
Our Fraud Index is the number of confirmed, detected and/or prevented fraud applications per 10,000 applications received.

The fourth quarter of 2024 has seen an increase in reported frauds across all products with the exception of 'Asset Finance' which has remained consistent throughout the year.

'Savings Accounts' saw the biggest increase in fraud through the year and which is driven by identity fraud cases.

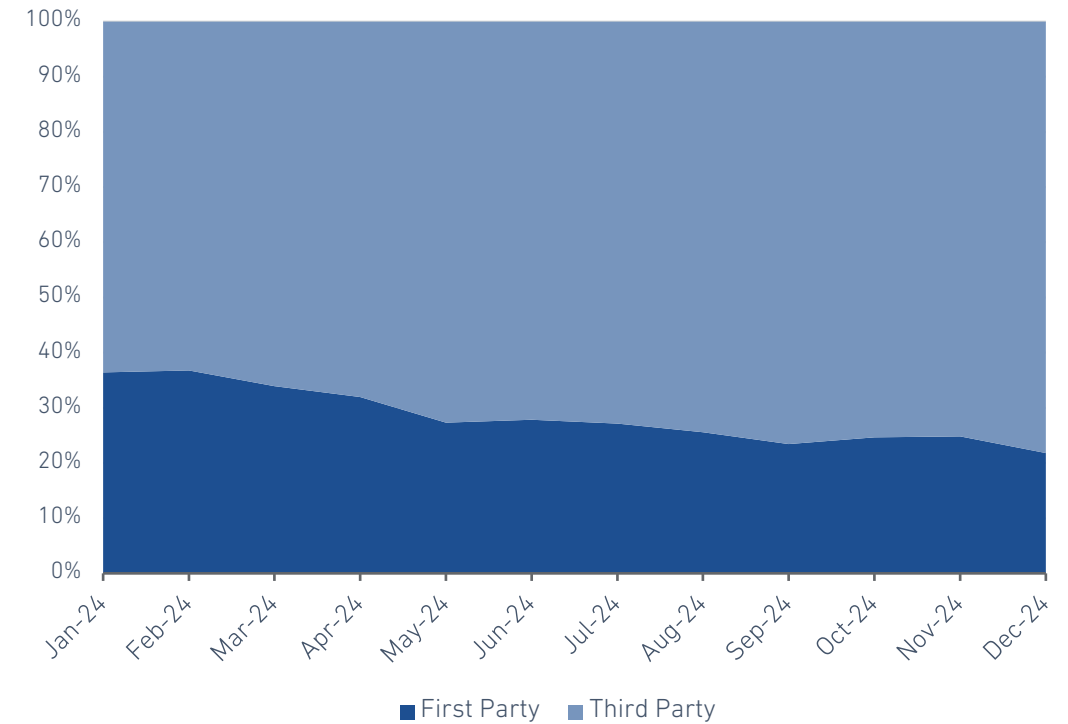


2024 Current Accounts – Fraud Rate



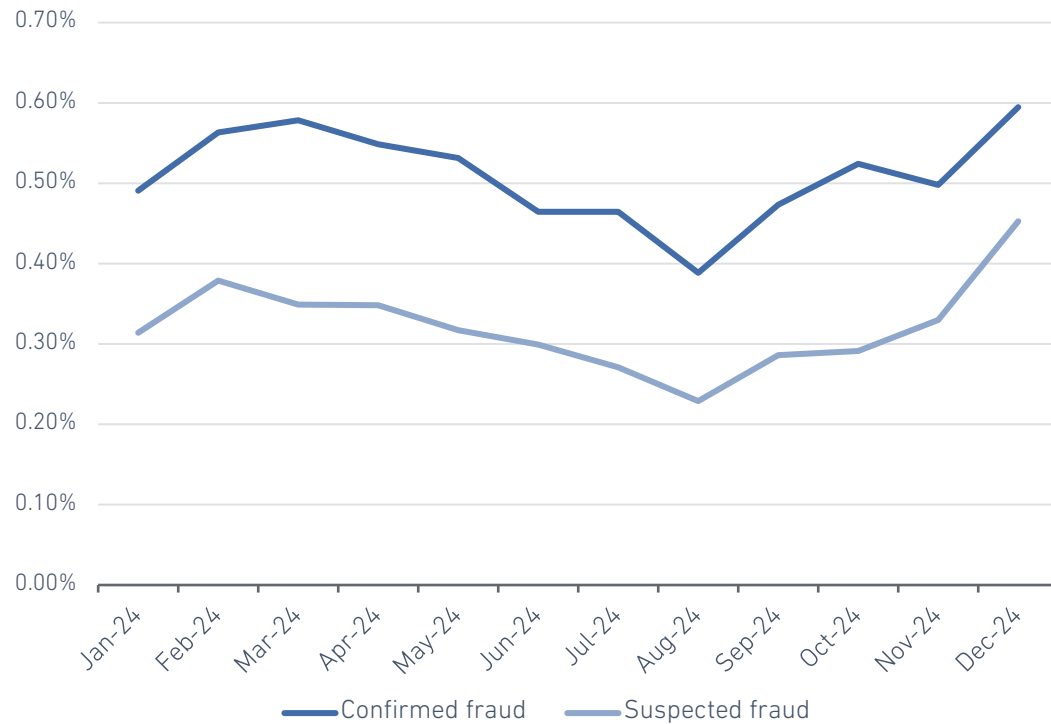
The Current Accounts fraud rate reached a year high peak of 1.86% in December. This follows a general upward trend across Q4 despite falling submission volumes in the same period. The suspect rates reflects the same upward trend in Q4 although doesn't hit the same peak we saw during Q2 (May).

2024 Current Accounts – Fraud Type



The first-party fraud rate ends the year at 22% which is a 14%-point decrease when compared to the start of the year. This is a similar trend across other products and could be linked to the economic trends seen in 2024.

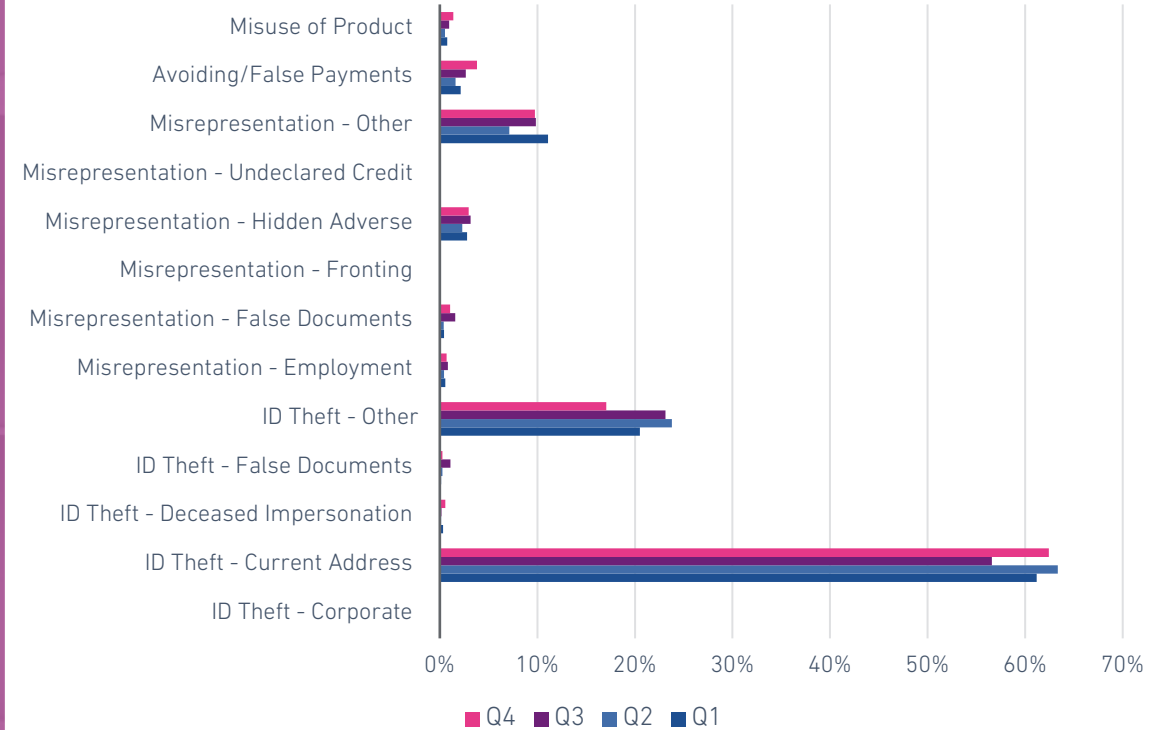
2024 Mortgages – Fraud Rate



Mortgages saw a relatively steep climb in fraud rates through the second half of the year hitting a peak in December of 0.59% for fraud and 0.46% for suspect.

This trend is consistent with previous years and will carry forward into the new year, before it reduces as we move towards the summer.

2024 Cards – Fraud Categories



Despite the proportion of third-party fraud holding steady for the last six months, the final quarter of 2024 has seen a reduction in 'ID Theft - Other' and a corresponding increase in 'ID Theft - Current Address'; the latter now accounting for 62% of all cases.

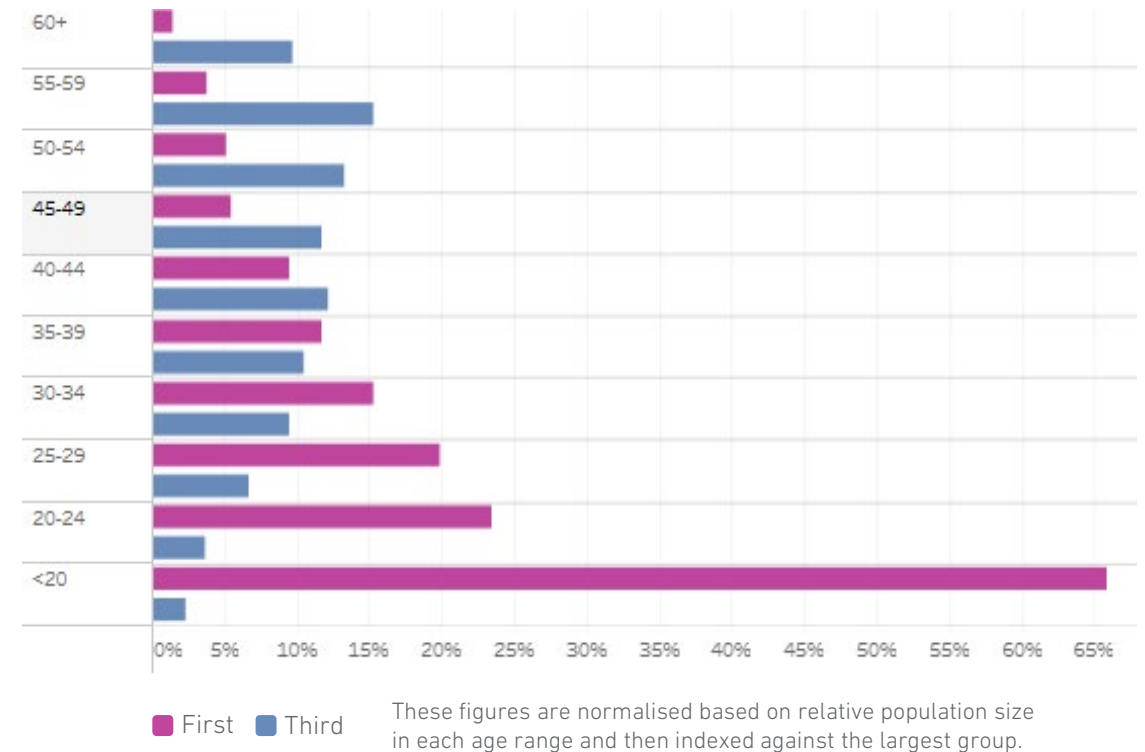
2024 Loans– Fraud Rate



December saw a spike in loan frauds being reported following a historic load of fraudulent 'Bounce Back Loans'. Without this spike, the fraud rate would have ended the year at 0.12%.

Generally speaking the fraud and suspect rates have been reducing through the year, most notably on suspect cases which drop sharply from July.

Q4 2024 Savings Accounts – Age



Third-party Savings Account fraud is spread relatively evenly from the age of 30+, with a peak of 15% in the 55-59 age group.

Although first-party fraud overall is in the minority, the younger generations are at the greatest risk with 66% of cases being among the under 20s.

2024 SUMMARY



2024 Summary



£1.7bn
confirmed fraud



Mortgage
volumes up
12%



Processed
26 million
submissions



£1.6bn
suspected fraud



Loans
cases down
67%



Reported
Savings cases
up **75%**

In 2024, the UK economy experienced a mix of high interest rates and sluggish growth. This economic climate had a noticeable impact on fraud rates, with lower application rates contributing to a decline in fraud compared to 2023.

Throughout 2024, there was £1.7 billion in confirmed fraud and £1.6 billion in suspected fraud. We saw a continued drop in volumes over the year, with approximately 26 million submissions processed, resulting in a 12% decrease from 2023.

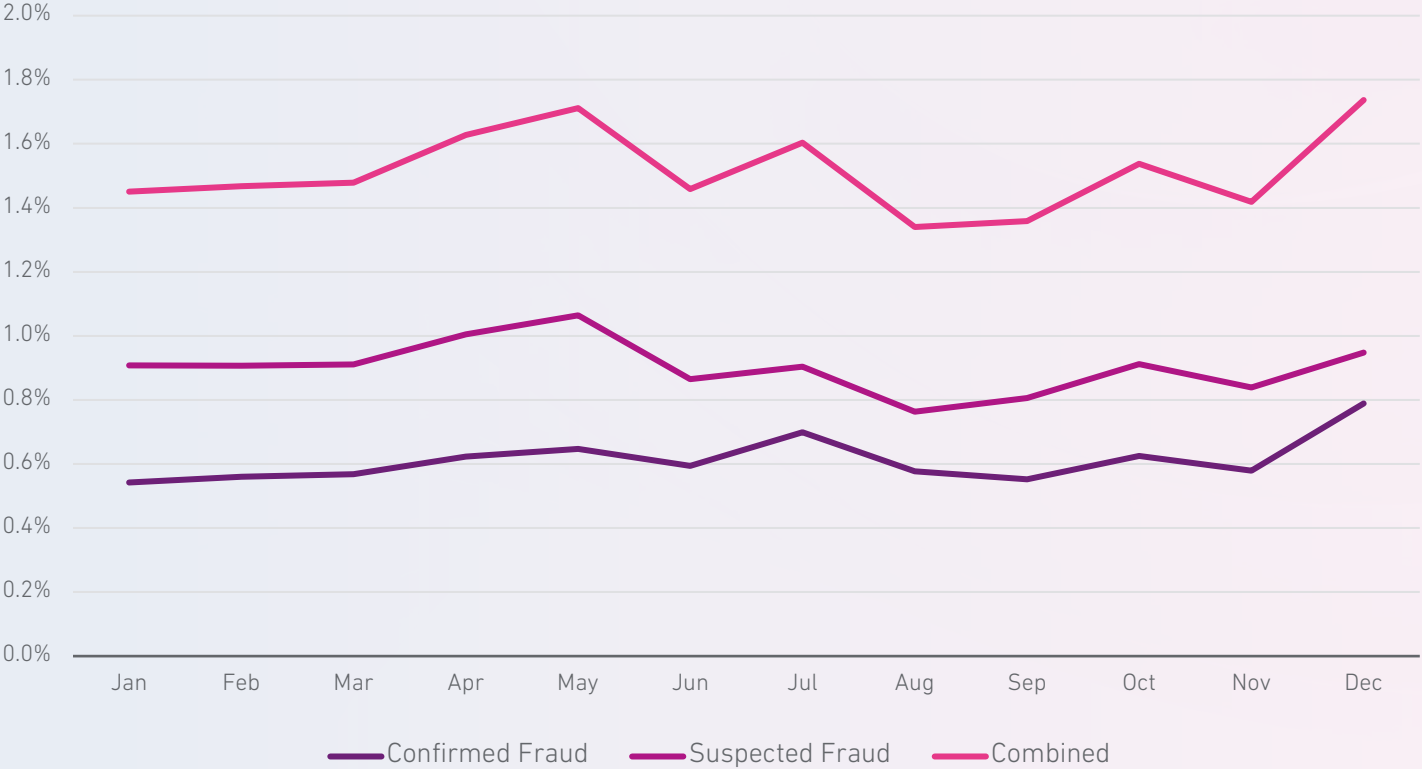
Mortgage fraud remains a concern despite the challenging economic conditions, with volumes increasing by 12%. Overall, identity fraud cases rose by 1.5% compared to 2023, with recorded 'False Identity' cases up 60%.

The distribution of fraud cases was 70% third party and 30% first party. Loan fraud cases saw a significant decrease of 67% from 2023 levels, while reported savings fraud cases increased by 75%, even with a 25% reduction in volumes.



2024 Highlights

Confirmed fraud and suspected fraud rates 2024
(all products)

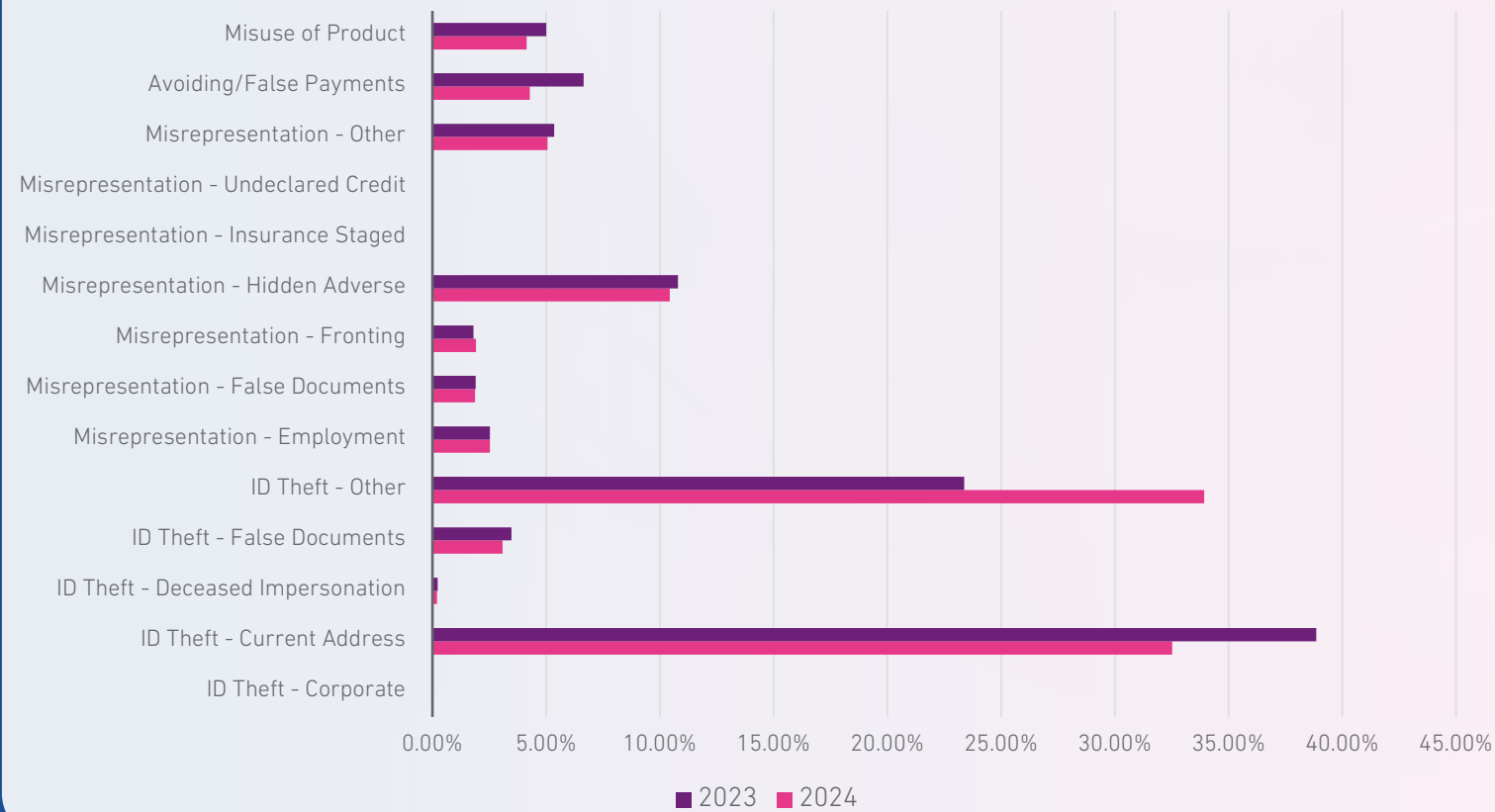


The combined fraud rate across all products varied between 1.34% and 1.74% of all submissions in 2024.

Whilst volumes and number of cases being reported are down when compared to the previous year, the fraud rates do remain consistent year on year.

2024 Highlights

Category Comparison 2023 v 2024



'ID Theft – Other' sees the biggest increase across the categories in 2024 when comparing to the previous year and is driven by the number of 'False Identity' cases recorded in this category which have increased by 60%.

'ID Theft – Current Address' shows the largest reduction having dropped by 6%.

The remaining categories show minor changes to the previous year with exceptions of 'Misuse of product' and 'Avoiding/False Payments' which are both down on the previous year and which correlates to some of the reduction in First Party fraud we have seen.

