

Fraud

Chapter 4

Fraud

4.1 Introduction

- 4.1.1** **G** **Who should read this chapter?** This chapter applies to *all firms* subject to the financial crime rules in ■ SYSC 3.2.6R or ■ SYSC 6.1.1R and to *e-money institutions* and *payment institutions* within our supervisory scope, with the following exceptions:
- 1 • ■ FCG 4.2.2 applies only to *mortgage lenders* within our supervisory scope;
 - 2 • ■ FCG 4.2.3 applies to *mortgage intermediaries* only; and
 - 3 • ■ FCG 4.2.5 applies to *retail deposit takers* only.
- 4.1.2** **G** All firms must take steps to defend themselves against financial crime, but a variety of approaches is possible. This chapter provides guidance on themes that should form the basis of managing financial crime risk. The general topics outlined here are also relevant in the context of the specific financial crime risks detailed in subsequent chapters.
- 4.1.3** **G** The contents of *FCG's* fraud chapter reflect the *FSA's* previous thematic work in this area. This means it does not specifically address such topics as plastic card, cheque or insurance fraud. This is not because the *FCA* regards fraud prevention as unimportant. Rather it reflects our view that our limited resources are better directed elsewhere, given the strong incentive firms should have to protect themselves from fraud; and the number of other bodies active in fraud prevention. Links to some of these other bodies are provided in ■ FCG 4.4.