

Original Article

Not a victimless crime: The impact of fraud on individual victims and their families

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Abstract This article uses data from the largest study of fraud victims in England Wales to date to explore the impact of fraud on victims. Thirty face-to-face interviews and nearly 800 telephone interviews were conducted with fraud victims and family members. Basic demographic data on the profile of victims is provided and compared with victims of other crimes. More comprehensive data are also given relating to the impact of fraud, highlighting financial hardship, broken relationships, psychological effects, mental and physical health problems. The article also highlights secondary impacts, such as damage to reputation and celebrity as well as both positive and negative changes in behaviour. The wide variation in the impact of fraud on victims is highlighted: with some victims reporting little or no impact of fraud whereas others clearly suffer devastating impacts. This destroys the myth of fraud being almost entirely a victimless crime or a crime of lesser impact.

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Introduction

There is a perception among some members of the public that fraud is a ‘victimless’ crime or has little impact (Duffield and Grabosky, 2001; Fraud Advisory Panel, 2006). Some fraudsters also use this argument as a defence, if not against conviction then against a serious penalty. This perception comes largely because of credit card frauds and frauds against the government or large corporations: in the former victims tend to get their money back; in the latter it is argued that victims have sufficient resources to absorb the losses.

Such arguments are rarely used to justify crime such as burglary, where many victims have their property restored and others can absorb the loss or reclaim it through insurance. Moreover, fraud is a very diverse offence and encompasses an extensive range of behaviours (Doig, 2006; Levi, 2008). It is an offence, which can be committed by one individual against another or by an organisation against an individual or by an individual against an organisation (Levi, 1981, 2008; Whyte, 2007).



The offence can be clearly distinguished as a crime or it can often be considered as a civil matter. This article will focus upon frauds perpetrated against individuals, largely by other individuals where it is commonly accepted to be criminal behaviour.

Many frauds – even when the financial impact is minimal – can still have a devastating impact upon victims (Spalek, 1999; Office of Fair Trading (OFT), 2006; Pascoe *et al*, 2006). Moreover, in a good proportion of frauds the financial impact is very significant, especially frauds against small businesses, whose very existence is sometime threatened by the financial impact of the fraud.

Up to now in the United Kingdom and beyond there has been little research on the victims of white collar crime (Slapper and Tombs, 1999; Levi, 2001; Croall, 2007; Fooks *et al*, 2007; Tombs and Whyte, 2007) and even less on fraud, with identity fraud and American fraud victims receiving the most attention (see, Ganzini *et al*, 1990; Deem, 2000; Shichor *et al*, 2001; Titus and Gover, 2001; Federal Trade Commission, 2003, 2007; Fraud Advisory Panel, 2006; Pascoe *et al*, 2006; Winterdyk and Filipuzzi, 2009). Much of the focus of the impact of fraud is orientated around the costs to the economy or particular sectors (Levi and Burrows, 2008).

In England and Wales, in 2005, the Attorney General initiated the Fraud Review which culminated in a report with many recommendations, one of which was the establishment of the National Fraud Authority (NFA) (Fraud Review Team, 2006). One of its first tasks was to enhance the support given to victims of fraud. To help achieve this, the NFA and the Association of Chief Police Officers (ACPO) commissioned research, which this article draws upon (Button *et al*, 2009a, b, c). This article explores the impact of fraud on individual victims using data from the largest survey of fraud victims in England and Wales to date. It shows that while there is a very small minority of victims for whom the impact is minimal, the vast majority can suffer a wide range of consequences, some of them far reaching and pervasive, impacting not only on the victim, but their family and friends as well.

This article starts by briefly exploring the small literature on the impact of fraud and related crimes on victims. This contrasts with the wider literature on the impact of crime generally, in particular the extensive information on the characteristics of victims (British Crime Survey, 2011) and estimates of the cost of crime (Dubourg *et al*, 2005.) The article moves on to describe the methodology used for this research and the constraints on the databases from which victim interviews were selected. A brief profile of the victims contacted in this research is then provided. The article then draws out key findings from the quantitative and qualitative research on the wide range of impacts upon the victims of fraud. It focuses upon individual victims and their family and friends, rather than organisations.

Previous Research on the Impact of Crime and Fraud

The impact of criminal victimisation upon individuals for both the same and different crimes often varies significantly (Gale and Coupe, 2005; Walklate, 2007a, b). These factors can include age, gender, income, social status and networks, which all contribute to how an individual experiences any form of victimisation. These factors reveal an individual's different levels of vulnerability and their subsequent ability to deal with unexpected and unwelcome events, what Walklate (2007b, p. 75) has described as their personal or structural vulnerability. There has been much research on victimisation related to mainstream

volume crimes such as burglary, rape and domestic violence and so on (see, Janoff-Bulman and Frieze, 1983; Norris *et al*, 1997; Mirrlees-Black, 2001; Tapley, 2003; Dubourg *et al*, 2005; Spalek, 2006; Walklate, 2007b; and British Crime Survey, 2011). There has, however, only been a relatively small literature on fraud victims compared with other crimes (Levi and Pithouse, 1992; Levi, 1999, 2001; Croall, 2001; Fraud Advisory Panel, 2006). That literature highlights some of the devastating consequences some frauds have on the victim. For some, such is the impact some have claimed they actually feel like they have been raped (Deem, 2000, p. 37). The most obvious consequence is a financial loss. For some victims of fraud such is the loss that it results in them having to sell assets (often their home), or to go back to work (if they were retired), unable to secure credit or in the worst case sometimes they even become bankrupt. The National Institute of Justice research on victims of fraud in the United States found 20 per cent suffered financial or credit problems as a direct result of the fraud (cited by Deem, 2000).

It is not just the actual financial loss that may have an impact upon the victim, it is also the time taken to deal with it. It has been estimated that it takes 48 hours on average for the typical victim of identity fraud to clear their name (cited in Fraud Advisory Panel, 2006). Research by Pascoe *et al* has suggested that for most victims of identity fraud they can spend between 3 and 48 hours rectifying their situation (actual time taken which might be over a longer period of days/weeks). For some victims who are self-employed the consequences of fraud against their business might result in it failing and a consequent loss of employment.

A study of the impact of identity fraud found some victims' emotions were affected. Some became worried about someone accessing their personal details. Others became agitated and distressed. For some this led to feelings of violation, stress and anger (Pascoe *et al*, 2006). Research on mass marketing scams has also found some victims suffer stress, anxiety and loss of self-esteem (OFT, 2006).

The impact of fraud can also lead to a range of health problems, both physical and mental. Spalek (1999) in a study on the victims of the Maxwell pension fraud found that 'anger' was a common emotional impact of the fraud. She also found they suffered stress, anxiety and fear as a result of their loss. A study of victims of a Ponzi scheme found many were afflicted with depression as a consequence (Ganzini *et al*, 1990). These conditions often then feed into an impact upon the physical health of the victims. Spalek (1999) also found that some of the victims of the Maxwell fraud felt their husband's deaths were accelerated as a result of the scam.

The loss of wealth and sometimes the way in which the money has been lost (that is, often hidden from partners) has been reported to lead to the breaking up of marriages and relationships in some cases: examples reported to us are cases of scams and the effect on chronic victims that when family members try to intervene to stop them it leads to a disintegration of their relationships.

A common theme among some victims of rape and other violence is the victims partly blame themselves. There is evidence for this among fraud victims as well (Titus and Gover, 2001). For some victims the impact of the crime changes their behaviour. Spalek (1999) found victims of the Maxwell pension fraud changed their perceptions on activities that previously they felt they were invulnerable to. She found some victims who changed their behaviour as to where they might place their money. The OFT study of mass marketing fraud found over half the scam victims studied had changed their purchasing and payment



behaviour as a result of the fraud (OFT, 2006). There is also evidence of some victims being less likely to make use of the Internet for purchases. Some of these changes could be seen as positive in terms of reducing the risk of future fraud and are analogous with victims of burglary improving the physical security of their premises. However, if some changes made by fraud victims become very widespread this could well have an impact on legitimate businesses (Fraud Advisory Panel, 2006; OFT, 2006).

Methodology

The research this article is based on was initiated by the NFA and ACPO. Talking to victims of fraud was a central part of this research, so securing access to names of fraud victims was essential and several organisations were approached for names of victims who might take part. The consequential constraints were that these names were confined to known victims of fraud recorded by the various organisations and, in some cases, some constraints on how to contact the victims. There were no other constraints: for example, on questionnaire or interview content or on time scales.

For some organisations access proved to be difficult due to confidentiality or data protection reasons. Other organisations made lists available with different constraints about how to contact victims: the City of London Police (COLP) and the Metropolitan Police Service (MPS) supplied lists of victims from their records (see Table 1) for contacting. Their approach was to write to the victims on the list and tell them that research was taking place and it was up to them whether they wished to participate when they were contacted by the researchers or the telephone marketing company Accent.

Other bodies required positive consent from the victim to pass their details to the researchers. CIFAS (The UK's Fraud Prevention Service), the Federation of Small Businesses, OFT and a major high street bank contacted victims on their records (or in the case

Table 1: Total number of victim details passed to researchers by source

<i>Source</i>	<i>Total victims</i>
City of London Police List 1 for Face-to-Face	20
Metropolitan Police Service List 1 for Face-to-Face	11
OFT List 1 for Face-to-Face	7
FSB List for Face-to-Face	5
CAB	3
City of London List 2 for Telephone	899
Metropolitan Police Service List 2 for Telephone	264
Highstreet Bank	524
Names given to Researchers:	258
OFT List 2 for Telephone	138
CIFAS List	74
Media	46
Total	1991

of the high street bank as they reported) and asked if they would like to take part. If they did those details were passed to the researchers.

Additionally, the researchers initiated some stories in the media: 'You and Yours' on Radio 4 and a story in the *Mail on Sunday*. These included details of a special E-mail address that victims could use if they wished to take part. Full details of how names were chosen can be found in Button *et al* (2009a, b, c).

The way the lists of victim were drawn up means that there is a bias towards certain types of fraud victims: investment fraud,¹ boiler room fraud² and identity fraud,³ with mass-marketing frauds under-represented. Thus, the research cannot claim to be fully representative of fraud victims as a whole. When interpreting this report, it must also be recognised that the vast majority of frauds go unreported and it may be that the characteristics of these unreported frauds may be different from those frauds that are reported.

The research team conducted 30 face-to-face semi-structured interviews involving 31 victims of fraud and 3 relatives of victims of fraud (in some cases relatives sat with victims to support them, with no intention of participating, although some did offer comments: no personal data were sought from such relatives). The names were chosen from lists of victims supplied by the MPD and the OFT and the sample was predetermined to enable a spread of results on which the final questionnaire was to be based. The interviews were conducted using largely open-ended questions. All bar one of the interviews were recorded and then transcribed to enable coding and analysis. Initial results from some of the face-to-face interviews were then used to frame the more closed questions for the telephone interviews.

The telephone interviews were based on 1991 names extracted from victims' databases supplied by a much wider set of organisations (Table 1). Of the 1991 names available for telephone interviews, 745, or 37 per cent, were successfully contacted and completed the telephone interviews. Ninety per cent of the telephone respondents were individual victims of fraud: and 6 per cent were partners or relatives of fraud victims. Only 2 per cent, or 16 respondents were small business victims. Thus, although the response of small business victims was particularly interesting, the sample was too small to generalise to small business victims as a whole.

Telephone interviews were conducted by the specialist telephone marketing company. A questionnaire was designed based on the needs of the research project and about 15 of the face-to-face interviews, which had already taken place. Ideally, the research team would have liked to have completed the face-to-face interviews, but the time pressures of the project meant this had to be done at an earlier stage. The questionnaire was piloted on 20 victims and then further refined. In addition, focus groups were organised with the aim to float potential ideas for greater support to victims to ascertain their views. As these did not explore the impact of fraud directly they will not be the subject of any further discussion in this article.

The project produced extensive data. The qualitative data from the face-to-face interviews and focus groups was transcribed and then coded. The quantitative data from the telephone interviews was fed into Excel to allow more sophisticated analysis. The following discussion integrates the findings from the face-to-face interviews and telephone interviews. All face-to-face interviewees were allocated a name different from their own to protect their identities and these are used throughout to illustrate the variety of views of different types of victims.



It is important to set out some caveats before we consider some of the findings. The research team was reliant upon the names supplied by the COLP and MPS for the telephone interviews and the high street bank and CIFAS were also important. These bodies tend to focus upon boiler room, investment and identity frauds. The COLP and MPS, although based in London, do deal with frauds from beyond their boundaries but because of their location there is a bias towards London and the South East. The telephone survey data therefore has certain limitations in over-representing certain types of fraud victims: boiler room, investment and identity as well as London and South East region. In the face-to-face interviews, however, the researchers did manage to interview victims from a fuller range of frauds from across England. This qualitative data provides a wider picture of the impact of fraud on individual fraud victims perpetrated by individual (rather than corporate or organisations) fraudsters.

Victim Profiles

The research secured extensive data on the profile of the victims, covering issues such as age, gender, education, income, class and so on (see Button *et al.*, 2009a,b,c). More detailed analysis of this profile can be found in these other papers and therefore for this piece only the basic profile of victims is revealed and the telephone survey victims discussed in greater depth because of the larger numbers.

Seventy-three per cent of the 745 telephone respondents were male and 27 per cent female.

This compares with around 55 per cent of all victims of Theft being female (British Crime Survey, 2011). The age groups from which victims were drawn were predominantly the older groups. Forty-seven per cent of respondents were over 60: a further 38 per cent aged 40–60 and only 5 per cent aged under 30. This is likely to reflect the type of fraud suffered, so that those with money to invest were more likely to be targeted. This age profile of victims is significantly different from the profile of victims of other forms of crime, for example, Theft, where around 15 per cent of victims were aged under 30 (British Crime Survey, 2011).

The ethnic group of telephone victims were predominantly White, with 95 per cent describing themselves as such: 3 per cent described themselves as from the Indian sub-continent: 0.7 per cent as of Mixed ethnicity: and a further 0.8 per cent as Black. Only 0.4 per cent refused to answer the question. The ethnic profile is similar to the profile of victims of crime such as Theft.

Over 41 per cent of the sample came from London or the South East, much higher than the proportion of the population living in these areas. This reflects the source of the names and to some extent the type of fraud experienced.

Reflecting the older age groups in the sample, 36 per cent of the victims said they were retired from work at the time of the fraud, compared with 59 per cent who were in employment (mainly full-time) or students. Only 2 per cent said they were unemployed and a further 2 per cent were long-term sick or looking after their family full-time. This contrasts with the profile of victims of crimes such as burglary, where the unemployed are much more likely to be victims than the average person (The Poverty Site, 2011).

Four hundred and thirty-four respondents gave their own socio-economic group, based on either their present employment or their employment before they retired. Non-manual

occupations predominated, with 68 per cent putting themselves in the categories of non-manual professionals, employers and managers, very much higher than for the country as a whole. Following a similar pattern, respondents also gave their highest qualifications with only 8 per cent saying they had no qualifications and 46 per cent saying they had a first or higher degree. This is clearly much higher than for the population as a whole, especially as many of the sample were older people, who tended to have left school earlier and have fewer qualifications than younger people. The higher status of victims in the telephone sample was also reflected in the salaries they quoted. Over a half, 52 per cent, said they earned more than £30K a year and fewer than 8 per cent said they earned under £10K a year.

The face-to-face interviews were conducted in 30 semi-structured interviews involving 34 participants for which data were captured (some interviews had relatives or partners sitting in for support who sometimes interjected with useful comments which were recorded). Of the 34 participants: 27 were individual victims, 4 were individuals defrauded as a result of the small business they run and 3 were relatives of victims. Of the 34 interviewed, 22 were male and 12 were female. The age ranges of the victims interviewed were drawn from older groups. Half were 60 or over, followed by just under a third 41–60 and 18 per cent were 31–40. There were no interviewees 30 or under. This pattern is clearly not representative of the population as a whole. It simply reflects the names that the researchers were given.

Types of fraud

The types of frauds experienced by the victims interviewed by telephone were varied. Nearly, 88 per cent of our sample group stated they were victims of Identity Fraud (43 per cent), Boiler Room Fraud (24 per cent) or an investment scam (21 per cent). Other types mentioned were Lottery Scam (3.5 per cent), Insurance Fraud (2.3 per cent) and Tickets Fraud (1.7 per cent). The final 5 per cent included small numbers of other types of fraud (pyramid letters, African advanced fee fraud, credit card cloning/stealing, betting scams, timeshare scams, Internet fraud and various combinations (Table 2).

For the face-to-face interviewees the types of frauds, numbers and 'names' of victims are reproduced in Table 3. It illustrates a much wider range of mass marketing frauds, as well as boiler room, investment and identity frauds.

The Impact of Fraud

Those interviewed by telephone were asked to list the possible effects of fraud on them or their partners. They were given prompts as to possible effects and where there was an effect they were asked to state its severity. A textual response was also recorded to assist in the analysis. Their views are summarised in Table 4. Victims' views of the impact of the fraud varied considerably, undoubtedly because of the particular fraud they had suffered. Just under a half (45 per cent) rated financial loss as of high importance (rating 5 or over): and few (11 per cent) felt that their credit rating had suffered. In a similar way, 4 per cent rated loss of home as an important impact: 2.5 per cent rated loss of employment as important and

**Table 2:** Type of fraud reported among telephone survey victims

<i>Type of fraud</i>	<i>Number</i>	<i>Percentage</i>
Identity fraud	317	42.6
Boiler room fraud	183	24.6
Investment fraud	154	20.7
Lottery scam	25	3.4
Insurance fraud	17	2.3
Ticket fakes/did not arrive	13	1.7
Credit card fraud	9	1.2
Pyramid/chain letter scam	6	0.8
African advanced fee fraud	6	0.8
Betting scam	4	0.5
Internet fraud	3	0.4
Time share/holiday fraud	2	0.3
Combination of frauds	2	0.3
Other	4	0.5
Total	745	

10 per cent rated loss of pension as important. Seven per cent rated suffering from a depression or a mental disorder as important: and 11 per cent mentioned a physical health problem resulting from the fraud. Suicide was not rated as a significant problem: with feelings of suicide rated important by 2.3 per cent and attempts at suicide rated by 1.7 per cent of victims.

However, much higher percentages of victims rated feelings of stress (44 per cent) or anger (68 per cent) as important. Thirty-seven per cent mentioned psychological/emotional feelings, loss of trust and so on. A smaller, but important percentage of victims mentioned problems with their partners of family because of the fraud (17 per cent), or problems with friends (9 per cent).

The following section will explore some of the data from the face-to-face interviews based on the order of severity according to the telephone interviews as presented in Table 4. Some issues have also been grouped together for ease of analysis. There are also some consequences of frauds, which were not picked up in the telephone interviews but were in the face-to-face, which will be examined. However, for some victims there was little or no impact and this will be examined first.

Little or no impact

A significant finding in the face-to-face interviews was a small number of victims where the fraud had little or no impact. Often the impact bore little relation to the actual loss suffered; some victims who lost quite substantial amounts (to most people) were not overly concerned, as the following extract shows:

No I don't care if anybody knows about it, but I was an idiot, it was my fault, nobody else was affected apart from my wife and I so why tell anybody? But ... but as I say the impact on our lives, of that, is miniscule compared with what this stupid government's cost us, and is going to cost us for the rest of our lives. (Doug, boiler room fraud victim)

Table 3: Type of fraud reported by face-to-face interviewees

<i>Type of fraud</i>	<i>Names</i>	<i>Number</i>	<i>Percentage</i>
Bogus holiday fraud	Tom James Lorraine	3	8.8
Bogus tipster fraud	Brian	1	2.9
Boiler room fraud	Doug Heather Reg Annette Giles Edward	6	17.4
Card-not-present	Becky	1	2.9
Identity fraud	Nathan David Harold Dean	4	11.6
Internal	Peter Roy	2	5.8
Investment	George Jane Roger Archie Steve Mike Tim Val	8	23.2
Long firm fraud	Barry	1	2.9
Lottery fraud	Hilda Fred Lisa Arthur	4	11.6
Nigerian 419	Christine	1	2.9
Psychic/lottery	Margaret	1	2.9
Pyramid	Doreen	1	2.9
Multiple	Claire	1	2.9

Italics distinguishes relative of victim, **bold** small business. In addition Mildred (wife of George), Louise (sister of Roger) and John (partner of Claire) offered comments when interviewed.

For identity fraud this solicited different attitudes among some respondents, as they would be unlikely to incur any financial loss.

Um, you know, the extent of the problems it's caused me, you know, isn't that great. It's just, er, you know, because it was resolved so quickly, um, you know, so the only really ... the only real sort of lasting impact is having to go through so many hoops, you know, for, for my legitimate banking and all those sorts of things. Um, but that's just there. I don't think there's any real impact to this that, you know, other than it constantly being on your mind, you know, about where stuff is. I don't know. (Nathan, identity fraud victim)

**Table 4:** Telephone survey victims views of possible impact of fraud: 1=no effect: 7=severe effect

<i>Possible effects of fraud</i>	<i>Numbers</i>	<i>Mean</i>	<i>Percentage of claiming low effect: 3 or under</i>	<i>Percentage of claiming high effect: 5 or higher</i>
Caused feelings of anger	729	5.2	21.9	68.40
Financial loss	665	3.9	48.6	45.0
Caused feelings of stress	681	4.0	44.3	44.3
Caused psychological/emotional feelings	622	3.4	53.9	36.7
Caused problems in relationships with partner or family	548	2.1	79.6	17.2
Caused physical health problems	536	1.8	85.9	10.8
Loss of pension	433	1.6	88.9	10.0
Worse personal credit rating	466	1.8	84.5	11.4
Caused problems in relationships with friends	519	1.6	87.7	9.1
Caused mental health problems	499	1.5	90.8	7.4
Loss of home	410	1.3	95.4	4.0
Loss of employment	406	1.2	96.8	2.5
Caused feelings of suicide	487	1.2	96.3	2.3
Led to suicide attempt(s)	471	1.1	98.3	1.7

Financial impact

It is important to stress the relativism of financial impact. For some victims the loss of a small sum of money was quite devastating, for others quite substantial sums were not considered significant. However, for most, whatever the loss, the impact was great. Table 5 shows that the range of financial loss suffered by those interviewed on the telephone varied considerably: 1 in 6 (16 per cent) had lost under £100, 37 per cent had lost under £1K and three quarters (76 per cent) had lost under £10K. At the other end of the scale, 1 victim had lost over a million pounds and 22 victims had lost between £100K and £1 million.

Losses varied by household income, as Table 5 shows. Of those with a household income of under £10K, 8 (16 per cent) reported a fraud loss of over £10K, more than a year's income: Of those with a household income of £10K–50K, 45 (8 per cent) reported a loss of over £50K, again more than a year's income.

The range of losses of the victims interviewed face-to-face ranged from a few thousand to over a million pounds. The following extracts from interviews reveal how they comprehended the financial impact.

Well, I was very upset over it, because it was my savings. You know, all my savings practically and, I mean, wasn't it really? (Jane, investment fraud victim)

Oh it was awful, because we'd got a bank loan out to pay for this holiday and I then thought well what am I doing, because I'm now paying for something that I've not had. (Lorraine, bogus holiday fraud victim)

Such is the financial impact for some that victims or their companies are bankrupted and some companies as a result of the fraud employees lose their jobs.

Table 5: Range of financial loss suffered by telephone survey victims: By household income

Range of loss	Household income						Total	Per cent
	0K–£10K	£10K–£15K	£15K–£30K	£30K–£50K	Over £50K	Refused/DK		
Under £100	7	7	26	26	32	19	117	15.7
£100–£1K	10	14	41	34	37	23	159	21.3
£1K–£10K	24	36	75	63	63	32	293	39.3
£10K–£50K	6	13	28	26	24	9	106	14.2
£50K–£100K	2	2	6	9	8	8	35	4.7
£100K–£1 million	0	1	5	4	9	3	22	3.0
Over £1 million	0	0	0	0	1	0	1	0.1
Refused/DK	1	0	4	2	1	4	12	1.6
Total							745	100.0

Note: DK: don't know.

Psychological impacts

The next set of impacts can be grouped together as psychological impacts, which included stress, anger, loss of esteem/shame and upset. Stress is a very difficult condition to define and deal with (Bartlett, 1998). Without embarking upon some of those debates, some victims simply claimed the whole experience had given them stress.

Well it's an added stress and I'm sure I've got a few more grey hairs over it, but [laughs], I've not been to the doctor for anything no. (Becky, small business victim of card not present fraud)

Anger was also a very common emotion expressed by the victims.

Um – I think the – the anger that somebody has actually done it and they've gone to long lengths to actually do it to me through trust. That I think is the thing that has really got to me. (Archie, investment fraud victim)

Such was the anger among some victims they expressed a desire to hurt the perpetrators, as the following extracts reveal.

Oh aye, I was ... I wasn't right pleased, if I'd have got to him I'd have ... he ... he'd have wanted hospital treatment [laughs]. (Fred, lottery fraud victim)

No. If I could have caught the blokes [laughter] I might have, might have done something, erm, if I knew who they were and where they were, erm, you know, they might have made them really sorry (Reg boiler room victim)

A number of victims expressed a mixture of emotions that included: loss of esteem, embarrassment and shame. Brian, below states how his self-esteem dropped when he realised he was a victim.

That I was stupid enough to get involved with it. My self-esteem dropped like a stone, after me building it all the way up there and getting back to normal and you know, getting me life sorted out, after the drink and everything else that had gone on in the



previous years, getting back to a step ... and then falling for this sucker punch. That was terrible, yeah. My self-esteem dropped no end. It took me a while to get that back. (Brian, bogus tipster victim)

Similarly for Val, there was a feeling of how stupid she had been.

I think we both felt at the time that oh what a waste, you know, we've thrown all that money away and plus the fact that you know, you kind of think to yourself well how stupid could I be, to pour it into something like this and then not really you know, kind of think to yourself well, what an idiot. Why did I do that? (Val, pyramid investment victim)

Some victims were simply upset, as the following quote reveals.

... And I used to ... well, getting upset in the night myself, you know, and think about all my money I've lost [laughs] and I won't get it back. And that's the main thing really. (Jane, investment fraud victim)

The upset can manifest itself in a number of ways. One victim, close to tears, told the researchers how the impact of the fraud hit him when his son offered to buy the mother's Christmas present.

Yeah. It's, it's when your son says to you ... 11 year old son says to you, um, don't worry dad, I'll buy mum's Christmas present this year. I mean, er ... [laughs]. (Steve, multiple fraud victim)

One victim complained the fraud had left him with quite a few sleepless nights.

Oh, it's driven me to distraction. I've certainly lost ... If I'm honest with you, although I seem a reasonably confident individual, I've lost a hell of a lot of sleep over it. I would like forty, fifty nights I've woken up at half past three in the morning worrying about the bloody thing, and knowing very well that when I properly awake the next morning I will deal with it with a letter or something. (David, identity fraud victim)

Relationships

The impact of fraud can also damage relationships between partners and within families. This can happen in a number of ways:

- The financial impact causes stresses in relationships.
- One partner keeps the loss secret and eventually has to reveal it.
- Family members become distressed as a relative squanders life savings on scams and attempts to stop them result in strains.

There were examples of these discussed by the interviewees. Doreen lost £3K but has not told her husband for fear of the consequences. She also alluded to other friends who had fallen for the same scam who had not told partners.

Some of them also my friends, also their husbands, they didn't tell their husbands! [laughs] Because it will be a marital problem, you know, you know the consequences

you do think there is always the consequences, you're always just thinking, not now, maybe one day but not now ... Yeah, yeah, yeah, I have to be careful, be careful because, you know the reason why people get split, one of the reason is money (Doreen, pyramid fraud victim)

Another victim was so ashamed of the fraud she had not told her seriously ill husband who she was caring for.

No, I haven't. I was so ashamed I suppose ... of the fact that I'd done it, that I didn't want anyone to know. And so I have in fact told one friend, that's all ... and I was so ashamed of the fact that I'd been so stupid. (Christine, Nigerian scam victim)

The greatest devastation in relationships was in families where there was a chronic scam victim.⁴ The consequences of the fraud often led to members of the family falling out. Some of the extracts from interviews below demonstrate this impact. The first example reveals the impact from the victim's perspective and the second from a relative.

Well my wife has suffered more than me, she's been worried to death from time to time and I've always said, as I've already told you that, I wasn't worried, I'm probably not, err, explaining myself fully. I wasn't worried to the amount of money that I was sending, although, erm, it's surprising how it adds up and then you start and get worried but, my main concern was relative to my daughter and my son in trying to get them some money to, erm, help them over this difficult period. (Arthur, chronic scam victim)

... and has asked him, begged him, pleaded with him not to send any money, but he's just ... he's even driven her to cash points to make her withdraw money because he couldn't get enough out in a day to get cash from the bank. She's just turned into a complete nervous wreck, she's sort of, you know, old, nervous issues, I've alerted their GP and the ... he has a community mental health nurse visiting them. I wondered whether my dad was ... had got some form of dementia because I couldn't understand how he could be ... have the suspicions that this is not right, investigate it, have the ... be ... have the suspicions verified, if you like (Lisa, daughter of chronic scam victim)

Physical health

The telephone survey revealed around 10 per cent rated physical health problems in the severe category as a result of the fraud. Among those victims interviewed face-to-face only two revealed problems of this nature. Two of the victims admitted to developing skin conditions due to the worry caused by the fraud or its secondary impact.

But if you want to see class a psoriasis which I didn't have before ... and if there is, um, any relationship as they say there is between stress and psoriasis. (Peter, small business victim)

Yes, um, I, um I have started suffering from a rather mild, um, skin problem called urticaria in which, um, certainly in 2003, which was just when this had gone on for six



months, um, I just went all red, red rash, right down the front of my body and down my legs, itchy rash, it's called urticaria. And, um, I was given some medicine for it, pills and it knocked it out. There've been a few reoccurrences, not so severe as that first onslaught, but it's never happened before and, um, I think it's a symptom of the awful level of anxiety that I now live on. (Harold, identity fraud victim)

Mental health

Of the telephone survey victims, 7 per cent claimed to have experienced mental health problems in the severe category (6 or 7). There were two victims interviewed face-to-face who also admitted that the fraud had had an impact upon their mental health.

Oh it was a passion. And because I am ... I, I, I am a, a compulsive obsessive person by nature, um, that's why it consumed me personally over the last 12 months. I'm, I'm on antidepressants, um, sleeping tablets, um, [sighs], tranquilizers, er (Barry, long firm fraud victim)

Er, yeah, I would say with me, yes. I've been mentally to the brink a couple of times. Yeah. So ... I've always thought I'm pretty strong but, you know, um, er, it's when you have to carry the baggage of your own family, that's, that's difficult. (Mike, multiple fraud victim)

Suicide

Very few of the victims interviewed over the telephone had thought about or attempted suicide: 2.3 per cent and 1.7 per cent, respectively. None of the face-to-face interviewees had contemplated or attempted suicide. However, one victim of credit card fraud noted that as part of Operation Ore (the police operation to arrest those whose credit card had been used to download child pornography) 39 victims had committed suicide (Campbell, 2007). He went on to speculate that not all of those suicides might have been as a result of the person actually downloading child pornography, but as a result of the consequences of been falsely accused. This secondary impact will be developed later in the article.

There have also been examples of fraud victims so devastated by the fraud that they have committed suicide. The extract below illustrates how devastating the impact can be.

William Foxton aged 65 lost his family's entire life savings as a result of the Madoff Ponzi fraud. His son reported that he was extremely low and in February 2009 he shot himself in a park in Southampton. (Timesonline, 2009)

Fear of violence or other action

Some fraudsters will use threats of violence or other intimidation when the scam looks like it might end. In the interviews for this research there were a couple of victims who feared the consequences of no longer participating and one extract below illustrates this.

Anyway, I, err, he ... I refused to send him any money and, err, refused, I told him that I shouldn't be giving his couriers, if they turned up, any money. Whereupon he

threatened, and it's the only one that's ever, apart from the last one, he, err, sort of, made threats to me. But this particular one threatened that he would ... his couriers wouldn't be very happy about what I'd decided and, err, the inference was they would come and, erm, do my wife an injury, not me. Err, and, erm, I went to the police and, err, reported that at Doncaster Police Headquarters (Arthur, chronic scam victim)

Another common threat used by fraudsters against victims is to raise the prospect of legal action or actually use lawyers.

... what they did to us is they took us to the solicitor because they said we were harassing them and I had a letter from the solicitor that I was, erm, accused of harassment and if you do this again to this person, you know, you know the consequences, they said. (Doreen, pyramid scam victim)

Many victims could be described as vulnerable, and fraudsters often play on their fears. Doreen, who was originally from the Philippines, described how many of the other Filipino victims were here on working visas and it had been raised by the fraudsters that if they went to the police, their participation in the pyramid scheme could compromise their visa.

Secondary impacts

An important finding from this research are some of the secondary impacts as a result of victimisation. Two issues were raised by the victims: damage to reputation and celebrity. One of the potential consequences of identity type frauds is that the fraudster might use personal details to commit other crimes. One of the most devastating impacts discovered in this research was of one credit card fraud victim, who several years after the fraud was woken early one morning by a group of police detectives and arrested on suspicion of downloading child pornography. In full glare of his neighbours he was led away to a police station with his computer seized as well. Just over 6 months later he was written to by the police to be told his bail was cancelled and he could have his computer back. However, as a result of the arrest and accusation there has been a huge impact on his reputation and how many perceived him. As the extract below illustrates:

And then another person in the street who said, um, 'on well, there are those who talk about no smoke without fire'. You know these sort of comments add up and someone else, more recently who I had regarded as a friend, but I've – I won't see him again, um, although I've known him for 25 years, um, he made a flippant comment about 'well there must have been something', um, I rang him up about that later and gave him a thorough, not a talking to, but a very mildly expressed explanation and said 'look you don't seem to understand, these are the facts' and I told him what had happened and he said I was being flippant. I was just being flippant. (Harold, identity fraud victim)

There was also a fear of such secondary impacts by another identity fraud victim. He had been told that false passports are often used for 'sham' marriages and he feared the day that a woman would turn up at his door claiming to be his wife. More generally he was very concerned someone was impersonating him.

And it drives you mad. Do you know one of the worst things about it is? What you worried about Mr #####, you've got your money back! In other words, you're not a



victim. We the bank, are the victim. ###! It's not like that! I mean somebody out there is pretending to be me. I'm sorry, that upsets me, you know! If I was some ... if I was drinking paraffin under an arch at a bank station, I wouldn't give a toss about that. But actually I've worked hard to build up my reputation, to build up my business, to ... I've worked hard with the reputation of the firms I run here, the charity that I run here and I'm very bothered that there's some ### out there who is running around, pretending to me. (David, identity fraud victim)

Some victims had also found themselves in the media spotlight. For some this had produced sympathy, for others derision and for most embarrassment; as the following extracts show:

If we walked into Tesco's to go shopping we would go at nine or ten o'clock at night, because it was quieter, because if went out during the day all I saw was people looking at us. People were constantly looking at us, come up to us and saying 'I'm sorry to hear about it' and bits and pieces, and Happy Birthday, and 'it's a shame', and even old people wasn't it. (Lorraine, bogus holiday fraud victim)

I was embarrassed by it, especially when as I say it was before I was troubled with the cancer, and I was doing my shopping in a large superstore. And people were stopping me and saying 'Oh what an idiot you've been'. How on earth did you make such a fool of yourself? And I just had to tell them it was very easy. (Hilda, lottery fraud victim)

Change of behaviour

The research also found evidence of changes in behaviour as a result of victimisation. Many victims were more cautious about making decisions involving finance, using their credit card and purchasing items on the Internet. There were also some victims who were less trustful of others. Some positive outcomes also occurred among victims becoming more security aware and focused upon preventing fraud. Again it is worth illustrating some quotes from victims to demonstrate this impact.

Harold, the identity fraud victim falsely accused of downloading child pornography, had changed significantly as a result of his experience. Indeed, when he met the interviewer for this research he refused to reveal his name and had gone to significant lengths to conceal his identity, something he did regularly.

Um, and it's certainly altered my life and personality irrevocably, because I'm no longer the completely open frank person, naïve person that I was lucky enough to be for the first, er, 55 years of my life, I'm quite a different person now. I'm much more cagey as witnessed by my insistence on being anonymous (Harold, identity fraud victim)

Roger is an example of a victim who actively changed their behaviour so as to reduce the chance of future victimisation. He now considers the risks related to a range of possible frauds, such as identity fraud.

Because, I mean, as far as I'm concerned, I mean ... it has ... it's made you a lot more aware, vigilant and wary. Um, I don't really divulge a lot of my details unless it's

absolutely necessary to people of ... like, you know, a bank or something, you know.
(Roger, investment fraud victim)

Conclusion

This article has explored the findings from the largest study of fraud victims in England and Wales to date of the impact of fraud upon their behaviour, health and family relationships. It has demonstrated the variation of impact: some victims say they are affected very little, if at all. To others, far from being a 'victimless' crime fraud has a devastating impact going well beyond the financial losses many suffer.

On financial aspects for about 1 in 10 of respondents the reported loss due to fraud was more than a year's household income. Other effects include broken relationships, deterioration of physical and mental health, attempts at suicide as well as some secondary impacts related to reputation and becoming 'celebrities' in some cases. The research also highlighted certain changes in behaviour that can result as a consequence. It is clear that fraud victims share many characteristics with other victims of crime and yet some aspects of services provided to support them are not as comprehensive (Button *et al*, 2009a,b,c). The research highlighted the need for the criminal justice system and other bodies to give fraud victims a better deal.

The results from this study have been incorporated into the thinking and actions of the NFA. In particular the wide impact of frauds on some people has led to the coordination of action from various government departments and agencies, as outlined in the 2011 initiative 'Fighting Fraud Together' (Home Office, 2011.) In Action Fraud, victims now have a single place to report fraud, access practical advice and referral to Victim Support – whose volunteers are now trained in meeting the needs of fraud victims. Law enforcement organisations now have better intelligence gathering and analysis facilities such as the National Fraud Intelligence Bureau to build greater understanding of the fraud threat and target activity more effectively. Moreover, publicity given to this research has enabled the public to be more aware of the threats from fraud.

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Notes

- 1 Investment Fraud includes *Ponzi Schemes*, which are a type of pyramid selling scheme where money from new investors is used to provide a return to previous investors. Eventually, the scheme collapses as fewer new investors are attracted.
- 2 Share scams run from 'Boiler rooms' where fraudsters cold-call investors offering them worthless, overpriced or even non-existent shares, promising high returns. Boiler rooms access publicly available share registers and use increasingly sophisticated means to approach investors offering to buy or sell shares. However, those who invest usually end up by losing their money.



- 3 Identity fraud comes in two forms: the misappropriation of the identity (such as the name, date of birth, address) of another person, without his or her knowledge or consent to obtain goods and services in that person's name; and the use of a misappropriated identity (via a stolen passport or driving licence) in criminal activity, to obtain goods or services by deception.
- 4 These are victims who for a variety of reasons fall into a pattern of repeated falling for the same or similar frauds. Some elderly victims developing dementia who fall for a lottery scam when repeatedly targeted again continue to send money to the perpetrators.

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