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Dame M Hillier MP  
Chair of the Public Accounts Committee  
House of Commons  
London, SW1A 0AA

15 December 2022

Dear Dame Meg Hillier MP

**PROGRESS COMBATTING FRAUD INQUIRY – ADDITIONAL  
INFORMATION FROM THE NATIONAL CRIME AGENCY**

I undertook to write to you and the Committee with additional information following the oral evidence session of 1 December 2022.

Evaluation of TakeFive

In the context of public awareness campaigns, you asked about the performance metrics of the TakeFive campaign.

In January 2022, the NCA-hosted National Economic Crime Centre (NECC) commissioned a one-time piece of research to explore the public's understanding of fraud, including their awareness of anti-fraud organisations and campaigns. The survey of 2079 adults demonstrated that campaigns had not achieved significant public recognition or behaviour change. Of the anti-fraud organisations or campaigns participants were aware of, "Take Five to Stop Fraud" ranked 6<sup>th</sup> out of 13, with 8% of participants recognising the organisation/campaign (though 79% of those who were aware of the campaign viewed it favourably). The most recognised organisation/campaign was Action Fraud with 41%. Only the top 4 brands out of the 13 received over 10% recognition ("Cyber Aware" had 27% awareness, "Don't Let A Scammer Enjoy Your Retirement" had 13%, and "#ProtectYourPension" had 11%). This research was conducted to provide insight to help inform communication and engagement.

UK Finance have separately shared data from a nationally representative survey of 2418 consumers across the UK conducted in April 2022. This survey found that 67% of respondents recognised at least one of these campaign elements: TakeFive logos, TakeFive slogan, 'Stop, Challenge, Protect' message, Stop message in full, Challenge message in full, Protect message in full.

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These two surveys were conducted separately and are not directly comparable (metrics and methodologies would need to be identical to draw concrete, direct comparisons). As a result, we are unable to draw conclusions as to whether awareness of TakeFive changed in the period between the surveys or has changed since. UK Finance are working on a follow up to their April survey for the New Year. As these will be directly comparable, it will allow UK Finance and the NECC to evidence any change in awareness.

### Action that can be taken against company directors suspected of committing fraud to prevent setting up further companies for the purpose of financial criminality

You asked about what action could be taken to prevent company directors suspected of committing fraud from setting up further companies for the purpose of financial criminality.

Limited companies are separate legal entities from the individuals who run or own them. As long as directors haven't been disqualified from acting in the management of a limited company and aren't personally bankrupt, there is nothing in law preventing directors from forming a new company to carry on a business similar to, or even identical to, that of a former company.

Regarding a director having multiple directorships, Companies House must by law register any company that files a properly prepared application. In relation to a company's proposed directors, it could only refuse to register a company where the proposed director has been disqualified from acting as a director, or because they are a bankrupt, or has a designated status under the Sanctions and Anti-Money Laundering Act 2018.

There is a response to ensure that where companies fail, the actions taken by their directors are scrutinised and directors that are guilty of misconduct are prevented from taking part in the management of companies in the future. Administrators and liquidators of insolvent companies have a duty to report to the Insolvency Service on the conduct of the directors and identify any misconduct. The Official Receiver also has a duty to report any potential misconduct and will take appropriate action where there is evidence of criminal offences or unfit director conduct.

Where there is evidence of misconduct by directors of an insolvent company, the Insolvency Service can seek to have a person disqualified from acting as a director for between 2 and 15 years.

The main purpose of disqualification is to protect the public from those who have not met their legal responsibilities as a director. A disqualification prevents the person from acting as a director of a company or taking part, directly or indirectly, in its promotion, formation or management, without permission from the court. That means they cannot get someone else to manage a company under their instructions. Disqualification from being a director is not intended to prevent an individual from being employed by a business nor can it prevent them trading on their own account as a self-employed person. Rather it seeks to ensure that an

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individual who is not fit to be a director cannot trade behind the veil of limited liability.

Breaching these restrictions is a criminal offence and they become personally liable for any debts the new company incurred during the breach. Where there is evidence of criminality, the matter may also be referred for a criminal prosecution. Further information about director disqualification is available at [www.gov.uk/company-director-disqualification](http://www.gov.uk/company-director-disqualification).

Concerns about live companies and disqualified directors can be reported directly to the Insolvency Service online at [www.gov.uk/guidance/make-a-complaint-to-the-insolvency-service](http://www.gov.uk/guidance/make-a-complaint-to-the-insolvency-service). The Secretary of State, through officials at the Insolvency Service, has discretionary powers under the Companies Act 1985 to investigate the affairs of companies, where there is good reason to do so. This is usually where there is information suggesting corporate abuse, such as very serious misconduct, fraud, scams or sharp practice in the way the company operates, and where the primary activities of concern do not fall within another regulator's remit or are not better dealt with by another enforcement agency.

They can investigate companies that are actively trading or have ceased trading without entering into insolvency proceedings but cannot use these separate powers when a company has been dissolved. If they feel it is appropriate, they may apply to the court for a company to be wound up and/ or for one or more directors to be disqualified.

The Insolvency Service has recently been granted new powers to tackle unfit conduct by directors of companies that have been dissolved. [The Rating \(Coronavirus\) and Directors Disqualification \(Dissolved Companies\) Act](#) has closed a legal loophole and acts as a deterrent against misuse of the privilege of limited liability. The Insolvency Service are currently running a pilot scheme to explore how to make best use of these powers.

The above powers to investigate are civil and not criminal. If it appears that a debtor, a company or its officers may have committed criminal offences or other regulatory breaches, the case may be referred to the Insolvency Service Criminal Investigation Team, the police, a regulator or other investigation agency. It is for that body to decide whether it is appropriate for them to carry out any further investigation.

Generally, the Insolvency Service will investigate and prosecute criminal offences that fall within the remit of the Department for Business, Energy and Industrial Strategy. For example, in respect of persons who have acted improperly during the course of insolvency or during the trading life of a company, or who have breached a disqualification order or undertaking. Referrals of such matters can only be made by other agencies and from within the Insolvency Service. In addition to the usual range of sentencing options, the court may also make a Director Disqualification Order following a criminal conviction in these cases.

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A handwritten signature in dark ink, appearing to read 'Graeme Biggar', is positioned in the upper left area of the page.

Graeme Biggar CBE  
**Director General**  
**National Crime Agency**

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