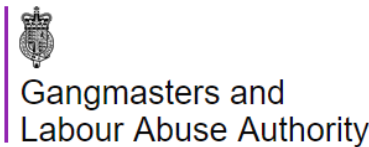# Making UK Hiring Faster, Fairer & Safer

An independent body set up between UK GOV and industry to advise on the **Future of Hiring.**

Our mission is to make hiring in the UK **Faster**, **Fairer** and **Safer.** We will make UK Hiring:

- The fastest globally
- The fairest in the world
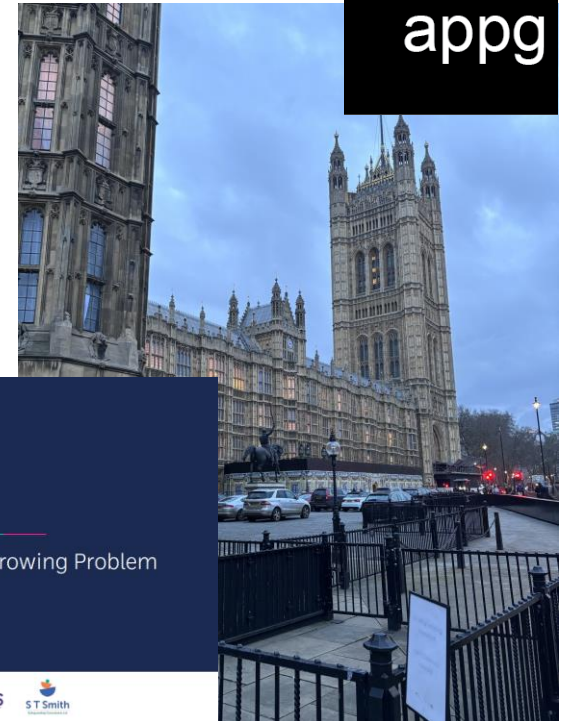- The safest it can be

# Tackling Hiring Fraud

## Foreword

**Simon Fell**
MP

**Fraud is at epidemic levels in the UK. And it is becoming increasingly more organised and sophisticated. The picture is no different amongst organisations involved in recruitment.**

Case studies clearly show that hiring fraud is typified by organised attempts to infiltrate organisations, and to target work seekers as they attempt to find work. This type of fraud causes terrible impacts on society: organisations going bankrupt at the hands of bad actors resulting in layoffs and redundancies; tragic safeguarding issues caused by those intent on fooling the system, and financial and personal detail loss for the public in the process of looking for work.

As the Prime Minister's Anti-Fraud Champion I am delighted to support this comprehensive guide for all UK employers on how they can prevent hiring fraud, both against themselves, and within their supply chains. Supporting industry to fight back against fraud is an important part of our overall fraud prevention strategy, ultimately with the aim of protecting citizens and businesses across the UK.

The work of the Better Hiring Institute to make UK hiring faster, fairer, and safer is critical to how we drive future competitiveness and prosperity. This guide represents a UK first, a critical part of how we make UK hiring safer for all, especially during this period of great technological change.

**appg**

**Tackling Hiring Fraud**

The UK's Response to a Growing Problem

In collaboration with: Reed Screening • BHI • Cifas • S T Smith

# Tackling Hiring Fraud

## How can I use this guide?

The guide is divided into clear sections which are based on the most commonly targeted areas of fraud. The type of fraud included could occur through one of the following means:

- Fraudulent activity by an individual applying to work for you.
- An act carried out by a member of your current workforce.
- An example of where your organisation name and reputation are used during the hiring process in a fraudulent manner for the benefit of others.

Each example will include a brief description of what the type of fraud is, will give real life case studies or scenarios of how this might occur and what you can do to protect your organisation and your workers to prevent it happening.

**For ease, click on the relevant link to take you to that specific section:**

**Tackling Hiring Fraud:** The UK's Response to a Growing Problem

Reed Screening · BHI · Cifas · S T Smith    6

## What is...

### Hiring Fraud?

Hiring Fraud encompasses any fraud committed during the hiring process. This may be committed by an individual against an organisation or committed by an entity against a work seeker.

### Case study 1

An individual was approached in a coffee shop and offered a falsified employment history along with a crash course in a specific process which would allow them to gain employment. After being turned down for multiple jobs due to lack of experience, the individual decided to pay the £500 that was being asked for this service. After their 2-week training course and with the use of a falsified reference they were offered a role. The individual was later approached by the group who supplied the falsified reference and training and told that if they did not facilitate fraudulent transactions for them then they would tell their employer that they had obtained the job dishonestly. They started committing facilitating fraudulent transactions which were in the region of £500,000 and were arrested when the transactions were identified.

# Spotlighting Modern Slavery

## Fraud as a result of recruitment agency usage

### Part 1: Worker impersonation

Worker impersonation normally occurs via a recruitment agency. It is where the individual who has registered with the agency and is suitably vetted for a role will send another person on their behalf to complete their assignment/shifts. This could be facilitated for the purpose of modern slavery as the person getting paid for the work isn't actually doing it but using others (and likely paying them a small amount) to complete the actual work.

This can pose many different risks to your organisation, such as:

- Higher likelihood of accidents occurring if the individual isn't qualified or skilled for a particular role.

- Posing a safeguarding risk to vulnerable adults or children.

- Reputational damage.
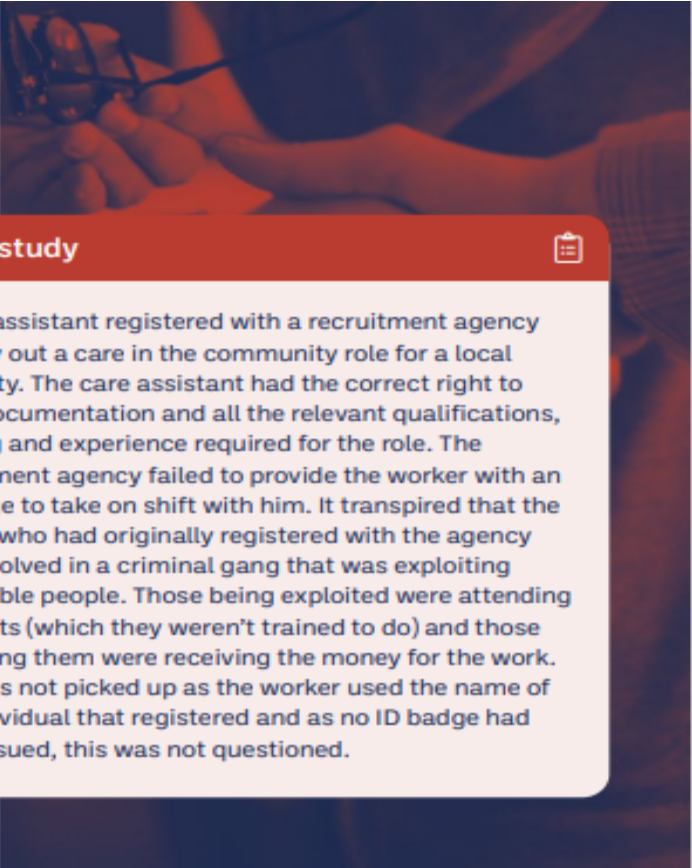
### Case study

A care assistant registered with a recruitment agency to carry out a care in the community role for a local authority. The care assistant had the correct right to work documentation and all the relevant qualifications, training and experience required for the role. The recruitment agency failed to provide the worker with an ID badge to take on shift with him. It transpired that the worker who had originally registered with the agency was involved in a criminal gang that was exploiting vulnerable people. Those being exploited were attending the shifts (which they weren't trained to do) and those exploiting them were receiving the money for the work. This was not picked up as the worker used the name of the individual that registered and as no ID badge had been issued, this was not questioned.

# What do you need to know?

| Action | What will this help to prevent? |
|---|---|
| If outsourcing pre-employment screening, ensure you pick a reputable provider who have systemised fraud detection checks, utilising the latest innovation. | ✔ All types of fraud |
| Utilise fraud prevention databases and working groups (for example, Cifas or the Better Hiring Institute subcommittees) to work collaboratively with colleagues across industry. | |
| Encourage a culture of curiosity, encouraging and enabling employees to challenge suspected fraud. | |
| Train your hiring team on the threats of Hiring Fraud and the common tell-tale signs of each fraud type throughout the guidance. | |
| Address the issues of those being scammed by fakes, creating best practice guidance and ensuring that reporting lines to JobsAware and Action Fraud are clear. | |
| Ensure that your onboarding technology is current, with the ability to enable IP address look ups and AI checking and detection software. | ✔ Fake references & 'Reference Houses'<br>✔ Qualification fraud<br>✔ Fake application documents<br>✔ CV based fraud<br>✔ Dual employment<br>✔ Manipulation of Artificial Intelligence |
| Obtain independent verification of employment and activity history through third part government and other authoritative sources like open banking, payroll date or HMRC lookups. | ✔ Fake references & 'Reference Houses'<br>✔ Qualification fraud<br>✔ Fake application documents<br>✔ CV based fraud<br>✔ Dual employment |
| Utilise the BHI Best Practice Guide on identifying fake references and identifying name changing in hiring. | ✔ Fake references & 'Reference Houses'<br>✔ Qualification fraud<br>✔ Fake application documents |
| Consider using digital right to work checks, when appropriate, to prevent illegal working. | ✔ Fake application documents<br>✔ Immigration fraud |
| Conduct overemployment monitoring checks when hiring and periodically throughout employment. | ✔ Dual employment |
| When utilising a job board for advertising your vacancies, ensure they can evidence compliance with the Online Safety Act through third party accreditation. | ✔ Employment scams |
| Use reputable recruitment agencies when outsourcing your hiring needs who are compliant with UK law and hold the necessary licences and accreditations. | ✔ Fraud as a result of recruitment agency usage |