

Business Fraud

Unusual Suspects. Business Fraud is on the up.

Commercial fraud or Fidelity Guarantee insurance cover has been available for many years. However, many businesses have been reluctant to take this cover either because they felt they had a loyal and trustworthy staff or it seemed to demonstrate a distrust of the staff. Sadly, evidence suggests that many businesses have been seriously hurt financially following fraud by an employee.

Specific fraud risks are:

Fraudulent diversion of funds

Fraudulently creating and approving purchases

Falsifying, either individually or in collusion with others, the financial accounts to enable the payment of salaries etc

Helping external parties falsify the provision of goods and services

Theft of stock by employees or in collusion with a third party

Theft of your own or client funds

Stealing or forging company cheques

Recently commissioned research showed directors or senior managers committed almost two thirds of the fraud cases surveyed. A third of all fraud was committed by long standing employees of between 10 and 25 years service. One half was done in collusion with others and youngsters under 25 make up a very small proportion of perpetrators.

There are potential pointers to fraud such as:

Certain customers or suppliers dealt with exclusively by one employee

Personal lifestyle not matching income

Refusal to take holiday entitlement

Mundane tasks retained rather than delegated

The cost of Fidelity Guarantee cover can be relatively low in relation to the potential financial loss you could suffer. It is sensible to add this cover to your existing insurance portfolio alongside other policies intended to protect your business from specific unforeseen financial harm. We would be happy to obtain a quotation for you.

Need to know more?

For more information contact Colin Bailey or Andrew Milverton on 0118 940 6175 at Cassey Miller James today.

Details of our offices and telephone numbers can be found on our website at www.cmj.co.uk

