



European Fraud Readiness Report

Revealing the rise and risk of fraud,
and resilience in Receivables Finance



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EXECUTIVE SUMMARY

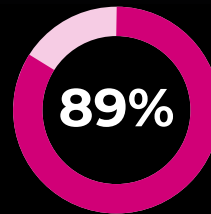
EXECUTIVE SUMMARY

It is an inconvenient truth that in times of economic strife, the volume of fraudulent activity tends to increase. Last year alone, the value of irregularities identified by the EU's anti-fraud watchdog totalled €1.77 billion, for example. ¹

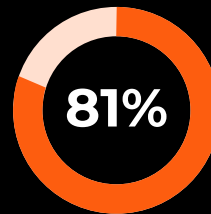
Against this backdrop, Lenvi Riskfactor's 2023 European Fraud Readiness report presents a detailed picture of how fraud has affected receivables finance businesses in recent years, how it might affect those businesses in future; and how strategies to prevent fraud are being developed, in four key European markets: France, Germany, Spain and the UK.



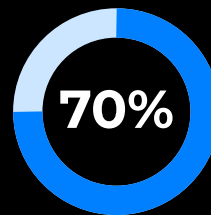
Key findings



Almost nine out of ten (89%) respondents feel fraudulent activity has increased during the past financial year;



More than eight out of ten (81%) expect fraud levels to increase during the current financial year;



Seven out of ten (70%) respondents say fraud is a significant risk to their company's receivables finance business.

Almost all respondents (95%) say their fraud prevention budgets have increased in the past year – the average increase has been 39%. Nearly all (91%) respondents think these increases are proportionate to the fraud risks they face.

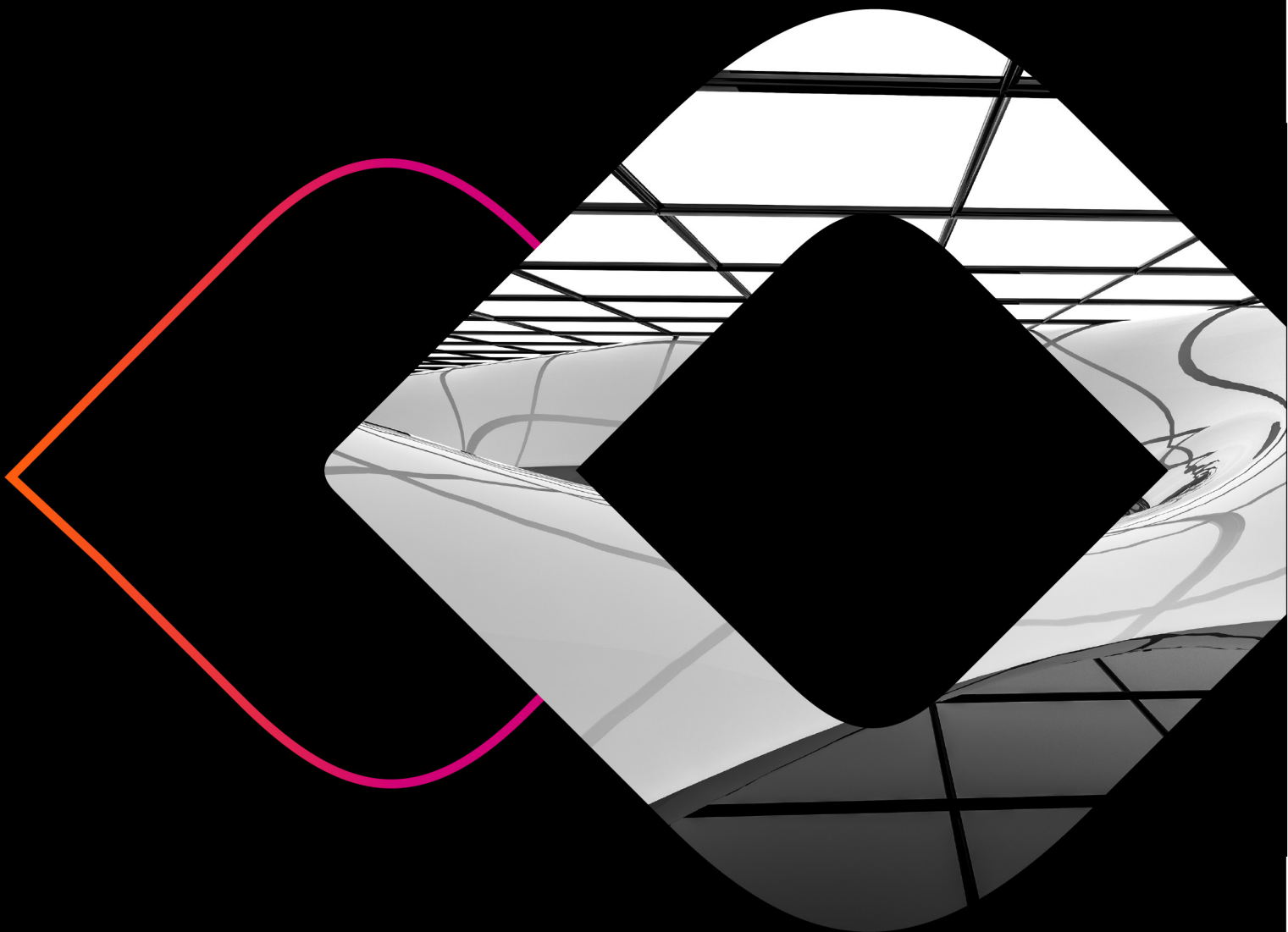
Our findings suggest there is a growing level of fraudulent activity affecting receivables finance businesses in all four countries; and near unanimous agreement among respondents that this activity poses significant business risks. But they also reveal differences in approach, particularly around use of technology; and the way responsibility for preventing fraud is accepted at, or delegated from, board level.

¹ 34th Annual Report on the Protection of the European Union's financial interests and the Fight against fraud: https://anti-fraud.ec.europa.eu/system/files/2023-07/pif-report-2022_en_0.pdf



Across all four countries, there is some confidence in fraud prevention measures: two in five respondents (40%) believe their company detected and prevented at least 75% of fraudulent activity targeting them during the 2021/2022 and 2022/2023 financial years. But even within these companies that would still mean one in four attempts to commit fraud were undetected, exposing companies to the risk of significant financial losses. More worryingly, almost one in three respondents (30%) believe their company detected no more than half of the attempts made to defraud their business.

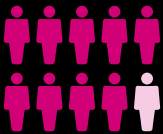
Our findings show that no business in this sector can afford to be complacent about the need to try to identify and prevent fraud. With fraudsters developing more sophisticated ways to target businesses working in this industry and their clients, there has never been a more urgent need for a mature approach to fraud prevention, based on an effective balance of technology and human expertise. We hope this report will act as a useful source of information for businesses in this sector seeking to develop ever more effective approaches to protecting themselves and their clients from this pernicious and increasingly prevalent form of criminal activity.



VOLUMES AND TYPES OF FRAUDULENT ACTIVITY

1. VOLUMES AND TYPES OF FRAUDULENT ACTIVITY TARGETING THE RECEIVABLES FINANCE INDUSTRY

Key findings



Almost nine out of ten (89%) respondents feel fraudulent activity has increased during the past financial year;



Respondents in Spain are most likely to report a greater increase in fraudulent activity.

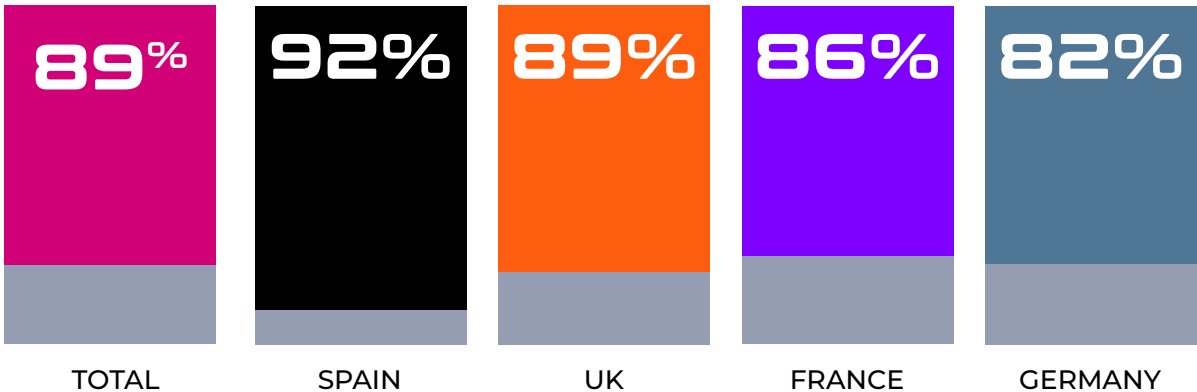


Overall, respondents report observing more circumstantial than pre-meditated fraud during the past year, but pre-meditated fraud accounts for a majority of fraud incidents detected in France.

Almost nine out of ten of all respondents (89%) questioned for our research say fraudulent activity targeting their companies' receivables finance business increased during Financial Year 22/23 compared to Financial Year 21/22. One in three (33%) say the level of fraud increased "considerably".

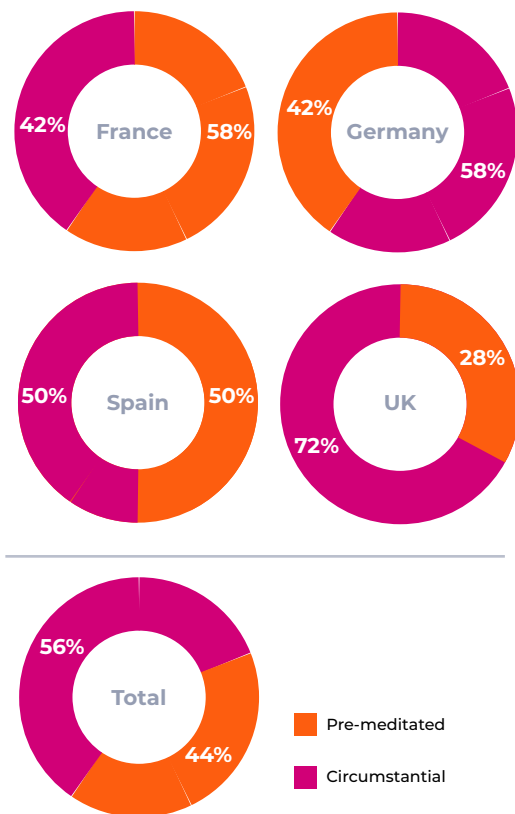
Across the four different countries where our respondents are based, those in Spain are most likely to say fraud has increased, with 92% saying this was the case, including 50% who report a considerable increase.

Net increase in fraud during the previous financial year (FY21/22 vs FY22/23)



DIFFERENT TYPES OF FRAUD: CIRCUMSTANTIAL AND PRE-MEDITATED

Respondents in all four countries report a higher incidence of circumstantial than of pre-meditated types of fraud. Almost three quarters (72%) of UK respondents and 58% of those in Germany say circumstantial fraud is more commonplace; but a majority of French respondents (58%) say pre-meditated fraud is more common.



The incidence of different types of fraud varies from country to country, in part because of differences between regulatory conditions and business practices in different jurisdictions. In the UK, for example, the way factoring is processed tends to be bulk-driven, with underwriters focusing on the security clients can provide. In the other markets, the focus tends to be placed on security over assignment across each individual debt. In addition, regulations governing use of factoring in Germany, including an obligation for



businesses offering this type of finance to hold credit insurance, influence the form of fraud prevention strategies used there.

Nonetheless, in both Germany and the UK double-funding and re-ageing of invoices are common forms of fraud; and the financing of fictitious invoices appears to be the most common type of pre-meditated fraud.

Types of circumstantial fraud respondents have seen

	TOTAL	UK	FRANCE	GERMANY	SPAIN
Fresh air invoicing	22%	26%	18%	22%	22%
Re-ageing of invoices	26%	35%	16%	34%	18%
Debtor collusion	22%	28%	14%	26%	18%
Director collusion	18%	32%	12%	16%	12%
Double funding	27%	37%	16%	34%	18%

(Respondents could tick all that apply)

Types of pre-meditated fraud respondents have seen

	TOTAL	UK	FRANCE	GERMANY	SPAIN
Creation of fake business	24%	18%	26%	26%	26%
Fictitious invoices	26%	16%	26%	36%	26%
Interception of Debtor payments	20%	7%	30%	26%	18%
Employee collusion	16%	12%	20%	16%	16%

(Respondents could tick all that apply)



OPPORTUNISM AND SHAMELESSNESS

One product manager at a UK-based lender says they think they have seen every conceivable type of receivables finance fraud in a career lasting more than 30 years, spent working for a range of different financial companies in the UK. In their experience, they say, circumstantial fraud often appears to be the result of opportunists finding that submitting a single fresh air invoice tempts them into submitting another, and then another.



People end up in this position where they've created big frauds almost by accident: they've started and they just can't stop it,".

The individual has also seen cases involving significant sums of money where collusion enables the scale of fraudulent activity to grow over long periods: in plain sight, but undetected by inadequate fraud prevention processes.

Bernard Lamiroy, Chief Risk Officer at Belfius Commercial Finance, says



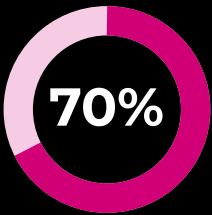
the most common frauds he and his colleagues see in Belgium involve the use of fictitious invoices, where an invoice turns out not to be real, or the goods or services to which it refers were never delivered.

The UK-based product manager also highlights another aspect of the fraud threat facing financial providers: the apparent perception among fraudsters that financial companies are large and wealthy enough for this to be a victimless crime. "Frequently, our experience has been that when you do catch a fraudster, they're quite unrepentant, saying 'You're a big bank, you can afford it,'" they say.

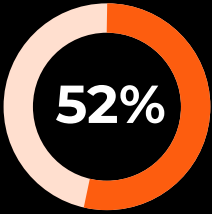
PERCEPTIONS: UNDERSTANDING FRAUD RISKS

2. PERCEPTIONS: UNDERSTANDING FRAUD RISKS

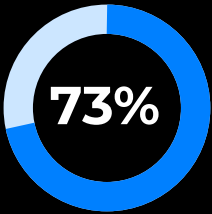
Key findings



70% of respondents across the four countries say fraud is a significant risk to their company's receivables finance business.



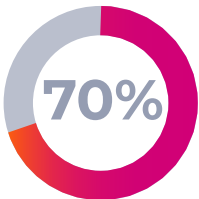
Respondents in Spain are most likely to see fraud as a highly significant business risk (52%); those in Germany are least likely to say this is the case – just 14% do so.



Almost three-quarters (73%) of respondents think fraud targeting their businesses has become more sophisticated during the past 12 months.

Seven out of ten respondents (70%) across the four countries say fraud is a significant risk to their company's receivables finance business, including 28% who say it is a "highly significant" risk. More than half of respondents in Spain (52%) see fraud as a highly significant risk, many more than in Germany, where just 14% see it as a significant threat.

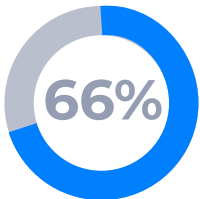
The % of businesses that see fraud as a highly significant or significant risk



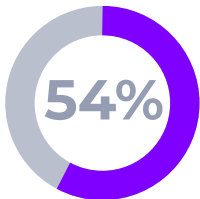
Total



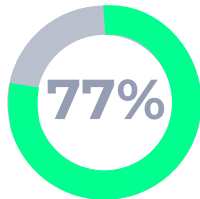
Spain



France



Germany



UK



DIFFERING PERCEPTIONS

There are some notable variations in perceptions of fraud risks between respondents working for companies of different sizes; and those whose businesses are more or less reliant on technology within anti-fraud processes.

Respondents working for companies with fewer than 250 employees are significantly more likely to say fraud is a significant risk than those working for larger companies.

How companies of different sizes perceive fraud risk

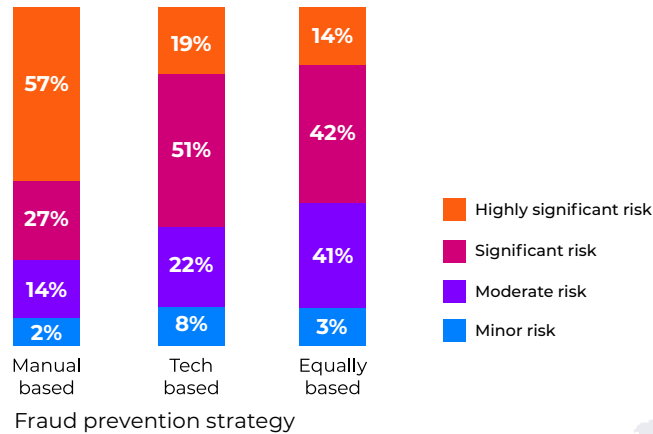


We also asked respondents whether they would describe their company's approach to fraud prevention as being predominantly based on manual processes, predominantly technology-based, or an equal balance of the two. Responses to that question split into three roughly equally-sized groups – with one notable exception: more than half (54%) of those in Spain say their fraud prevention is more likely to be based on manual processes, whereas that figure is 27% for each of the other three countries.

What is most striking is that respondents describing their anti-fraud strategies as predominantly based on manual input are much more likely to describe fraud as a highly significant risk (57% compared to just 19% of those with predominantly tech-based strategies). This is particularly clear amongst smaller businesses, which simply may not have the capital to invest in the most robust technology-based fraud prevention processes that could help to protect the firm.

Conversely, our findings suggest that where tech-focused fraud prevention strategies are in place, there is a tendency to see fraud as a lesser threat.

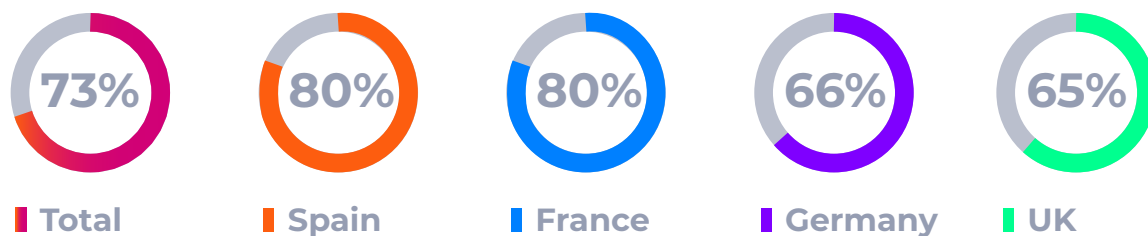
How companies with different fraud prevention strategies perceive fraud risk



Fraud growing in sophistication

Whether or not businesses in each jurisdiction see fraud as a significant threat, they largely agree fraudsters are using more advanced methods. Almost three-quarters of all respondents (73%) say they think fraudsters' methods have become more sophisticated over the past 12 months. Respondents in Spain and France are most likely to say this.

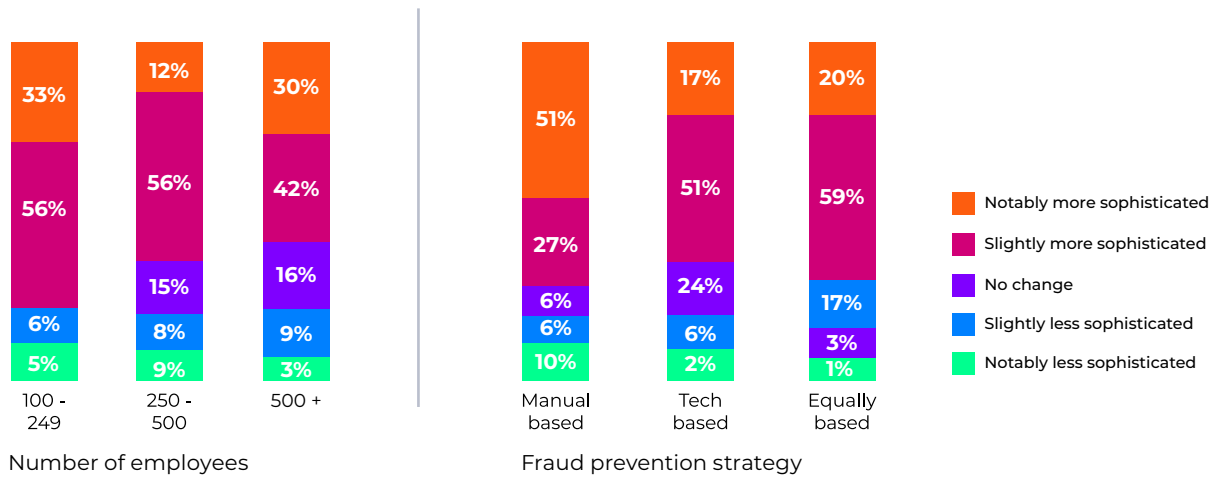
Respondents who believe fraudsters are becoming more sophisticated



Our findings here are also reflected in differing perceptions of fraud across our sample: smaller companies and those with fraud prevention strategies largely based on manual processes are each more likely to believe that fraudsters' methodologies and approaches have become more sophisticated.



Change in fraud sophistication by company size and fraud prevention strategy



So, what exactly is changing? Our respondents shared their views on this question. As one Germany-based respondent put it:

Fraudsters are becoming increasingly adept at using social engineering techniques to communicate with their victims and build trust by impersonating legitimate organisations or individuals.

There is widespread recognition among respondents that they are locked in a kind of arms race with fraudsters, as each side seeks to develop new methods and tools to perpetrate or prevent fraud.

One individual from a UK-based lender says their company can see how fraudsters are trying to develop an understanding of the organisation’s processes. “They understand the

system,” the individual says. “They put a load of fresh air invoices on, they then put some real invoices on; when the money comes in for the real invoices they allocate it against fresh air ones, and they keep doing that as the money keeps coming onto that ledger. They can change the value on invoices, they can change the dates on invoices [in accounting software]. That makes it harder to spot. They are definitely becoming more sophisticated.”



FRAUDULENT ACTIVITY EXPECTED TO RISE AGAIN

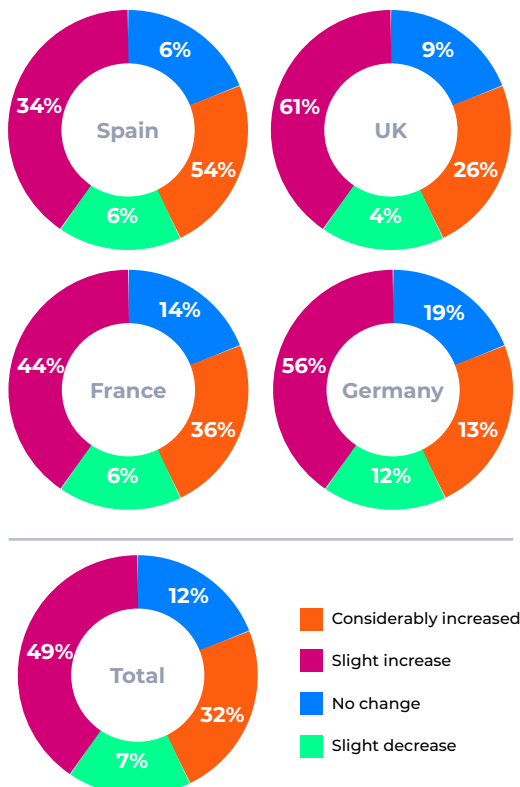
As fraud tactics become more advanced, it comes as no surprise that those in the receivables finance sector expect to see more fraud. More than eight out of ten (81%) say they expect levels of fraud to increase during the 23/24 financial year, with that figure rising to almost nine out of ten among respondents in Spain and the UK.



“In the short term – over the next 12 months, I think fraud is likely to increase,”

says Michael Bickers, Managing Director of BCR Publishing, which supplies receivables finance market information. “This is because of the economic climate – post-pandemic withdrawal of governmental support to businesses, tightening of money supply plus slowing consumer spending.

Net change in level of fraud during the current financial year

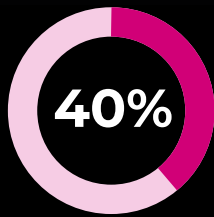


“All these things will extend payment periods from debtors to factors as the business climate deteriorates. And while the resulting cashflow pressures that businesses face will attract new clients to factors, the risk of this not being sufficient for new or existing clients’ working capital needs is higher – and as such the temptation for fraud is also increased.”

PERCEPTIONS: SUCCESS IN PREVENTING FRAUD

3. PERCEPTIONS: SUCCESS IN PREVENTING FRAUD

Key findings



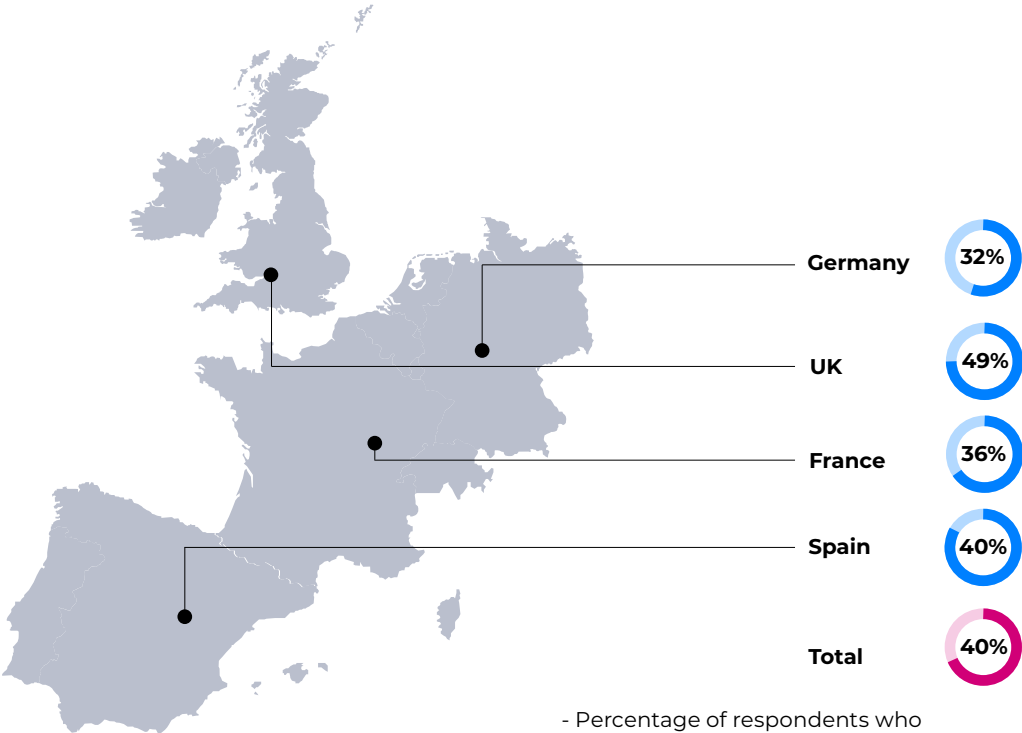
40% of respondents believe their company has successfully identified and prevented at least three-quarters of fraudulent activity targeting their operations. Respondents in the UK (49%) and Spain (40%) are most likely to say this; those in Germany (32%) are least likely to say this.

Larger companies appear to have significantly more confidence in their ability to identify and prevent fraud, as do those that say they use an equal balance of human and technological input in fraud prevention strategies.

Despite the rising risks of fraud, our data suggests that businesses have some confidence in their ability to identify and prevent irregular activity. Across all four countries, two in five respondents (40%) believe their company detected and prevented at least 75% of fraudulent activity targeting them during the 21/22 and 22/23 financial years.

Almost half (49%) of UK-based respondents think their company achieved this detection rate, while those in Germany are least likely to believe their company had done this. The average percentage of fraud that all respondents thought had been detected is 63%, rising to 68% in the UK.

European businesses are confident in their ability to prevent fraud

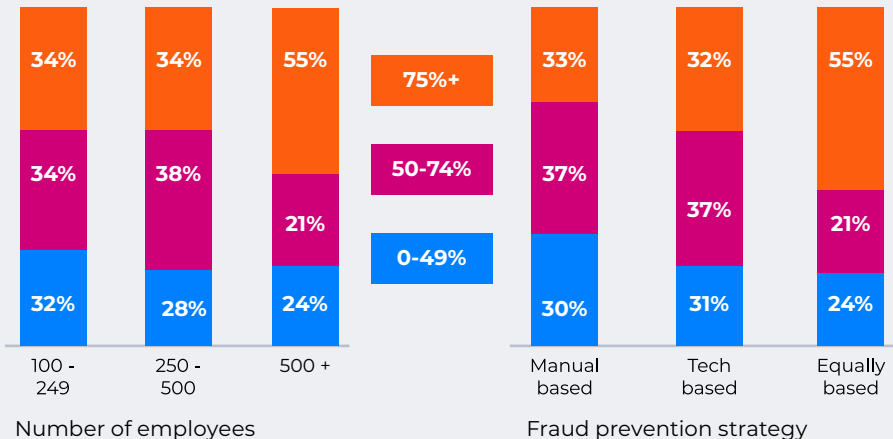


- Percentage of respondents who stated their business had successfully identified and prevented more than 75% of fraudulent activity

Respondents working for larger businesses appear to have more confidence in their fraud prevention strategies: 55% of respondents working for companies with 500 or more employees believe the company detected at least 75% of fraudulent activity, compared to 34% of those

working for companies with between 100 and 500 employees. Respondents whose company uses an equal balance of manual and technological input in fraud prevention strategies also tend to have more confidence in their processes.

Percentage of fraud successfully identified and prevented, by company size and prevention strategy



THE REAL POTENTIAL IMPACT OF FRAUD RISKS

Having confidence in a system does not prove the effectiveness of that system. And while detecting three-quarters of fraudulent activity could be regarded as a good level of success, it still leaves one in four attempts at perpetrating fraud undetected. This could still expose companies to the risk of significant financial losses; and, as we have seen, a majority of all respondents believe the level of fraud targeting their businesses is set to continue to increase.

Perhaps most worryingly, almost a third (30%) of respondents believe their company detected no more than half of attempts made to defraud their business, including more than one in three respondents in both Germany and France.

For many of these businesses, it could take a major fraud incident to influence the resourcing and development of fraud prevention strategies, in order to improve detection and prevent future attempts to defraud the company.

As one individual at a UK-based lender says, reflecting on incidents they observed earlier in their career, “When you have a big fraud in your business, it impacts everything”.

“It impacts confidence,” they explain. “It means the next ten deals are under more scrutiny. The underwriters start questioning themselves. And then the team are not looking after clients, they’re spending all their time trying to recover from the fraud. It has a massive impact.” Their words throw into sharp relief the importance of optimising prevention measures and strategies, finding the best possible balance between diligent, expert manual oversight and effective technology solutions.

Almost one third of businesses believe they detected less than half of attempts made to defraud their business in FY 21/22 and 22/23



FRAUD PREVENTION STRATEGIES

4. FRAUD PREVENTION STRATEGIES

Key findings



More than nine out of ten respondents (91%) say their business has a fraud prevention strategy.

Across all four markets the share of respondents saying either that their fraud prevention strategies are predominantly based on technology, human-based processes or a roughly equal combination of both are almost equal, with technology-led approaches just ahead.

Businesses in Germany are most likely to have a technology-based approach (40%), while those in Spain are least likely (26%). Those in the UK are most likely to use both technology and human elements equally.

We asked respondents whether their receivables finance business has documented risk processes and a fraud prevention strategy in place. More than nine out of ten (91%) say they do, rising to 96% of businesses in France – but almost one in ten say they do not, leaving them dangerously underprepared and unprotected.

Percentage of receivables finance businesses with documented risk processes and a fraud prevention strategy

	TOTAL	UK	FRANCE	GERMANY	SPAIN
Yes, we have a fraud prevention strategy	91%	86%	96%	90%	92%
No, we don't have a fraud prevention strategy	9%	14%	4%	10%	8%



FRAUD PREVENTION: HUMAN TOUCH OR TECHNOLOGY-LED?

As noted earlier in this report, we also asked respondents whether they would describe the approach used by their business to try to prevent fraud as being predominantly manual, predominantly technology-based, or equally balanced between manual and technological input.

Among all respondents, there is a rough three-way split between each of these three approaches, but there are significant differences between answers relating to companies in different countries and of different sizes.

Fraud prevention strategies by country and company size

	TOTAL	MARKET			
		UK	FRANCE	GERMANY	SPAIN
Predominantly manual based	34%	27%	27%	27%	54%
Predominantly technology based	31%	24%	35%	40%	26%
Equally balanced between manual and technology	35%	49%	38%	33%	20%
		COMPANY SIZE (NUMBER OF EMPLOYEES)			
		50 - 99	100 - 249	250 - 500	500 +
Predominantly manual based	34%	54%	52%	29%	23%
Predominantly technology based	31%	29%	31%	32%	34%
Equally balanced between manual and technology	35%	17%	17%	39%	43%

Our findings suggest that businesses using fraud prevention measures based predominantly on manual processes are:



Most likely to report an increase in fraudulent activity over the past year – 62% of this group report a considerable increase.



Most likely to expect an increase in fraudulent activity in future – 59% predict a considerable increase.



Most likely to see fraud as a highly significant business risk – 57% hold this view.

Respondents from businesses using either predominantly technology-based fraud prevention methods or an equal balance of manual and technological input also report and anticipate rising levels of fraud, but are much less likely to see fraud as a “highly significant” business risk.

This suggests that approaches to fraud prevention that are either predominantly technology-led, or are based on an equal use of manual and technology input, may offer some degree of security and what we might call organisational peace of mind to end users.

FINDING THE RIGHT BALANCE BETWEEN HUMAN AND TECHNOLOGY INPUTS

Businesses are increasingly turning to technology to prevent fraud. Almost half of all respondents (44%) say fraud prevention strategies have become more reliant on technology during the past 12 months – this was the case for 60% of businesses in Germany and 51% in the UK, but for only 26% of those in Spain, where businesses are also most likely to have increased their reliance on manual processes.

Smaller businesses are more likely to have increased their reliance on manual processes in fraud prevention approaches during the past year, while businesses with between 250 and 500 employees are most likely to have increased their reliance on technology. It is possible that some businesses in this group have reached a point in their development where they can invest in technology that would have been unaffordable previously; while a larger proportion of the biggest businesses may already have made substantial investments in technology to run fraud prevention strategies.



How fraud prevention strategies have changed over the past 12 months

		MARKET			
	TOTAL	UK	FRANCE	GERMANY	SPAIN
Greater reliance on human input	35%	24%	33%	27%	57%
Lesser reliance on human input	22%	22%	19%	20%	28%
Greater reliance on technology	44%	51%	38%	60%	26%
Lesser reliance on technology	1%	-	2%	-	-
No change	7%	8%	13%	2%	4%
		COMPANY SIZE (NUMBER OF EMPLOYEES)			
		50 - 99	100 - 249	250 - 500	500 +
Greater reliance on human input	35%	60%	67%	25%	21%
Lesser reliance on human input	22%	40%	7%	21%	33%
Greater reliance on technology	44%	10%	26%	59%	49%
Lesser reliance on technology	1%	-	-	1%	-
No change	7%	-	2%	3%	10%

*%s are based on a multi choice question, in which respondents were able to select more than 1 option and are based on response instead of respondent level

TECHNOLOGY SUPPORTING HUMAN EXPERTISE IN PRACTICE

Bernard Lamiroy says the fraud prevention strategy at Belfius Commercial Finance is based on a combination of effective technologies and the reinforcement of best practice on a human level.



“We constantly ask personnel to use their common sense when they are confronted with something that [doesn’t seem right],” he says.

He also stresses the importance of Belfius Commercial Finance employees building strong relationships with clients, spending time visiting client sites, and building up a good understanding of each client’s business, as this will also help them to identify suspicious or surprising activity or invoice content.

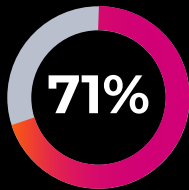
One UK-based lender’s approach to these issues involves the use of two technology solutions side by side: Lenvi’s Riskfactor and an automated invoice discounting solution the company has developed in-house. This combination of tools delivers data and insights enabling identification of suspicious activity in sales ledger movements. These tools are then used to support human underwriting expertise.



“You need technology in the background, to analyse the data, then people who know what they’re doing to answer the questions that it throws up,” says a product manager from a UK-based lender. “Having a consistent underwriting process and sensible risk control measures, doing things the same way, regardless of the economic cycle, mean that when the bad times come, we’re in a good position.”

But they also anticipate the company investigating the use of AI tools in future, to further enhance analytical and fraud prevention capabilities.

REVIEWING AND UPDATING FRAUD PREVENTION STRATEGIES



Nearly three-quarters of respondents (71%) say their fraud prevention strategy has been reviewed and updated within the last three months, including 43% who say this has happened within the past month.

Businesses in Spain are most likely to have updated their strategy within the past month; while businesses across all four countries with fraud prevention approaches based predominantly on manual processes are more likely to have reviewed and updated strategies in the past three months.



When did businesses last review and update their fraud strategy?

	MARKET				
	TOTAL	UK	FRANCE	GERMANY	SPAIN
Within the last month	43%	33%	36%	44%	61%
Within the last 3 months	28%	41%	29%	19%	22%
Within the last 6 months	18%	10%	23%	27%	13%
Within the last year	6%	6%	10%	4%	2%
Within the last 3 years	2%	4%	-	2%	2%
Within the last 5 years	2%	-	2%	4%	-
I don't know	2%	6%	-	-	-
NET: Less than 1 year	95%	90%	98%	93%	98%
NET: Over 1 year ago	4%	4%	2%	7%	2%

*the NETs for less than 1 year and over 1 year in UK add up to 94%, as we have 6% of respondents answering 'I don't know', who were not charted.

It is clear that firms are taking fraud seriously – just one in 25 businesses (4%) have not reviewed their strategy within the past year, although this rises to 7% of respondents in Germany.

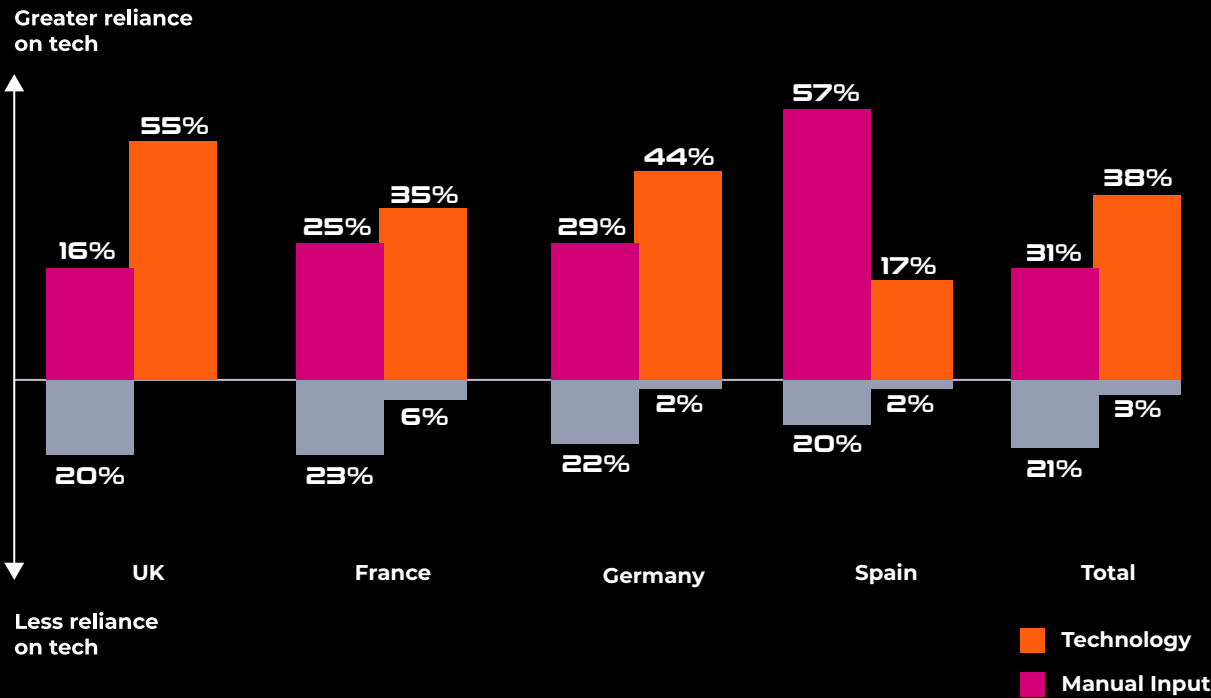
Those that do not regularly update fraud prevention strategies will be unprepared and unprotected amid increasing levels of fraud and the ongoing evolution of fraud methodologies.

BUSINESSES LOOK TO TECH FOR FUTURE FRAUD PREVENTION

We also asked respondents how they expected their fraud prevention strategies to change over the next 12 months. Almost four out of ten (38%) expect to become more reliant on technology, with that figure rising to 55% of UK respondents and 44% of those in Germany. Far fewer businesses in Spain (17%) expect reliance on technology to increase.

Instead, almost six out of ten respondents in Spain (57%) expect their reliance on manual processes to increase – a much greater number than among respondents elsewhere. However, only a very small minority of respondents (3%) across all four countries expect to become less reliant on technology.

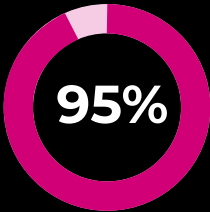
How businesses will change their fraud prevention strategy over the next 12 months



TAKING RESPONSIBILITY FOR FRAUD PREVENTION

5. TAKING RESPONSIBILITY FOR FRAUD PREVENTION IN THE BUSINESS

Key findings



95% of respondents say their fraud prevention budgets have increased in the past year.

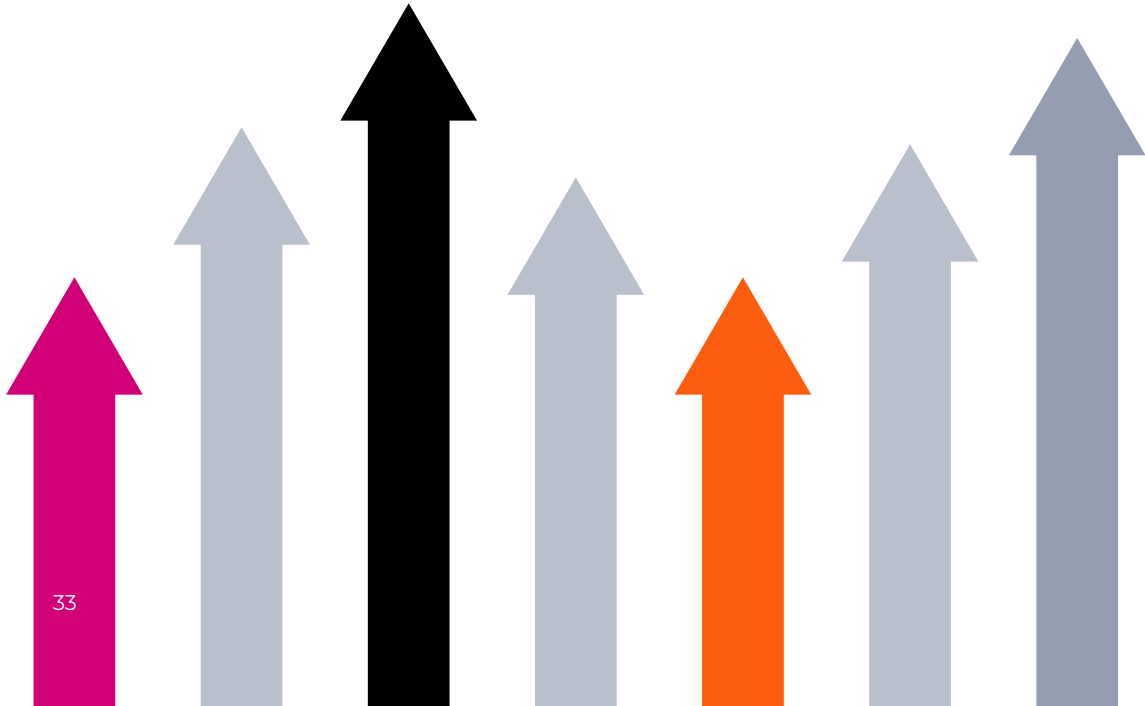
The average budget increase is 39%, but in almost one in four companies in Spain and the UK budgets increased by at least 75%.

At a majority of companies, board level directors take ultimate responsibility for fraud prevention, rising to 63% of companies in Spain, but falling to only 40% of companies in Germany.

With so many respondents across all four markets reporting increased levels of fraudulent activity during the past year and a majority acknowledging fraud as a significant business risk, it is no surprise that almost all respondents report increases in fraud prevention budgets during the past year.

Many budget increases have been significant: on average budgets have been increased by 39%. One in three businesses (32%) have increased budgets by more than 50% and one in six have seen increases of 75% or more.

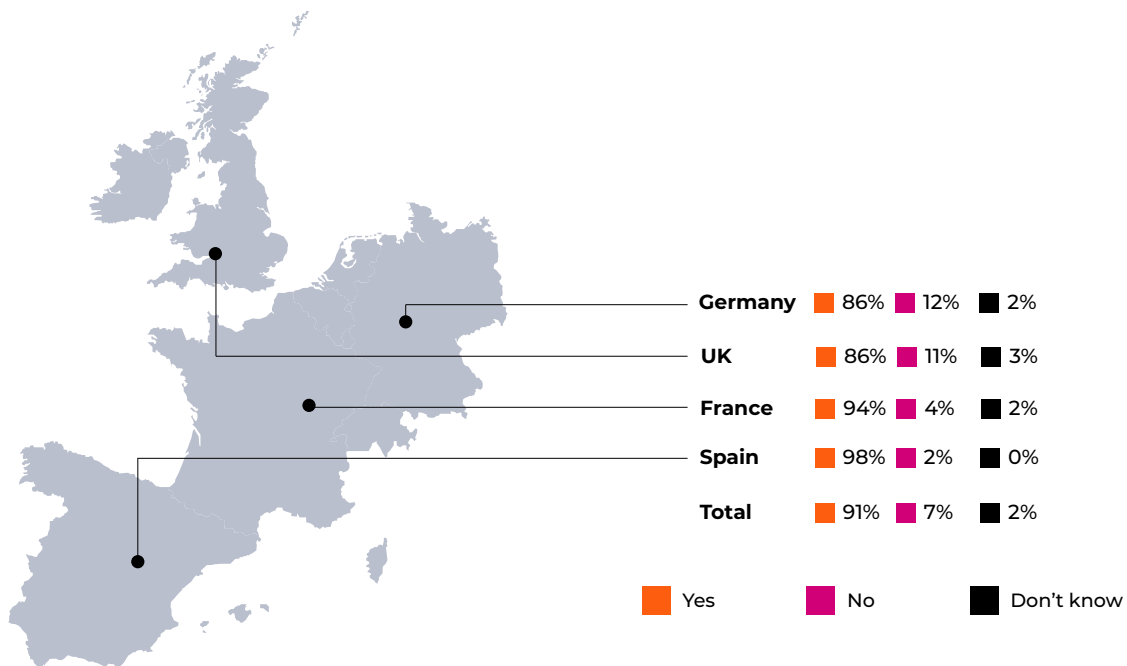
In Spain, almost a quarter (24%) of respondents have seen budget increases of 75% or more, but in Germany, only 2% have seen increases of that magnitude. These findings could be considered in the light of some of the findings outlined earlier in this report, showing that respondents in Spain are most likely to view fraud as a significant business risk, with those in Germany least likely to do so.



Nine out of ten respondents (91%) see their fraud prevention budgets as proportionate to the fraud risks they face. This figure rises to 98% for respondents in Spain, but drops to 86% for respondents in Germany and the UK, suggesting a need for further increases.



Do businesses believe their budget is proportionate to the risk of fraud?

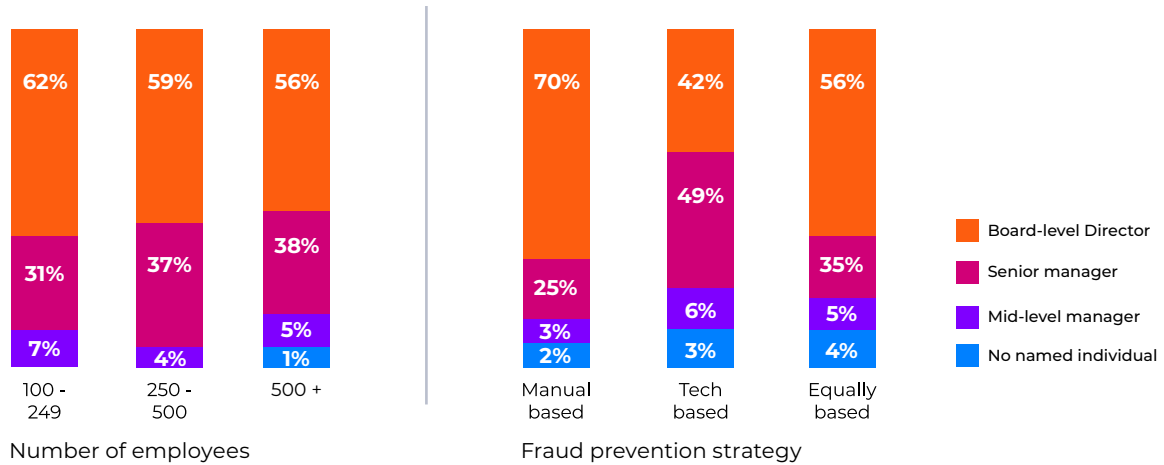


A VIEW FROM THE BOARDROOM

Against the backdrop of rising levels of fraudulent activity, which appears to be evolving into more sophisticated forms, we asked respondents who in their company took ultimate responsibility for fraud prevention strategies. A majority of respondents (56%) say a board level director bears responsibility for the fraud prevention strategy. In the UK almost two-thirds of respondents (63%) say this is the case, as do 61% in Spain and 60% in France.

The country where responses are notably different is Germany, where only 40% of businesses assign ultimate responsibility for fraud prevention at board level. Instead, 53% of businesses in Germany assign this responsibility to a senior manager, which reflects the fact that fewer businesses in the country see fraud as a significant business risk.

Who has ultimate responsibility for the fraud prevention strategy?



Larger businesses and those making greater use of technology to tackle fraud are more likely to delegate responsibility for fraud prevention to managers below board level, while smaller companies and those using fraud prevention strategies based predominantly on manual processes are more likely to seek to assign responsibility at board level.

But while every business is different and there can be no universally applicable template for best practice in fraud prevention, a failure to pay much attention to this issue at board level seems strange, when one considers other findings within this report, such as the growing volume of and significant business risks posed by fraudulent activity targeting businesses in the receivables finance sector.

Every business will base its approach to fraud on its view of different factors, including whether revenue generation or risk is a primary driver of the business, the impact of previous fraud incidents, the prevailing culture at board level and perhaps also the personal attitudes of individual board members to this type of business risk.

CONCLUSION & METHODOLOGY

CONCLUSION

The findings of our report suggest that, broadly speaking, businesses working in receivables finance in all four of these countries are aware of the risks posed by fraud. They believe that levels of fraud have risen in recent years and will continue to increase in future.

Whatever strategy companies deploy to try to address and repel this growing threat, this is no time for complacency. Instead, companies need to develop and refine approaches to fraud prevention, based on an effective combination of technology solutions and human expertise – and a willingness at the top of the business to take responsibility for addressing and mitigating fraud risks. Businesses in this industry will need to be diligent and endlessly watchful if they are to continue to protect themselves and their customers from fraud risks in the years to come.

METHODOLOGY

This report was based on research conducted independently by researchbods, consisting of an online survey of 207 senior decision makers with influence and/or involvement in credit facility services, working for businesses in France, Germany, Spain and the UK.

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Learn more about Lenvi Riskfactor

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