

Counter Fraud Progress Report 2025/26

Date: 12 November 2025

ANNEX 1

CONTENTS

3	Background
3	Counter Fraud Management
4	Multi-Agency Work
5	Investigative Work
6	Appendix A – Summary of Investigative work



BACKGROUND

- 1 Fraud is a significant risk to the public sector. Fraud is the most common offence in the UK, accounting for 41% of all crime¹. The National Audit Office estimates that fraud and error cost the taxpayer between £55 and £81 billion in 2023/24 and only a fraction of this was detected². Financial loss due to fraud can reduce a council's ability to support public services and cause reputational damage.
- 2 Veritau provides a corporate fraud service to City of York Council which aims to prevent, detect and deter fraud and related criminality. We use qualified criminal investigators to support departments with fraud prevention, proactively identify issues through data matching exercises, and investigate suspected fraud. To deter fraud, offenders face a range of outcomes, including prosecution in the most serious cases.
- 3 The counter fraud team also plans and takes part in counter fraud campaigns (eg the National Fraud Initiative), undertakes fraud awareness activities with staff and the public, and maintains and updates the council's counter fraud framework and associated policies.
- 4 The purpose of this report is to update the Committee on counter fraud activity in 2025/26.



COUNTER FRAUD MANAGEMENT

- 5 City of York Council car parks have been targeted by criminals putting stickers containing false QR payment codes on council signage in January, February, and August 2025. This has led to a number of people trying to pay for parking by entering their card details onto a fake website, with up to £400 being stolen from each person. Veritau has worked with the parking enforcement team to identify when these stickers have been put up so they can be removed. Information has been shared with the council's car park payment provider, PayByPhone, to expediate the fake websites being shut down. Another parking related scam has recently emerged targeting members of the public across the UK. Criminals have been sending text messages claiming recipients have received a parking ticket and asking them to pay online through a link. The council never issues Penalty Charge Notices via text messages. Veritau has liaised with customer services so that victims of these scams are identified and passed to the counter fraud team. Victims have been spoken to and appropriate advice given. Working in conjunction with the council's communications team a press release³ was issued in September warning residents and visitors to York of these scams.
- 6 A key objective for the counter fraud team is to raise the awareness of council employees of fraud risks facing the council. In October the counter

¹ [Progress combatting fraud \(Forty-Third Report of Session 2022-23\)](#), Public Accounts Committee, House of Commons

² [An overview of the impact of fraud and error on public funds](#), National Audit Office

³ [Beware QR codes in car parks, texted parking fines](#), City of York Council

fraud team worked with the communications team to highlight the danger of cybercrime as part of cybersecurity awareness month. Employees were advised to:

- never open attachments or click links from unknown senders
- verify senders by checking email addresses carefully
- report any suspicious emails to the ICT team
- not reply or engage with scammers
- be aware that scammers will try to pressure employees into bypassing process and internal controls.

This follows two recent incidents where criminals have attempted to impersonate a chief officer to try to trick council employees into making fraudulent payments. Neither attempt was successful.

- 7 This year bespoke training has been provided to the community duty, warm home upgrade, housing management, creditors, human resources, intensive support, hospital discharge, and adult safeguarding teams.
- 8 Veritau shares alerts on fraud threats identified by partners in the counter fraud community, including the National Anti Fraud Network (NAFN). When Veritau identifies threats that could affect other local authorities then a threat report is made so all NAFN members are aware. Recent alerts from NAFN have included details of two bank accounts used by fraudsters who impersonate trusted council suppliers to divert payments, an individual using false documents to apply for Discretionary Housing Payments, and an organisation believed to be making FOI requests to councils in order to gather information to target the estates of individuals who are ill or have died intestate.



MULTI-AGENCY WORK

- 9 The National Fraud Initiative (NFI) is a large-scale data matching exercise that involves all councils and other public sector bodies in the UK. The work of the NFI is overseen by the Public Sector Fraud Authority (PSFA) and the exercise runs every two years. The results of the 2024/25 datamatching exercise (9000 data matches) are still in the process of being reviewed by the counter fraud team and other services across the council.
- 10 The PSFA is in the process of running supplementary NFI data matches relating to care home residents and direct payment recipients. These matches were last run in 2019 but were stopped due to a change in the law. They have now resumed following an amendment made to the Local Audit and Accountability Act 2014 this year. Data will be provided to the PSFA in November with resulting matches expected next year.

INVESTIGATIVE WORK

- 11 Between 1 April and 24 October 2025, the counter fraud team logged 136 referrals of suspected fraud. Fifty-six investigations have been completed and there are currently 86 cases ongoing. Three people have accepted formal cautions in lieu of prosecution. Five internal investigations have been completed. Two applications to the York Financial Assistance Scheme have been blocked. One residents parking permit has been removed. Ten people have received formal warnings. Invoices for loss to the council have been issued in a further five cases.
- 12 The team has completed ten verification checks on applications for Right to Buy and school placements. Twenty compliance checks have been completed, resulting in £3,100 in savings to date.
- 13 Counter fraud savings⁴ are tracked by monitoring repayments to the council following fraud investigations and calculating the value of stopping ongoing fraud. To date £176k of counter fraud savings have been identified.

⁴ Counter fraud savings consist of money recovered during the course of the year (debts may have been calculated in previous years as well as the current financial year), the value of applications that would have been successful, eg Right to Buy or Financial Assistance, and 12 months of savings where an ongoing fraud has been stopped through the work of the counter fraud team.

APPENDIX A: SUMMARY OF INVESTIGATIVE WORK 2025/26

The tables below summarise the results of investigative work to date.

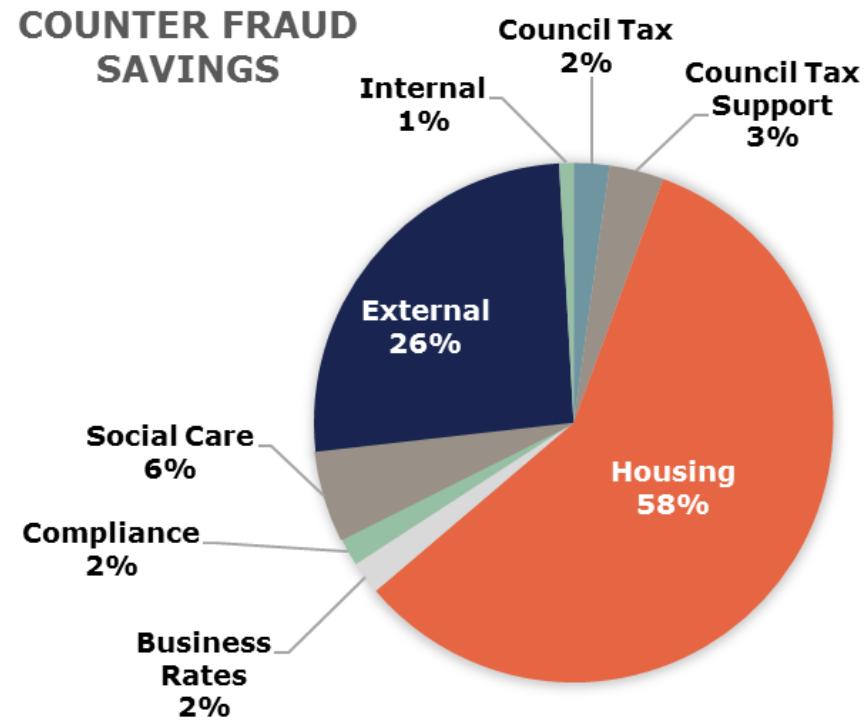
	2025/26 (As at 24/10/25)	2025/26 (Target: Full Yr)	2024/25 (Actual: Full Yr)
Amount of counter fraud savings (quantifiable savings - eg repayment and prevention of loss) identified through fraud investigation	£176,120	£200,000	£244,639
% of investigations completed which result in a successful outcome (for example payments stopped or amended, sanctions, prosecutions, properties recovered, housing allocations blocked)	60%	30%	48%

	2025/26 (As at 24/10/25)	2024/25 (Full Year)
Referrals received	136	428
Number of cases under investigation	86	84 ⁵
Number of investigations completed	56	119
Number of compliance checks completed	20	14
Number of verifications completed ⁶	10	124

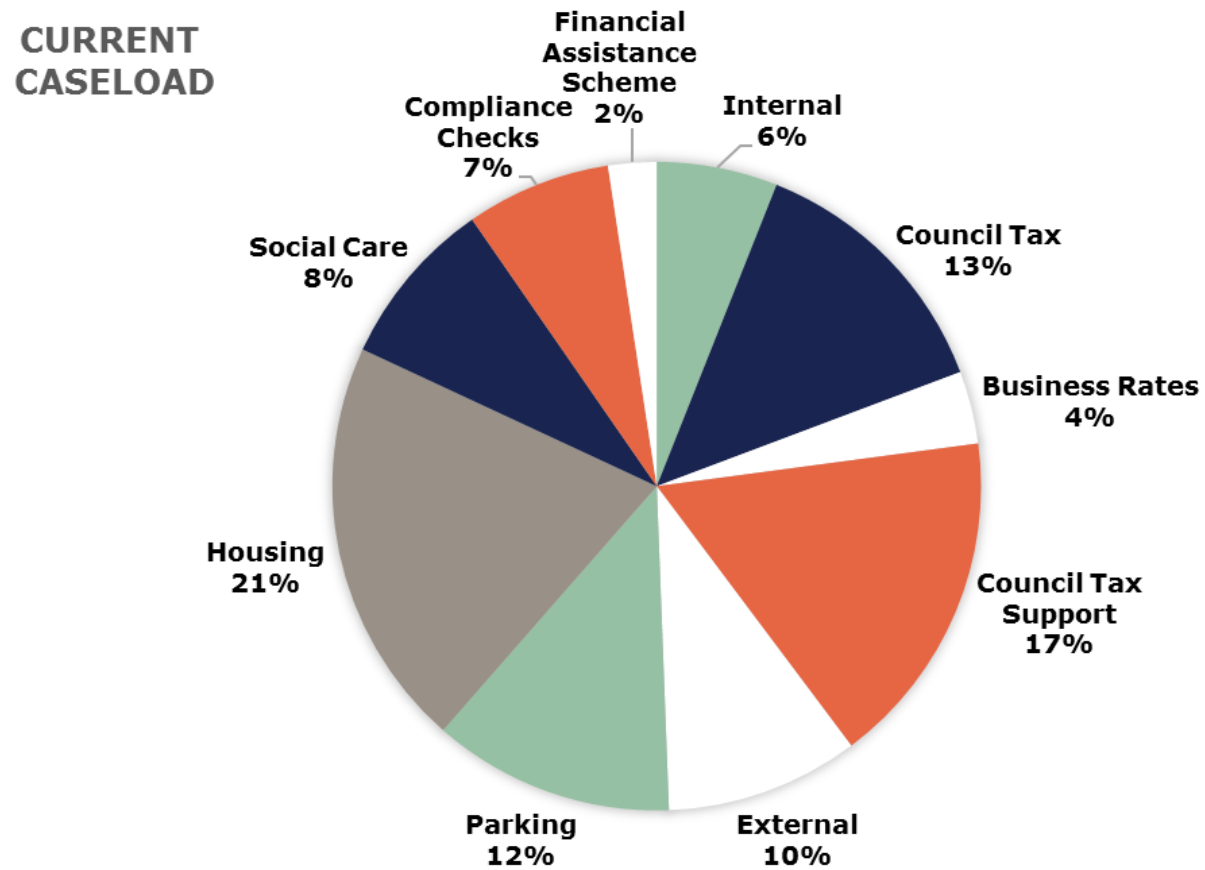
⁵ As at the end of the financial year (ie 31/03/2025)

⁶ Verification cases are reviews of applications for Right to Buy and school placements.

The chart below shows a breakdown of the counter fraud savings identified this year (£176k) by area of fraud.



The following chart shows the proportion of different case types under investigation (86) as at 24 October 2025.



Activity	Work completed or in progress
Fraud detection and investigation	<p>The service promotes the use of criminal investigation techniques and standards to respond to any fraud perpetrated against the council. Activity to date includes the following:</p> <ul style="list-style-type: none"> • Housing fraud – There are 15 investigations ongoing in this area. Housing fraud cases investigated by the team relate to sub-letting and abandonment of council properties, and investigations into false applications to the Housing Register, Right to Buy, homelessness and mutual exchanges. Seven investigations have been completed to date. • Adult Social Care fraud – The team has completed five investigations in this area and four are ongoing. Fraud in this area relates to deprivation of capital, financial abuse, direct payment fraud, and abuse of position. Investigation work has led to £60k of loss being identified to date. • Internal fraud – Five internal fraud investigations have been completed in 2025/26 and there are six cases ongoing. • Council Tax and business rates fraud – Council Tax fraud often involves households falsely claiming single person discount, however other types of discounts can also be abused. Business rate fraud relates to false or incorrect claims for discounts like small business rate relief. Six investigations have been completed and 21 are ongoing. • External (or third party) fraud – Fraud in this area relates to financial scams perpetrated against the council, eg grant and mandate fraud. There are six ongoing investigations. • Parking fraud – Parking fraud often relates to blue badge abuse, however the team also investigate the misuse of residential parking permits by landlords of holiday lets. Thirteen investigations have been completed – nine relating to blue badges, three to parking permits, and one to a bus pass. Three people accepted formal cautions and six have received formal warnings, all for the misuse of

Activity	Work completed or in progress
	<p>blue badges. One holiday let owner has had their residential permit removed and been issued a warning about misuse of the permit scheme.</p> <ul style="list-style-type: none">• Council Tax Support fraud – One council tax support (CTS) case has been completed and there are 18 under investigation. Fraud in this area can occur when claimants provide false information when they apply for support or if they fail to declare changes to their income or assets.• York Financial Assistance Scheme fraud – The YFAS scheme provides help to residents who are facing financial difficulties or emergency situations. Fraudulent applications can be made by people misrepresenting their circumstances and/or residency. Two investigations have been completed to date and three cases are under investigation.