

BBL Change of Director Fraud

Date: 14th July 2020

OFFICIAL SENSITIVE



BBL Change of Director Fraud

Issue	How is this happening	Scale of the problem	Pilot results and scaling up ('fast')	Response
<p>Fraudsters are exploiting the BBL scheme by acquiring dormant companies from formation agents to defraud the BBL scheme.</p>	<p>Fraudsters are flipping the Directors and company names on Companies House to match a compromised, or pre-existing bank account.</p> <p>CO suspects the cases are linked to organised crime, as supported by the Dark Web intelligence picture.</p>	<p>16,474 companies incorporated in the past 2 years have been subject to a change of director since 01 May</p> <p>16,474 companies were passed through Cabinet Office's active company check tool (£6K cost)</p> <p>8,992 (55%) have no previous accounts filed, and could not be traced using primary and secondary CAIS data to corroborate their trading status.</p> <p>8,992 companies were subsequently matched to 684 BBLs with net lending (suspected fraud) of £29.1m.</p>	<p style="text-align: center; font-size: 48pt; font-weight: bold;">I&S</p>	<p style="text-align: center; font-size: 48pt; font-weight: bold;">I&S</p>



Government
Counter Fraud
Function

Risk & Counter Measures Team

Backbook Scope – 684 companies, £29m of suspected fraud

Lender	Count of Facility reference	Sum of Loan Amount
I&S		
Total	684	£29,101,100