

## NEWS RELEASE

Monday 5<sup>th</sup> October, 2015

### Brokers risk becoming complacent on fraud, SSP reveals

- Almost three quarters of brokers say application fraud is not a priority for them
- Application fraud /inaccuracies costs the industry over a £1bn per year according to SSP
- The most successful brokers are more likely to see tackling fraud as a key driver of growth

Almost three quarters of brokers have put fraud prevention on the back burner according to insurance technology solutions provider SSP. 74% of brokers, say application fraud is not a priority for their business over the next 12 months, with 65% saying the same about claims fraud.

The data, which comes from a survey of 301 UK brokers, suggests that even in the longer term neither commercial nor personal lines brokers plan to target fraud. 62% of surveyed brokers said that application fraud would not be a priority in the next five years and 60% said the same about claims fraud.

The news is concerning given that fraud is recognised as a huge problem for the insurance industry as a whole. SSP has estimated that fraudulent or inaccurate insurance applications in the motor insurance industry alone are costing insurers over £1bn a year<sup>1</sup> in lost premiums, whilst the ABI detected £1.3bn of claims fraud in 2013.<sup>2</sup>

Only the most successful small brokers in the UK<sup>3</sup> appear to be bucking the trend. A sizeable proportion of brokers (39%) credit their efforts to get on top of application fraud as a contributing factor to their success. Growing brokers are also more than twice as likely as declining brokers to say that tackling fraud will help to drive their growth over the next five years.

**Adrian Coupland, Managing Director, Data and Distribution at SSP, commented:** *“Many of the brokers we spoke to have a clear plan for growth, one which focused on providing an excellent service and investing in their insurer relationships. Yet some brokers still seem to accept fraud as a fact of life rather than tackle it, boost business performance and strengthen relationships with insurers.*

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<sup>1</sup> For details on how this figure was calculated, see: <http://www.ssp-worldwide.com/1-42bn-ssp-uncovers-the-cost-of-lost-premium-fraud-to-the-uk-intermediary-motor-insurance-industry/>

<sup>2</sup> ABI insurance facts 2014:  
[https://www.abi.org.uk/~/\\_media/Files/Documents/Publications/Public/2014/Key%20Facts/ABI%20Key%20Facts%202014.pdf](https://www.abi.org.uk/~/_media/Files/Documents/Publications/Public/2014/Key%20Facts/ABI%20Key%20Facts%202014.pdf)

<sup>3</sup> Defined as those who have grown in the last 12 months

*“As more insurers use technology to improve their ability to detect and track fraud – including pre-inception fraud in the broker channel – brokers cannot afford to ignore the issue. Insurers will look to place business through the channels providing them with the best risk, and using a system like SSP Intelligent Quotes Hub enables the broker to eliminate fraud risk at application stage”.*

The news comes as SSP continues the roll out of its Intelligent Quotes Hub, a market leading pricing and risk rating platform which enables insurers to identify fraudulent customer behaviour before a quote is even provided. Sitting within Intelligent Quotes Hub, SSP Verify is SSP’s counter-fraud solution which deals with complexities such as slight changes in names and addresses and different device usage in order to accurately link data to create a holistic ‘single customer view’. It enables users to monitor individual customer behaviour and identify in real-time if the same customer is providing different application data through different channels (e.g. via a broker or aggregator, online, over the phone or directly to the insurer). Users can also use it to prototype multiple anti-fraud strategies simultaneously.

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## **Notes to Editors**

### **About the survey**

The survey of 301 UK brokers was conducted by TLF Research on behalf of SSP. The responses were gathered from telephone interviews conducted in July 2015.

### **About SSP**

SSP is a global provider of technology systems and solutions across the entire insurance industry, using our expertise to enable our customers to transform their business and increase their profitability. SSP provides core technology solutions, distribution and trading capability, advanced analytics and solution delivery. We work with 8 of the top 10 UK insurers, 4 of the top 10 global insurers and over 40% of UK Brokers. Our unique position in the market, including the largest market share of UK e-trading, enables us to provide leading data insight and unrivalled distribution. Our knowledge, talent and technology capabilities deliver innovative results that make us the partner of choice for our customers.

[www.ssp-worldwide.com](http://www.ssp-worldwide.com)

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