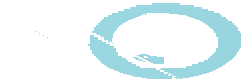
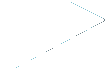
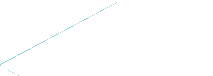
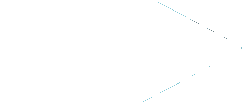
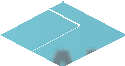
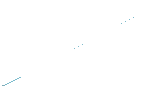
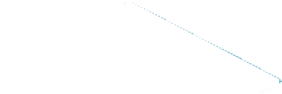
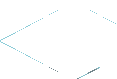
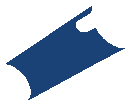
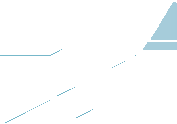
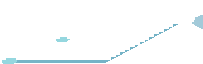
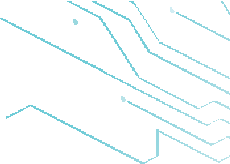
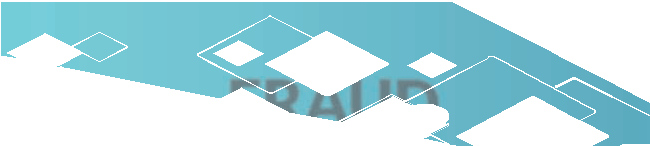
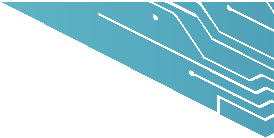
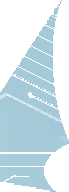
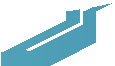
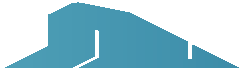
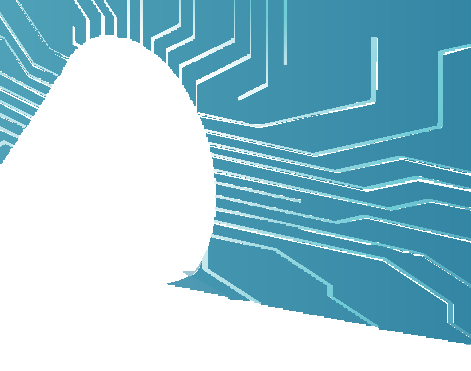
**HELPING TO PREVENT FRAUD / MINIMISE YOUR RISK TO FRAUD**

During these challenging times we urge our members and the wider construction industry to protect their businesses by actively monitoring trading experiences and acting upon early warning signs.



**FRAUD PREVENTION**

We are now seeing more and more potential fraud being reported from bone-fide company details being used without their knowledge, to fake companies being set up in an effort to obtain goods fraudulently.

We see that the industry is becoming more and more frustrated with how fraud is dealt with and as the #1 credit reference agency for the construction industry, supporting our industry is really important to us.

Here we talk about how you can minimise your exposure to fraud but even with every possible check done, search being carried out and question being asked you should never ignore your gut feeling of ‘something just isn’t right’ because our experience tells us when something doesn’t feel right it usually isn’t!

So, how can you help to protect yourself? Below are some tips and formal checks you can carry out before providing goods on credit, most importantly, don’t just ask and record the details - check them!

Using a credit application form is the easiest way to ensure relevant and appropriate details of the potential customer are being taken. It doesn’t have to be long winded or lengthy, simply take the basic details you need to open a credit account and protect yourself:

# Company Name AND Registration No The entity of business if not Limited Names of key people in the business Contact numbers & emails Addresses

Using a credit application form is one thing but the key to protecting yourself is in the detail and checking the form and information provided for any anomalies is where you will be able to protect yourself the most.

“Information is the key here: check, check and double check," says Emma Miller, Top Service Company Director. "Check trade references - are the ones provided linked in any way to the company applying for credit? Look out for new customers who pay before invoices are due: are they a great payer, or are they leading you into a false sense of security? A specialist credit information supplier will seek trading experiences from other suppliers, so you don't have to just rely on references supplied by the potential new customer.”

# What should I check:

* Use a credit reference agency to check you have been approached by a bone-fide company.
* Check the Directors of the Limited company and see if they have a lot of either active Directorships, resignations or insolvent companies.
* Use your credit reference agency to look at the trading history of the business, have other suppliers experienced non-payment or made enquiries about potential fraudulent applications.
* Where you can, make a physical visit to the customer or potential customer if something doesn’t feel right to you.
* If you already have a trading history with the business, look at the orders that have previously been placed. Some fraudsters will establish a good line of credit with suppliers, placing small, regular orders to give the appearance of a good customer. Once an order pattern starts to change, ask questions to establish the reason for the change.

Another problem that has been encountered by the construction industry, as well as companies in other sectors, is that of ‘phoenix’ companies. Here, a company rises from the ashes of an insolvency, leaving bad debts behind it and moving forward with a new, seemingly fresh start.

“The best way to be vigilant is to use an agency that can monitor director appointments and resignations,” says Emma. “If a director of an existing company is appointed at a new one, use the information to talk to your customer. Of course, the new appointment could be a sign of personal or business growth, but we would advise customers to ask some questions. At best, the supplier is forewarned and at worst, asking the question may result in some work from a new, growing business.”

# The internet opens up a lot of avenues to carrying out non-intrusive checks:

Look at the addresses you have been given, are they active trading addresses (as opposed to a mailbox)? Is it a residential address when you would expect it to be a business address or vice versa? There could of course

be perfectly legitimate reasons for having numerous trading and / or delivery addresses but taking the time to check could be what will save you! Never allow goods to be cross-loaded to unidentifiable vehicles waiting at the delivery location.

Search the business name and or directors / proprietor / partners names with other suppliers you may come across out of area news reports or other information that will help you.

Check phone numbers, dial them or use the internet to search for any reports of mis-use. Once a fraudster leaves your depot or takes delivery that is likely to be your last contact with them.

Is the telephone number ringing and is it a normal tone? If it goes to the answerphone, is the mailbox full? This is a sign that messages are not being returned. Why would an active business not return and delete messages?

Send a confirmation email - we hear of so many people whose initial suspicions to fraud are raised when they email the invoice and the email bounces back. Check it first - a confirmation email thanking the customer for their application or order can help to pre-warn you of any problems and is also customer service friendly so your customers will see this a great customer service tool!

# In short:

* Confirm the details on the application are true, using credit information, the internet or ID checks
* Check the condition of the business applying for goods on credit
* Is the order consistent with past transactions or as you would expect it to be?
* Satisfy your gut feeling and if you can’t, assess the risk and if needs be decline the application.

Testing is also important. It will help to ensure new processes and current processes are providing the protection you need. Internally, submitting a fictitious order or application will help you to track if you are getting the desired outcome.

# What if you are a victim of fraud?

 **Report it** - Call 101 or report to Action Fraud

**Share it** - Sharing your experiences is the quickest way to stop fraudsters in their tracks. Talk to your trade association or industry specific credit information agency who will be able to make others in your industry aware.



For further information or support relating to fraud prevention or anything else relating to credit management please contact us:

# TOP SERVICE LTD Tel: 01527 518800

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