Fraud in the workplace: A manager's guide

When things don't seem quite right

Sometimes accidents happen, but sometimes things are not as clear cut as they suggest. In 2020, over 10,500 employer's and public liability claims received by QBE were investigated for fraud, and with the world constantly changing the risk of falling victim is always present. Here are some things to consider when a claim is received, that can help assist the fight against fraud.

1 If an accident is reported to you, please advise your insurer as soon as practically possible, this will make sure investigation opportunities are not lost should a claim be later received. If any claim correspondence is received, whether it is an official claim intimation or notice of intention, please forward straight on to your broker or insurer as soon as possible.

2 Was an accident report form completed for the alleged incident? Send this to your insurer so the allegations can be reviewed alongside the report made by the injured party at the time.

3 Check for available CCTV of the accident area, and ensure that pre-accident and post-accident footage is also stored as this can be also important to review behaviours and reactions. CCTV footage often has an overwriting timescale of 30 days, so it is important this is obtained as soon as possible.

4 Were there any witnesses to the incident? Gather their names and contact numbers to allow statements to be taken by your insurer. Similarly, if there are employees who assert that no incident occurred at the alleged time, please also provide their details.

5 Compile the claimant's attendance records, occupational health records, disciplinary records and any incident logs for your insurer to review to compare against the allegations and evidence provided by the claimant.

6 Take a look at the claimant's pre- and post-accident behaviour; has there been any instance involving them that are out of character? Have they had any changes to their personal circumstances such as divorce, civil or criminal convictions, financial detriment etc. Does the claimant have any personal relationships with colleagues who may be able to provide insight?

7 Provide your insurer with a copy of the claimant's job description for review. Your insurer can use this to help pick out any discrepancies within evidence provided to them.

8 Should you decide to review the claimant's social media, as well as any screenshots you have obtained, please provide URL links to any accounts to allow your insurer to review also.

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Why might our company be a victim of fraud?

Some people see opportunities for financial gain in everyday life or through their job role, and assume this is a victimless crime.

Some fraudsters are seasoned in such activities and pre-plan their attempts to de-fraud companies, sometimes to fund larger fraud rings or organised crime groups.

If you receive a claim and your gut feeling is that something's not right, you may have been targeted as a victim of insurance fraud.

Fraud can take on many forms.

Different types of fraud you might encounter

Contrived/fabricated

A contrived accident is where the alleged accident has not occurred; the accident details only exist on paper as the accident has not taken place. A fabricated accident is similar; any injuries or damage presented may be genuine, however did not occur in the alleged accident, but another non related activity.

Things to look out for:

- Has the claimant had previous incidents of concern? Has the claimant's behaviour been out of character?
- Is the claimant subject to any kind of workplace disciplinary action?
- Is there any sort of CCTV of the accident area, or witnesses? What information can they offer to the alleged circumstances and legitimacy of the incident? Are the witnesses independent and trustworthy, or do they have personal links with the claimant?
- Is the claimant unwilling/unable to provide specifics of where and when the accident happened?

Exaggeration

Exaggeration is where a genuine injury is presented in a claim, however aspects of the injury is exaggerated for financial gain. This can be lead by the claimant, or their legal representatives.

Things to look out for:

- Has the claimant returned to work since the accident? If so, are they on full duties or restricted to light duties?
- What was the claimant's demeanour like immediately after the accident? Were they in need of medical attention, or did they go straight back to their duties?
- If there are witnesses, do their accounts of the accidents match that of the claimant's?
- Are you aware of any outside activities in which the claimant is still involved in after the accident? i.e. gym going, playing amateur sport, going out to clubs etc.

Claims farming/data vishing

Claims farming occurs when claims are submitted by legal representatives without knowledge or permission of the claimant. The information can be obtained by firms buying data, or by way of vishing calls. These calls can be made to companies requesting employee data and come across as genuine, however often the employee/claimant are not aware of the activity being carried out on their behalf.

Things to look out for:

- Have you had any contact 'on behalf of' any employees asking for information about their current working status? Maybe you've had a call asking for employee lists but the justification for the request is vague
- You've received a letter of claim from a legal representative on behalf of a claimant, but the accident was a considerable amount of time ago, and the claim seems 'out of the blue'
- Has the subject employee advised you they're not making a claim?

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