

Helping prevent fraud

The number of rental companies and contractors reporting cases of fraud leading to non-payment or the loss of equipment is on the increase and likely to get worse as the industry moves to more online transactions and less face to face contact. UK-based credit agency Top Service provides some interesting perspectives and sound advice

The equipment rental and construction industry's exposure to fraud is changing and businesses operating in the sector need to put in place robust processes to help mitigate their risk to fraud both on and offline. With the rental and construction industries contributing around nine percent of Europe's total economic output, it is not surprising that the sector is a valuable target to fraudsters. This is further exacerbated by the view that the industry still operates largely offline with traditional processes and all too often hands over high value equipment with the minimal of checks.

The reality is that the continuing drive towards online transactions, Building Information Modelling (BIM), automation and cloud-based management systems, exposes a sinister collaboration between cybercriminal and fraudster. The risk of delays due to fraud and

cyber-attacks can not only damage profitability, but also reputation and for an industry which relies heavily on strong customer relations the risk to reputation could easily outweigh the financial loss.

Fraud includes a wide range of crimes such as forgery, credit scams and insider threats involving deception in order to commit theft. The risk to businesses is not just the immediate financial loss but in some cases companies could receive third party litigation if a data breach is deemed the result of inadequate safeguarding of information.

Industry associations and credit reference agencies are seeing more and more potential fraud being reported, ranging from bone fide company details being used without a company's knowledge, to fake companies being set up in an effort to obtain goods fraudulently.

The equipment rental and construction sector is also



C&a preventing fraud



becoming increasingly frustrated with how fraud is dealt with - or not! Top Service is the leading credit reference agency for construction related industries in the UK and plays a much greater role in supporting the industry than is usual for a credit agency. Managing director Emma Miller offers the following advice:

"Trust your gut feeling"

"Businesses can minimise their exposure to fraud but even with every possible check, search and question being asked and done they should never ignore that 'gut feeling' that 'something just isn't right' because when something

doesn't feel right it usually isn't! There are formal checks to carry out before providing goods on credit, most importantly, don't just ask and record the details - make sure you 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 does not have to be long winded or lengthy, simply take the basic details you need to open a credit account such as company name and registration number, the entity of business if not Limited, names of key people in the business, contact numbers and email addresses."





“Using a credit application form is one thing but the key to protecting a business is in the detail including checking the form and information provided for any anomalies, this is where companies will be able to protect themselves the most. Also:

- Check the directors of the Limited company and see if they have a lot of other active directorships, resignations, or insolvent companies.
- Use a credit reference agency to look at the trading history of the business - have other suppliers experienced non-payment or made enquiries about potential fraud.

Some fraudsters will establish a good line of credit with suppliers, placing small, regular orders to give the appearance of being a good customer. Once an order pattern starts to change, ask questions to establish the reason for the change. The internet opens up a lot of avenues to carrying out non-intrusive checks. Look at the addresses 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 take the time to check.”

“Check phone numbers, dial them or use the internet to search for any reports of misuse. Once a fraudster takes delivery of goods or money is transferred it is likely this will be the 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.”

In short

- Confirm the details on credit applications 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 expected?
- Do not share third party customer data.
- Satisfy that ‘gut feeling’, assess the risk and if needs be decline any credit 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.
- Educate staff on how to identify phishing emails and encourage them to report anything suspicious.
- Reinforce the importance of setting good passwords and back up data regularly.

What if you are a victim of fraud?

Report it - In the UK call 101 to report it 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.

Top Service is based in the UK and in addition to publishing Companies House information, adds the previous experiences of its members which can give a clear

picture of immediate cash/payment issues that have yet to show up on in published accounts. It also includes information on non-limited companies and directors. Special rates are available to IPAF and CPA members. The company can be contracted at www.top-service.co.uk



To the Brave

On behalf of Cranes & Access and the Vertikal team, we would like to join others in paying tribute to those people around the world that have continued to work in critical and essential jobs, often at serious risk to themselves, in order that the rest of us could avoid or limit the risk of contracting the Covid-19 virus. They are truly the brave ones.

They include but are by no means limited to:

- Health & care workers
- Emergency services
- Supermarket/food shop and pharmacy employees & suppliers
- Transport drivers - especially bus drivers
- Postal workers
- Delivery drivers of critical equipment as well as food & essentials
- Utility workers
- Construction staff/operators working on essential facilities
- Service engineers working on critical equipment

Hopefully more of us will appreciate the work you do throughout the year and not just in a crisis. We are certain that all of our readers will join us in saying a very big

Thank You!



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