

# Fraud is a problem so big we need to start teaching children how to spot it in schools

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Have you or someone you know been a victim of fraud? If so, that's not unusual.

The UK's Office for National Statistics (ONS) reported a [rise of 25%](#) in the number of fraud offenses in 2021 compared to 2020 in the UK. Representing over 40% of all crimes against individuals, fraud is [the most common](#) crime in the UK.

If these statistics are not alarming enough, there is some evidence [that AI is](#) making it [harder to](#) detect scams.

People often [blame fraud victims](#) for being foolish or trusting enough to fall for a scam. But it's time to accept that it can happen to anyone. It's a problem so large we need to revise our concept of fraud as something that only happens to gullible or [vulnerable people](#). The [human brain](#) can't keep up with all of the new technology-enabled types of fraud.

So we need a new approach that holds financial institutions and businesses responsible for identifying or facilitating fraud and that harnesses AI to spot suspicious transactions. It's not reasonable to expect consumers to know when they're being scammed if banks and [social media platforms](#) can't.

## Who falls prey to fraud

If you were asked who is the most likely to become a victim of fraud, what would be your answer? If you are like most people, you probably thought about [older adults](#). Investment bankers, IT experts, or [young adults](#) might not have come to mind.

This misconception about who is vulnerable or susceptible to fraud is one of the core problems surrounding the topic of fraud. For example, [a 2010 survey](#) by credit reporting company Experian examining identity fraud in the UK found that two age groups, 25-34 and 35-44, represented 54% of the victims, while those over 65 represented only 4% of the victims of that type of fraud.

With cryptocurrency, victims tend to be young, well-educated, professional, and [traders who have risky portfolios](#).

It is enough to read the list of main investors (and victims) in the fraud-ridden [cryptocurrency exchange FTX](#) and fraudulent medical technology company [Theranos](#) cases to realize that even the savviest investors and celebrities can become victims. Their supporters included media moguls, politicians, and hedge fund managers.

A 2023 [report](#) by [UK Finance](#) indicates that 18- to 24-year-olds are being increasingly targeted by fraudsters, and are far more likely to fall prey to an impersonation scam, compared to those aged 65 and over. Also, the rate of 13- to 17-year-olds falling prey to [scams via gaming](#) has seen a sharp rise.

## **Developing educational and therapeutic programs**

Many schools around the world have introduced [online safety programs](#).

The programs currently on offer, however, tend to be rather thin on how to protect yourself from fraud. Children's charity [the NSPCC](#), for example, has programs for protecting children from online abuse, staying safe while using [social media](#), and from legal but harmful content—but not for online scams.

Fraud prevention should be taught in schools and universities as part of the curriculum.

For older adults, charities [the AARP](#) and [AgeUK](#) offer guidance and resources, but it is unclear how effective or widely used they are.

Fraud prevention programs, training, and information have rarely been scrutinized and we lack data on their effectiveness. We need to develop

programs for each age group and evaluate their effectiveness.

## **Improve deterrence**

One of the most important theories in criminology is [deterrence theory](#), which says crime reduction relates to the severity of the punishment, and, more importantly, the likelihood of being caught.

[Research suggests](#) that increasing the likelihood of being caught is far more effective than increasing punishment. However, fraudsters have little to worry about. By the [UK government's admittance](#), fraud accounts for over 40% of all crimes yet it receives less than 1% of police resources.

## **Businesses must better protect consumers**

During the COVID pandemic, media outlets reported that Google blocked [18 million coronavirus scam](#) emails every day. Despite these efforts, according to [to a report](#) by the Federal Trade Commission (FTC), a US agency that enforces consumer rights, tech companies and especially social network sites are a breeding ground for scammers.

Indeed, the FTC reported that a quarter of the people who lost money to fraud said the process started on social networking platforms.

The nature of social media sites provides scammers with the ability to hide behind fake personas and pretend to be a legitimate business. They also allow scammers to reach millions of people with a press of a button — [particularly younger adults](#) who tend to be more heavy and prolific users of social networking sites.

The FTC [has issued orders](#) to a range of social media—including Meta,

TikTok and YouTube—seeking information on how these companies screen for malicious and nefarious ads and scams.

## Introduce new policies

California legislators are [considering a bill](#) offering [older adults](#) greater protection against [fraud](#) by holding banks responsible when tellers facilitate fraudulent transactions.

In the UK, former home secretary Suella Braverman presented a [a fraud strategy](#) the parliament in May 2023, which proposes a range of measures such as banning all phone calls related to financial products.

We see these two bills as a move in the right direction, but more work is needed, and urgently. Policymakers must allocate funding to research and [law enforcement agencies](#), introduce laws that provide greater protection to people and collaborate with international law enforcement bodies, such as Interpol.

Fraud affects society on all levels: individuals, organizations, and governments. We are all in it together, whether we like it or not.

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