# UK banks sound alarm over Meta-led surge in social media fraud costing billions



Concerns surrounding the surge of fraud in the UK have reached alarming levels, with prominent banking executives urging social media companies to take decisive action. According to Charlie Nunn, CEO of Lloyds, Britain is becoming increasingly recognised as a hub for fraudulent activities, driven largely by scams proliferating on platforms owned by major tech firms like Meta. He warned that without intervention, these scams would only escalate.

Recent testimonies before the Treasury committee revealed stark statistics: £2,300 is lost every minute to fraud, predominantly from online sources. Of particular concern is the finding that 60% of these scams can be traced back to Meta's platforms, including Facebook and Instagram. Instances of fraud range from impersonations of celebrities to more insidious 'romance scams', whereby victims are manipulated into believing they're in genuine relationships, leading them to part with significant sums of money.

Figures from trade body UK Finance underline the severity of the situation, indicating that British consumers collectively lost £1.2 billion to fraud in the last year alone. Nunn noted that attempts made so far to reduce this surge have fallen short, positing that both banks and technology firms must engage more proactively to combat these problems. He stated, “If banks or social media operators cannot or do not intervene earlier in this process, this problem is going to get worse for the UK.”

Echoing Nunn's sentiments, NatWest's Paul Thwaite stressed the need for comprehensive efforts to tackle fraud. He remarked that nearly 40% of all recorded crimes in the UK are financial fraud, underscoring its prevalence within broader criminal activities. The banking sector has sought collaboration with Meta to dismantle the websites that facilitate such scams, asserting that the tech giant could play a critical role in curbing this issue.

The rising tide of fraud is corroborated by various reports highlighting a significant escalation in fraudulent activities. A recent study by BDO indicated that total fraud in the UK more than doubled to £2.3 billion in 2023, marking the second-largest annual total in two decades. The report noted that scams involving phishing, system breaches, and so-called 'authorised push payment' (APP) fraud have surged, with many cases remaining unreported. Alarmingly, fewer than one in seven fraud offences are brought to the attention of the police, suggesting the true scale of fraud is significantly underestimated.

Investigations have provided personal accounts of individuals who have suffered financial losses due to fraud on Meta’s platforms. Estimates indicate that UK households will lose around £250 million in 2023 to scams arising on these social media sites alone. Reports have shown that impersonation scams, which fall under various categories including purchasing and investment fraud, now make up a staggering 80% of TSB's fraud cases.

In light of this growing crisis, Meta has acknowledged the need for collaboration to address fraud effectively. The company has recently initiated the Fraud Intelligence Reciprocal Exchange programme (FIRE) to facilitate information sharing between banks. Despite these efforts, many remain sceptical about the sufficiency of Meta's measures to protect users from fraud.

As discussions about the effectiveness of current fraud prevention strategies unfold, the calls for tech companies to take greater responsibility remain louder than ever. With the landscape of online fraud rapidly evolving, the need for urgent and comprehensive responses from both banks and social media platforms is clear. If left unchecked, the impact of these scams will only continue to grow, marking a troubling chapter for consumer safety in the digital age.

### Reference Map

1. Paragraph 1: [[1]](https://www.dailymail.co.uk/news/article-14733301/Meta-turned-UK-home-fraud-bank-boss-says-social-media-bosses-urged-crack-payment-scams.html?ns_mchannel=rss&ns_campaign=1490&ito=1490)
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5. Paragraph 5: [[3]](https://www.theguardian.com/technology/2023/jun/16/victims-speak-out-over-fraud-on-instagram-facebook-and-whatsapp), [[4]](https://www.theguardian.com/uk-news/2023/may/05/facebook-whatsapp-instagram-fraud-scams-tsb-meta)
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8. Paragraph 8: [[1]](https://www.dailymail.co.uk/news/article-14733301/Meta-turned-UK-home-fraud-bank-boss-says-social-media-bosses-urged-crack-payment-scams.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[3]](https://www.theguardian.com/technology/2023/jun/16/victims-speak-out-over-fraud-on-instagram-facebook-and-whatsapp)

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## Bibliography

1. <https://www.dailymail.co.uk/news/article-14733301/Meta-turned-UK-home-fraud-bank-boss-says-social-media-bosses-urged-crack-payment-scams.html?ns_mchannel=rss&ns_campaign=1490&ito=1490> - Please view link - unable to able to access data
2. <https://www.theguardian.com/money/2024/feb/19/amount-of-in-uk-more-than-doubled-to-23bn-in-2023-report-finds> - A report by BDO reveals that the total reported fraud in the UK more than doubled in 2023, reaching £2.3 billion, marking the second-largest annual fraud total in the past two decades. The report highlights a significant increase in high-value fraud cases and warns of the potential impact of artificial intelligence on future scams. Factors contributing to the rise include online scams, phishing, system breaches, and authorized push payment (APP) transactions, where fraudsters trick individuals into transferring money. The report also notes that fewer than one in seven fraud offences are reported to the police, suggesting the actual level of fraud is likely higher.
3. <https://www.theguardian.com/technology/2023/jun/16/victims-speak-out-over-fraud-on-instagram-facebook-and-whatsapp> - Victims have reported a surge in fraud on Meta's platforms—Facebook, Instagram, and WhatsApp—with UK households projected to lose £250 million in 2023 due to scams originating on these sites. The Guardian's investigation reveals personal accounts of individuals defrauded through these platforms, highlighting the challenges in reporting scams and the need for Meta to enhance its fraud prevention measures. The article underscores the growing pressure on Meta to address the increasing prevalence of scams on its platforms and protect users from financial harm.
4. <https://www.theguardian.com/uk-news/2023/may/05/facebook-whatsapp-instagram-fraud-scams-tsb-meta> - TSB has urged Meta to take action against the rising number of scams originating from its platforms—Facebook, WhatsApp, and Instagram. The bank reports a significant increase in fraud cases linked to these sites, now accounting for 80% of TSB's main fraud categories: impersonation, purchase, and investment scams. This call to action reflects growing concerns over the effectiveness of Meta's efforts to police its platforms and the need for tech companies to take greater responsibility in preventing fraud.
5. <https://www.ukfinance.org.uk/news-and-insight/press-release/fraud-remains-major-problem-over-ps1-billion-stolen-criminals-in> - UK Finance's 2024 annual fraud report indicates that criminals stole £1.17 billion through unauthorized and authorized fraud in 2023, a 4% decrease compared to 2022. The report highlights that 76% of authorized push payment (APP) fraud started online, emphasizing the significant role of online platforms in facilitating such scams. The findings underscore the ongoing challenges in combating fraud and the need for enhanced security measures and consumer awareness.
6. <https://www.theguardian.com/global/2023/oct/25/uk-consumer-lose-580m-fraudster-first-half-2023-romance-scam-id-theft-fastest-growing-categories> - In the first half of 2023, UK consumers lost £580 million to fraudsters, with nearly 1.4 million cases reported, equating to one every 12 seconds. Romance scams and identity theft emerged as the fastest-growing categories, with a 29% increase in romance scams. The data highlights the escalating threat of online fraud and the need for consumers to remain vigilant against such schemes.
7. <https://www.icaew.com/insights/viewpoints-on-the-news/2024/feb-2024/uk-fraud-makes-massive-leap-to-23bn> - ICAEW reports that UK fraud cases have risen alarmingly, with the total reported fraud value reaching £2.3 billion in 2023, a 104% increase from 2022. The report notes that corruption and tax fraud constitute significant portions of the total fraud value. It also highlights the underreporting of fraud, with fewer than one in seven offences reported to the police, suggesting that the actual level of fraud is likely higher.