



Spotting Fraud: In-person vs Virtual Claim Visits

The COVID-19 pandemic and the associated lockdown has meant loss adjusters, fraud investigators, and claims technicians have had to amend ways of working, conducting much fewer in-person claim site visits due to travel restrictions and social distancing requirements.

Many have adopted technology to enable virtual site visits, with claimants showing adjusters around their homes and premises via portable electronic devices, giving a tour of the damage and surrounding areas.

Virtual inspections of sites can effectively and efficiently fulfil a need but, as fraud investigators, we must balance this apparent convenience with important human knowledge, unspoken body language observation and security considerations.

Uncovering Claims Fraud In-person

Part of the success of the fraud investigator is built on the face-to-face visit. Everything observed can be relevant. The ability to watch reactions and behaviours at close quarters - seeing what is not deliberately shown. And don't trivialise the nervousness and uncertainty that can be created in the opportunist fraudster, simply by a fraud investigator calling to arrange an appointment and the realisation that a fraudulent claim will not be as easy as first thought.

Here's a good example of a man who claimed his £10,000 Rolex watch had been lost on a night out. He seemed to have good proof of ownership and had maintained his story across two conversations with the insurer and one with a claims technician. When contacted to explain that there would need to be a visit to take his formal statement, he immediately laughed, clearly surprised that his claim would be investigated. Later the same day the man called to inform that he had 'found' his Rolex behind the bread bin. No explanation how it got there, he could not get off the phone quickly enough.

Then there was a woman claiming she had lost her engagement and eternity rings from her finger on a cold winter's day while out walking. We spent an hour going through background information and the circumstances. The longer the conversation went on, she was struggling to provide detail and seemed to want a way out of the situation. She had been wearing gloves and said the rings must have fallen off as she took a glove off. When asked if she had checked the glove since, it was a light bulb moment and she shot upstairs to find her gloves. A few moments later she came back with no glove but with two rings, blushing and saying 'You'll never guess what...'

Whether the rings had been unknowingly in the glove all along, or they were just upstairs, we will never know but I'm certain they would not have been 'found' if a fraud investigator hadn't been in the house with her that day, watching her reactions and amending the questioning technique to suit her behaviours. If we are unable to perform such in-person site visits, how do we operate virtual site visits effectively?

Considerations for Virtual Claim Visits

Each claim should be assessed individually as to the suitability of a virtual visit:



Does the customer have easy access to the required technology, and if so, do they understand it enough to use it?



Is the adjuster prepared for connection issues which could lead to missing vital evidence?



The personal touch virtually can be entirely different from a site visit, adjusters must ensure empathy is conveyed and that their engagement with the client is effective



As always, adjusters must be alive to the latest fraud techniques, such as 'sim-swap'.

In the case of 'sim-swap', cyber criminals take over a phone, often by convincing the phone provider they are the phone owner (a form of ID theft), and once they have control, the contents and use of the phone are theirs to do with as they please.

Firms must also consider broader issues, including potential reputation damage from ineffective virtual visits and any loss of data, which could constitute a breach of regulation leading to fines and sanctions. Training and testing for all staff operating any remote technology is vital to ensure all are comfortable using the platform, they are aware of any controls and they can explain how it works to customers.

As the number of claims using virtual site visits skyrockets during phases of lockdown due to COVID-19, industry figures will show if numbers of confirmed fraudulent cases increase or decrease over the year. Given the current economic recession, we would expect to see an increase in fraudulent claims, similar to previous years of economic downturn.

Security Considerations

We often presume that popular apps or online sites are secure. Early on in lockdown, challenges with a prominent video conferencing platform's security were reported by mass media. Indeed, strangers intruding on others' virtual meetings was so prevalent that a new term, 'Zoom bombing' was coined to describe it, it's the equivalent of wiretapping or spying. There is always a chance that something will 'go wrong' with virtual site visits when people use readily available, free and non-purpose-built technologies for site inspections.

Virtual site visits are a useful tool for adjusters, and just as with other technology, we should be aware of any limitations and address these points accordingly. The McLarens App is tamper-resistant, time-stamped and geotagged to confirm the location of the evidence. There is a constant requirement for us to move with the times - fraudsters will always try to stay one step ahead and we cannot afford to allow ourselves to be one step behind.

Conclusion

For relatively straightforward and genuine claims, or follow-ups, virtual site visits using a secure app, like the McLarens App, work well. However, the industry-wide figures will give us the best indicator of whether the majority of firms have successfully spotted fraud on claims using virtual site visits. Personally, I believe the in-person site visit will always remain the most productive way of gathering evidence and the best way of determining if the claim is genuine or not.



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