

Watch: What is paid-ad spoofing and how are Aviva tackling this issue?

Pete Ward: It's great to be joining you again today, Rachael, for this our latest chat around fraud. And last time we spoke, we discussed the fraud landscape in 2023, but today I know that we're keen to raise awareness of a growing problem and that's the sharp practice of paid-ad spoofing and how that can manifest into spurious bodily injury claims. Perhaps we can also explore practical steps that our broker community and our customers can take in order to protect themselves against this malign practice.

Rachael Harkins: Thanks, Pete. It's a really interesting area. Let's start with the obvious question and that is, what is paid-ad spoofing, and why Aviva, and specifically you and your team, so interested in the area?

Pete: Unfortunately, it's a complex and murky area. In its simplest form, it's the activity of some unscrupulous companies paying for online search engine adverts that insinuate that they are associated with a trusted insurer when in fact they're not. Their aim is to capture the claim for their own financial benefit. Sadly, it's a growing problem. Many of us have found ourselves in the position of having been involved in a road traffic collision standing at the side of the road having phoned the police, and if you don't have your insurer's details to hand, it's natural to try and look for these using an online search engine, most often on your phone. Very often the search results that appear will ostensibly look genuine and use generic-sounding terms that could apply to any insurer. The customer then phones the number that's provided, and at this stage, they're put through to an accident management company. They can then be drawn into legally binding agreements for hire, for storage, for recovery, which if their claim against the at-fault insurer is unsuccessful, exposes them to significant financial harm.

Now, it's important at this stage to say that neither I, or anyone here at Aviva, is suggesting that all accident management companies are bad actors, but those ones that purport to be Aviva when they're not or suggest that they are associated with Aviva when they're not, are potentially very harmful.

Rachael: It's a sharp practice and it's worrying that an increasing number of customers are unwittingly following victim of this trend. I wonder if you could advise on the practical consequences and dangers if a customer is to fall victim of this.

Pete: It's a great question. Once a claim has been captured, a complex set of contractual agreements will be put in place on the customer's behalf and potentially, at their cost. Costs can include fees for hire, for storage, for recovery, and they can start accruing immediately after that initial call and often run into the tens of thousands of pounds. Now those customers that realise what's happened and look to their insurer to take over conduct of the claim, will often have to pay the costs of the accident management company in order to get their vehicle released.

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Those customers, as a result, that are unable to repay those costs will find themselves in the position of being trapped in agreements against their will - agreements which are unlikely to have been explained to them very clearly. Whether a customer realises the position they're in or not, there remains a serious risk of financial harm in that if the accident management company is unable to recover their costs from the third-party insurer, and this could be on the basis that liability is disputed or, as is often the case, that the insurer believes that the costs are inflated, the accident management company can look to the customer to recoup that shortfall.

An accident management company can even take a customer to court in some scenarios to recover their costs, and you can imagine the stress and upset that this may cause them.

Rachael: Absolutely and all of this delivers a really poor customer outcome.

Pete: Spot on, Rachael and this may provide a background as to why your team sees some of the spurious bodily injury claims that they do - those claims that are made against our customers.

Rachael: Absolutely, Pete. Customers will be unsure about who they're speaking to if they've clicked on the wrong link and this is also true of farmed claims. Using illicit data, claims management companies may contact customers and suggest that they're calling from or on behalf of the at-fault insurer, they may also suggest that there's a pot of money waiting for the customer for their injuries - if they have injuries - and all they need to do is attend a medical and the money can be theirs.

Customers may be encouraged to go for multiple medical reports for injuries they do not have, to go for rehabilitative treatment they do not need, or even to go for the wrong type of rehab care for the injuries that they do have. These are all costs that a customer could be liable for in the event that the claim is repudiated and that risk is not always made clear to them. Where customers are injured, it is important that they receive the right care, attention, and are compensated appropriately for their injuries. If they're in England and Wales, then they have the option to progress their claim directly on the Official Injury Claims portal if their injury is more minor in nature. If their injuries are more severe, or if they just want a helping hand through the process, then they can, of course, instruct a legal representative to support them in this journey. If they have legal expenses insurance through the motor policy, and that's something that their insurer can arrange, and in that event, they'll keep 100% of the damages in the event that their injury claim is paid. So Pete, it's important that we tackle this latest issue and educate customers about the risk of becoming victim to paid-ad spoofing. So can I ask what we're doing to tackle this latest threat?

Pete: Sure. In short, we're doing a huge amount and it's important that we work collaboratively with others to tackle what is an industry problem. So firstly, we've been working with the Insurance Fraud Bureau and we've launched a joint awareness campaign with them to really publicise this issue. Secondly, we've been

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working with the College of Policing so now all road traffic officers, and these are the police officers that are most likely to attend the scene of any road traffic collision, they are equipped with QR codes and phone numbers that they can pass to Aviva customers to ensure that they get put through safely and immediately to one of our claims centers.

Thirdly, we are working on technology at the moment in an attempt to intercept this scam at source. The technology will immediately contact a customer if it detects that they have been involved in a collision. Ultimately, we're trying to use the platform that we have to really raise awareness of this growing problem. But from your perspective Rachael, is there any advice and practical steps that you could provide to our broker community and our customers so that they can protect themselves against this sharp practice?

Rachael: As we've mentioned, if you've had an accident and you're at the side of the road, you may be quite distressed and upset, and it's really easy to click on the wrong link on your phone, and advertently fall into the hands of a claims management company. That's why we would suggest that we make all of our customers aware that they should be saving their insurance claim number on their phone, or have it stored in the glove box, so that it's readily available in the event that they're unfortunate enough to be in an accident.

Also, following an accident, it can be quite confusing as customers may receive many legitimate calls from companies such as repairers, hire companies, or solicitors, and therefore customers should seek clarification about what companies will be phoning them following an accident. If they're ever unsure, they should have the confidence that they can phone their insurer or a broker, and seek confirmation about what companies may be in contact with them.

Pete: That's good advice, Rachael. It's been great chatting to you again around fraud and raising awareness of this very important issue and I look forward to speaking to you again sometime soon regarding a different aspect of fraud.

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