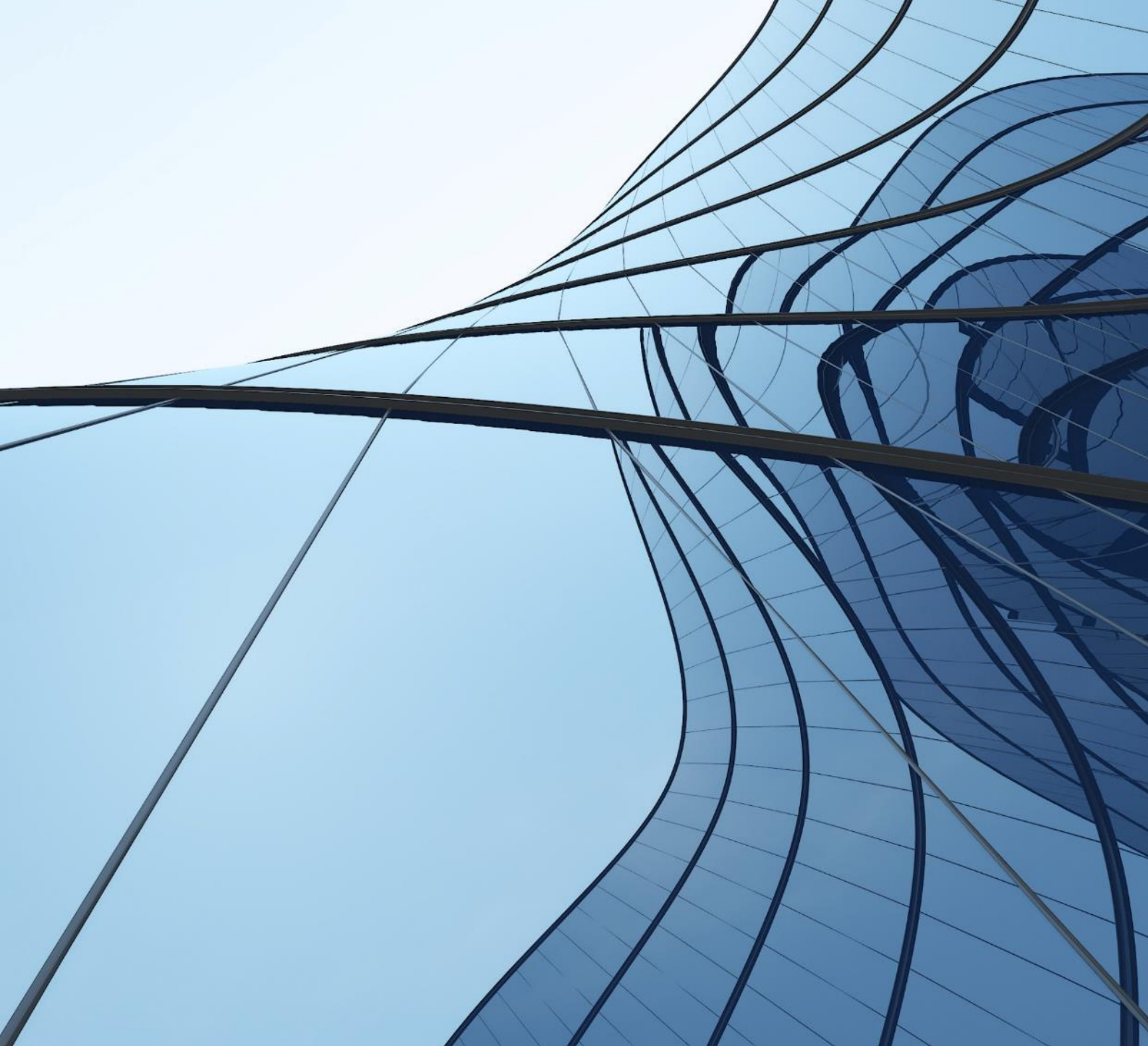# STATE OF PLAY: Where UK insurers stand in the fight against fraud

The fraud challenge facing the UK insurance industry is growing.
As fraudsters become more sophisticated, insurers are under pressure to respond with stronger detection and prevention strategies.

Collaboration between intermediaries and insurance providers is also crucial to help reduce escalating fraud costs and avoid the potential risk of regulatory intervention.

The scale of the problem

Fraudulent claims continue to be a drain on the UK insurance industry. According to the Association of British Insurers (ABI), £1.16 billion worth of fraudulent claims were detected in 2024, marking a 2% increase compared to 2023. Insurers uncovered over 98,400 fraud-related claims in 2024, a 12% rise from 88,100 in 2023.

Looking at individual insurers, some are also reporting increases: Allianz UK uncovered fraudulent claims totalling £92.6 million in the first half of 2025, an alarming 34% rise from the same period in 2024.
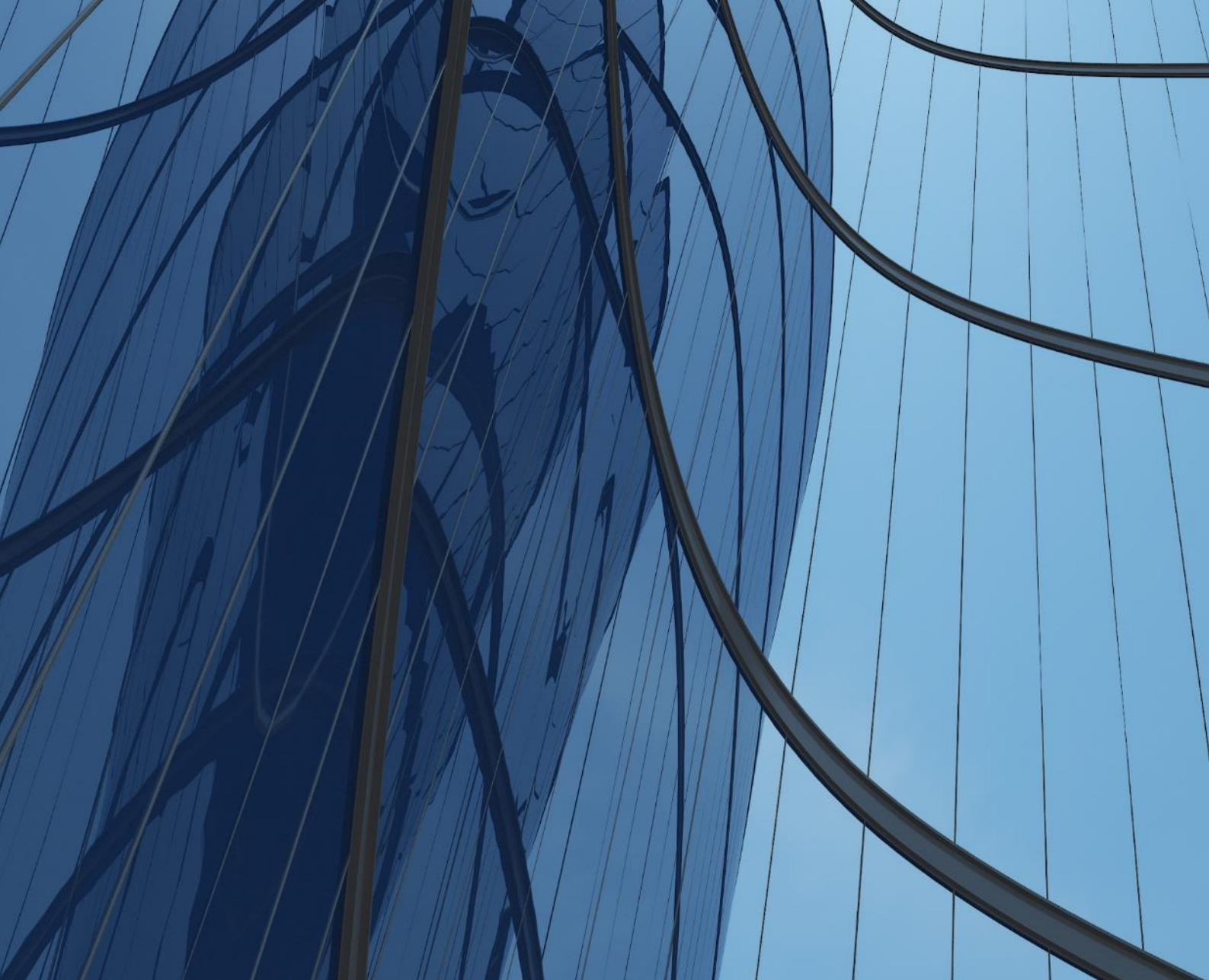
AI fraud surge

The fraud landscape is becoming increasingly complex. According to the CIFAS Fraudscape report for the first half of 2025, over 217,000 fraud risk cases were reported to the National Fraud Database by CIFAS members. Of these, artificial intelligence (AI) has emerged as a consistent driver.

AI technologies are being exploited by fraudsters to bypass security measures, particularly in identity fraud and synthetic identity creation. These AI-enabled tactics, which allow criminals to fabricate profiles that look legitimate, have led to sharp increases in fraud cases across sectors, including insurance, mobile services, and public services.

One of the most concerning trends is the rise in identity fraud, exacerbated by AI-generated synthetic identities that can evade traditional security checks.

As fraudsters continue to harness technology to create more sophisticated scams, insurance providers and their intermediary partners must find ways to keep up.

The report also points to another worrying development: individuals selling their own identities. These transactions are often lured by promises of quick financial gain, highlighting a new vulnerability in personal security. The combination of economic pressures, rising instances of normalised first-party fraud, and risky consumer behaviour continues to fuel more complex, scalable fraud schemes.

These emerging threats mean that staying ahead of fraudsters requires an adaptive and multifaceted approach. AI technologies may help to spot and prevent fraud, but they also present new challenges.

Fraud detection systems must be agile enough to recognise new forms of manipulation, including those driven by synthetic identities and AI-assisted fraud techniques.

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The impact

The financial burden of fraud on the UK insurance market is far-reaching. The industry is already struggling with rising costs and regulatory pressures and these evolving and increasing fraud risks add a further drain on funds and resources.

The reputational impact is equally damaging. As fraudulent claims become even more widespread, consumers are wary of the costs they bear in the form of higher premiums and distrust is amplified.

The ABI estimates that fraudulent claims cost UK households an additional £50 on their annual insurance premiums.

Consumer sentiment

At the same time, consumer awareness of the fraud risks facing the insurance sector is growing. A recent CRIF survey of 6,000 consumers across Europe, conducted in March 2025, revealed that 84% of UK consumers believe fraud will likely become an even bigger issue for insurers and banks in the future.

This growing concern is particularly noticeable among older generations: 82% of Gen X, 88% of Boomers and 89% of the Silent Generation expressed concern about the likely rise in the fraud threat, compared to 74% of Millennials and 65% of Gen Z. This data suggests that as fraud becomes more prominent in the public discourse, insurance providers will face increased pressure from consumers to address the issue effectively.

Future outlook: Navigating the next wave of insurance fraud

As technology and consumer behaviour continue to evolve, so too will the tactics of fraudsters targeting the UK insurance industry.
Over the next 2–5 years, insurers can expect several key trends and emerging threats:

1. AI-driven fraud escalation
Fraudsters will increasingly leverage artificial intelligence to create more convincing synthetic identities, automate scam attempts, and bypass traditional security measures. Deepfakes and AI-generated documents may become commonplace, making detection even more challenging.

2. Real-time fraud attacks
With the rise of instant digital transactions, fraud attempts will become faster and more sophisticated. Insurers will need to invest in real-time monitoring and adaptive analytics to spot anomalies as they happen.

3. Cross-channel and hybrid scams
Expect more fraud schemes that span multiple channels by combining online, mobile, and even social media tactics. Hybrid scams may target both insurers and policyholders simultaneously, exploiting gaps in communication or verification.
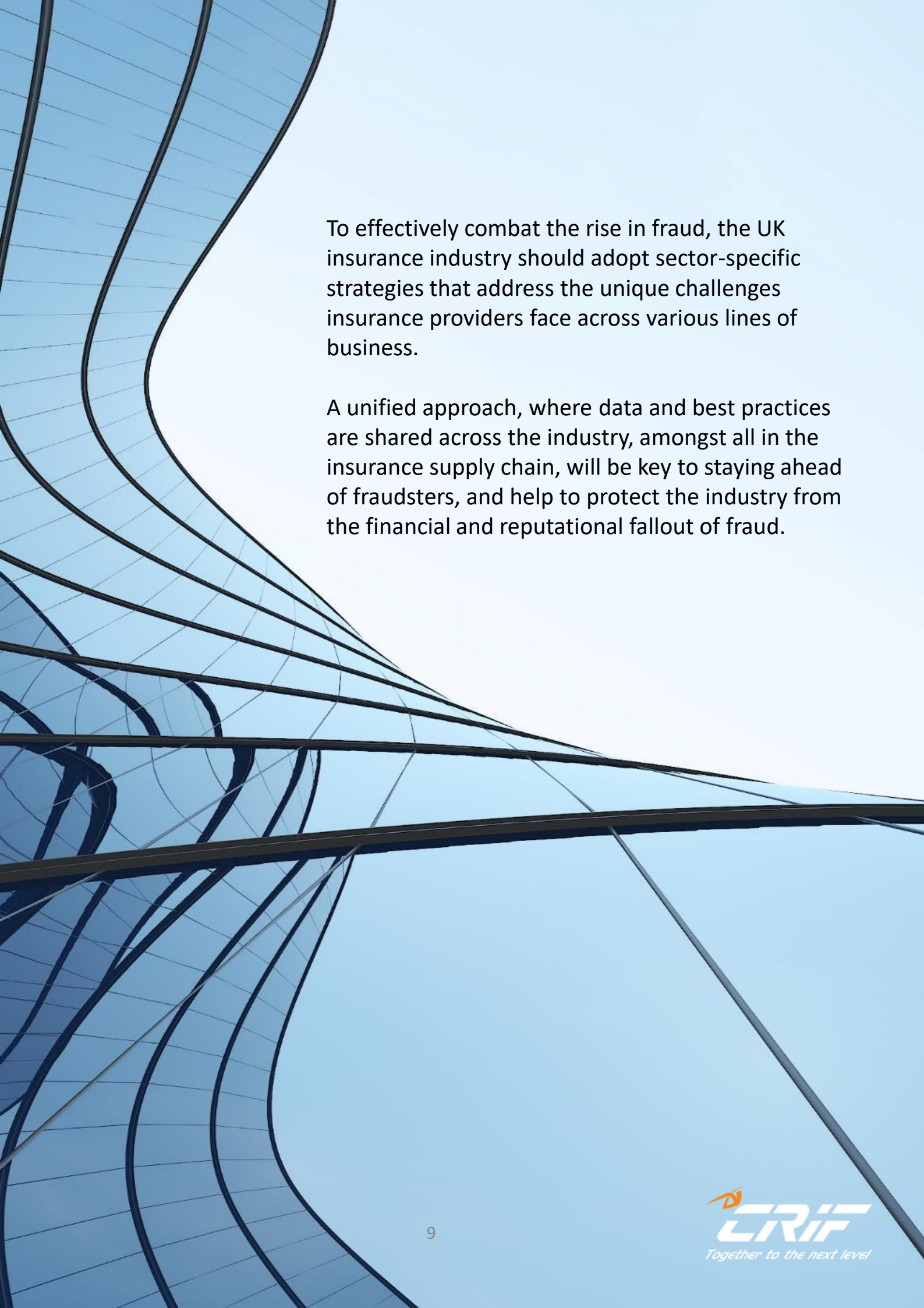
4. Insider and first-party fraud growth
Economic pressures and changing attitudes may lead to an increase in cases of first-party and opportunistic fraud, where genuine customers manipulate claims or sell their identities.

5. Collaboration and data sharing
Industry-wide collaboration will become even more essential. Sharing information and threat intelligence across insurers, intermediaries, and technology providers will help the sector stay ahead of increasingly sophisticated fraud networks and patterns.

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To effectively combat the rise in fraud, the UK insurance industry should adopt sector-specific strategies that address the unique challenges insurance providers face across various lines of business.

A unified approach, where data and best practices are shared across the industry, amongst all in the insurance supply chain, will be key to staying ahead of fraudsters, and help to protect the industry from the financial and reputational fallout of fraud.

A trusted partner in fraud prevention

At CRIF, our deep-seated industry expertise means we understand the unique challenges facing the insurance industry in this increasingly complex environment.

Our advanced fraud prevention solutions are designed to help insurance providers, MGAs and their intermediaries detect and prevent application fraud and fraudulent claims more effectively, using sophisticated ID verification, AI and machine learning technologies to spot anomalies and patterns in real time.

Our solutions offer insurance providers the ability to improve their fraud detection capabilities, reduce operational costs, and enhance customer experience by offering faster, more accurate claim assessments. We believe rising risks require dynamic solutions.

As fraud becomes more sophisticated, we are committed to providing insurers with the solutions they need to stay ahead of evolving threats.

CRIF offers a suite of fraud prevention, pricing sophistication and ESG solutions aimed at supporting insurers in properly identifying new customers, preventing insurance fraud and developing sustainable growth.

CRIF is a global company specialising in the development and management of credit bureau services, business information systems and insurance solutions. CRIF has an international presence, operating across four continents (Europe, America, Africa and Asia) and supporting over 10,500 banks, 450 insurance companies and more than 90,000 business clients in 50 countries.

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