Quantexa | **Cabinet Office**

Initial Investigation Into COVID-19 Loan Schemes Uncovers £14m in Fraud

The U.K. Cabinet Office partnered with Quantexa for an ambitious, first-of-its-kind analytics project to track down Bounce Back Loan fraudsters.

Industry

Public Sector

Challenge

The U.K. government needed to identify individuals and organized crime groups that had defrauded the BBLS and stolen taxpayers' money.

Solution

Investigators with the U.K. Cabinet Office deployed Quantexa to develop holistic, accurate views of individual perpetrators' complex networks of connections.

Business Impact

- Using Quantexa's DI platform, investigators initially uncovered 250 networks of connected parties linked to suspected BBLS-related fraud.
- The department surfaced evidence of both opportunity fraud and organized fraud in the POC with Quantexa.
- Through its work with Quantexa and collaboration with lenders, the Cabinet Office confirmed £14m in fraudulent BBLS loans.

Summary

U.K. banks and other commercial lenders administered more than £47 billion in U.K. government-guaranteed loans during the pandemic to small and midsize businesses through the Bounce Back Loan Scheme (BBLS). Unfortunately, this COVID-19 relief program was targeted by fraudsters that sought to maximize their gains at the taxpayers' expense.

The U.K. Cabinet Office took the lead on investigating BBLS fraud – but it needed more advanced capabilities to unify and analyze data. "We knew we needed a different type of technology if we were going to look at the potential of organized criminality in the BBLS and other schemes," says Craig Martin, Fraud Analytics Lead & Head of Programme, U.K. Cabinet Office.

The Solution

Martin says he recognized that Quantexa's Decision Intelligence (DI) platform, which he had learned about during a counter-fraud conference, was the solution his growing team of data scientists, data engineers, and business analysts needed to take the Cabinet Office's BBLS fraud investigation to the next level. Quantexa's DI platform can quickly ingest data at scale to unify billions of data points across internal and external data sources to provide a single, contextualized view.

Working closely with Quantexa, the Cabinet Office deployed the DI platform in a proof-of-concept (POC) in just three months, feeding more than 100 million data items into the platform. One vital dataset was from Companies House, which Martin says was "essential for generating networks with Quantexa and understanding how individuals and entities are connected." Another critical dataset was information about all government-guaranteed loans issued through the BBLS and other schemes.

> With the network analytics and entity resolution capabilities that Quantexa provides, we're not only seeing evidence of opportunistic fraud, but also organized fraud."
>
> **Craig Martin**, Fraud Analytics Lead & Head of Programme, U.K. Cabinet Office

Key Outcomes

The Cabinet Office's POC with Quantexa has helped to "show how much more government can do with its data to address organized fraud and criminality across the public sector," says Martin. The project also drove transformation of the Cabinet Office's digital capabilities, Martin says, in line with the U.K. Government's IT modernization agenda and intent to create a modern civil service.

✓ Swiftly uncovered networks of interest

Quantexa's DI platform helped the department's investigators focus on the right type of fraud and typologies to identify high-risk networks.

✓ Unified all available data sources

With holistic views of perpetrators and their networks based on internal and external data, investigators could confidently make data-driven decisions.

✓ Enabled cross-organization collaboration

The Cabinet Office is enriching datasets through ongoing data-sharing with the U.K.'s National Crime Agency and HM Revenue and Customs.

✓ Transformed communication with banking sector

The POC with Quantexa provided insight into how the U.K. government should continue to work with banks to address fraud.

Looking ahead

Quantexa's DI platform likely will be vital for the Cabinet Office's future investigations, according to Martin, who says the department is now in an optimum position "to really start building an understanding of risk in a whole new and different context."

The Cabinet Office has shared findings from the Quantexa POC with several lenders that provided loans through the BBLS, with an aim of helping them enable preventive fraud monitoring. Martin says the department also has plans to introduce contextualized network analytics tools that banks can use to conduct real-time checks for serious and organized crime activity.

250
Initial number of networks linked to suspected BBLS fraud

100m
Number of data items fed into the Quantexa platform

£14m
Amount of BBLS loans confirmed as fraud in the POC

Why Quantexa

Quantexa's Decision Intelligence Platform lets you create a single view of data – helping you build a culture of confidence around decision-making, increase efficiency, and protect, optimize, and grow your organization.

Discover more

Quantexa