



The CPS incorporates RCPO

Disclosure Ref: 10

Car insurance fraud penalties

FREEDOM OF INFORMATION ACT 2000 REQUEST

Request

If an individual is found to have used fraudulent information in the purchasing of car insurance what penalties are able to be imposed if an individual has:

- (a) A valid full UK driving licence
- (b) A valid provisional UK driving licence
- (c) A valid non-UK driving licence
- (d) No form of driving licence.

What criminal offences are committed if an individual

- (a) Uses a false name
- (b) Uses a false address
- (c) Uses false payment details
- (d) Provides false driving licence details in the process of purchasing car insurance?

The general use of false information to secure insurance would be an offence under Section 1 of the Fraud Act 2006 or an offence under Section 174(5) Road Traffic Act 1988.

Penalties

Offences under Section 1 of the Fraud Act offences can be tried in the magistrates' courts or the Crown Court -with the following maximum penalties:

Magistrates: maximum 6 months' imprisonment and/or fine not exceeding the statutory maximum

Crown Court: maximum 10 years' imprisonment and/or fine

Offences under Section 174(5) Road Traffic Act 1988 can be tried in the magistrates' courts or the Crown Court with the following maximum penalties:

Magistrates': maximum 6 months' imprisonment and/or a fine not exceeding the statutory maximum

Crown Court: maximum 2 years' imprisonment and/or a fine

Part I Questions (a), (b) (c) and (d) - Full licence, provisional, non-UK licence or no licence

If the offender was *driving* the uninsured vehicle, the penalties would be different. However, in the actual *commission* of the fraud offence, this would make little difference as it relates to the method of fraud (i.e. whether a full licence was produced or representations made as to whether the offender indicated that they held a full licence).

Offences

Section 1 of the Fraud Act 2006 creates a general offence of fraud and the relevant ones here are likely to be fraud by false representation (Section 2) and failing to disclose information (Section 3).

Other possible offences

Section 174(5) Road Traffic Act 1988 creates an offence of making a false statement or withholding any material information for the purpose of obtaining the issue of a certificate of insurance or certificate of security.

If insurance was obtained fraudulently, it is likely to be void on the grounds of a material false disclosure or non-disclosure. If the offender used, caused or permitted the vehicle to be used on a public road there is also likely to be an offence of using a vehicle without insurance under Section 143 of the Road Traffic Act 1988. A conviction for this offence can result in the following penalties:

A fine not exceeding level five on the standard scale.

Discretionary disqualification.

Obligatory endorsement - licence endorsed six to eight penalty points.

Part II Questions (a), (b), (c) and (d)

(a) If the offender uses a false name or makes some other representation, this would form part of the fraud.

(b) If the offender uses a false address, this would be as (a) above – dishonestly making a false representation

(c) The use of false payment details could, potentially, involve the theft or handling of a card. This prosecution for Theft is an either way offence under the Theft Act 1968 that can be heard in the magistrates' court carrying a maximum penalty of 6 months' imprisonment and/or fine not exceeding level 5 on the standard scale. If it is heard in the Crown Court, there is a maximum penalty of 7 years imprisonment.

(d) If the offender provides false driving licence details in the process of purchasing car insurance this would constitute the false representation for the purposes of the Fraud Act offence.

Handling - Section 22 of the Theft Act 1968 creates various offences relating to handling stolen goods. This is an either way offence carrying a maximum of six months imprisonment and / or a fine not exceeding the statutory maximum in the magistrates' court and in the Crown Court on Indictment, 14 years' imprisonment.

General observations

The penalties described are the maximum that can be imposed and, dependant on the circumstances and previous convictions, an offence of this nature is likely to be dealt with summarily –in the magistrates' court (provided, for instance it is not large scale or conspiracy)

There are also the Magistrates' Court Sentencing Guidelines in cases of fraud which outline aggravating and mitigating features that can affect sentencing.

You then requested to know:

How many prosecutions have the CPS either directed or undertaken as a result of the fraudulent purchasing of car insurance?

We are able to show the numbers of charged offences in magistrates' courts in which a prosecution commenced where a false statement to obtain motor insurance was made under section 174(5) of the Road Traffic Act 1988. There are some caveats that apply to the information supplied and these are included on the attached table.

You should also be aware that we may prosecute such offences under the Fraud Act 2006, but this relates to any fraud relating to any service and we cannot differentiate in central records those which are specific to insurance. As you will see from the bottom table, these amount to over 20,000 cases for each two year time period so it would not be feasible to manually review over 60,000 cases (some of which may have been destroyed) in order to determine which offences relate to a false statement to obtain motor insurance.

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