



British
Chambers of
Commerce
The Ultimate Business Network

Business Crime

Policy Brief

Updated: December 2009

The British Chambers of Commerce believes that business crime is not given the priority by Government and Police that it deserves. Costing British business £12.6 billion per year, it is a growing problem that is not a victimless crime, but a blight on society that impacts not only businesses but whole communities.

Summary

Businesses sit at the heart of their local communities providing jobs and opportunities while contributing to development and economic growth. Yet success is often undermined by crimes against business, which blight the communities in which they are situated. Crime that affects business is not a victimless crime, it is a serious threat to local jobs and the viability of many towns and cities across the UK. Business crime is rising at a disturbing rate. Between 2004 and 2008 the total cost of crime against business rose nearly 20%, from £10.5 billion to £12.6 billion¹. The Home Office has estimated that the total cost of crime in Britain each year is £59.9 billion, which suggests that business crime accounts for a substantial share of the total cost of crime.

Without proper action, crime against business could be a significant brake on growth and recovery.

Problem

Business confidence in the police is falling, and as a result three in ten businesses do not report incidences of crime².

The Government, with no central collection of business crime statistics, has no clear understanding of the true cost or extent of crimes against business.

Public bodies set up to coordinate police, national and local authority initiatives continually fail to engage properly with business.

New types of crime, such as e-crime or identity fraud, are rising quickly and affecting businesses.

Evidence

Confidence levels in the police have dropped to such a level that 68% of businesses would not report a crime if it only resulted in small losses or damage, while 36% would not report an incident due to the lack of confidence in a suitable police response³.

Businesses have indicated that crime has a serious and negative impact. 73% stated that it impacted on business location decisions, 62% on inward investment, 62% on expansion decisions, and 49% on recruitment.

Crimes against business cost British companies £12.6 billion in 2008⁴.

In March 2009, AXA reported a 10% year-on-year rise in business crime as a result of the recession. The results particularly highlight growth in malicious damage and arson, where the numbers of crimes were up 14% and 23% respectively⁵.

¹ BCC, *The Invisible Crime: a business crime survey, 2008*.

^{2,3,4} Ibid.

⁵ http://www.axa.co.uk/media/pressreleases/2009/pr20090330_1200.html



Recent Government Policies

The Government published its Retail Crime Action Plan in August 2009. The plan sets out the Government's ambition to engage with business through the National Retail Crime Steering Group (of which the BCC is a member). It sets out key areas of work agreed as priorities for the government, police and its business partners. These include:

- Understanding business crime;
- Preventing retail crime;
- Tackling offenders; and
- Working in partnership.

On 6th August 2009, Alan Campbell MP, Minister for Crime, announced a new £5m Small Retailers' Capital Fund in 50 priority areas. The grant will be used for the purchase of equipment to help retailers in target areas to reduce the risk of crime.

The Minister also launched a new Online Security/Crime Prevention Tool to assess a business' security and crime prevention measures.

The Home Office launched two guidance documents on engagement for Crime and Disorder Partnerships and Business.

Opposition Position

In October 2008, the Conservative Business Relations team established the Retail Crime Commission in response to concerns that insufficient attention was being paid to addressing crime associated with retail premises.

In September 2009, the Commission published its report. Key recommendations include:

- A community-led retail crime reduction priority to be established by the Home Office;
- Each Crime and Disorder Reduction Partnership to have an obligation to consult business as part of the formulation of a specific business

strategy;

- Police to be obliged to record where crimes occur in retail premises; and
- Local police forces to be encouraged to collaborate and share information to address cross-border crime.

The Liberal Democrats do not have a distinct policy to tackle business crime.

BCC Position

The BCC believes that it is essential that business crime is recorded so that the police and Government can correctly tackle the problem based on effective statistics. In order for this to be possible, all police forces, in conjunction with the Home Office, must agree to a national definition for business crime, and compile statistics accordingly.

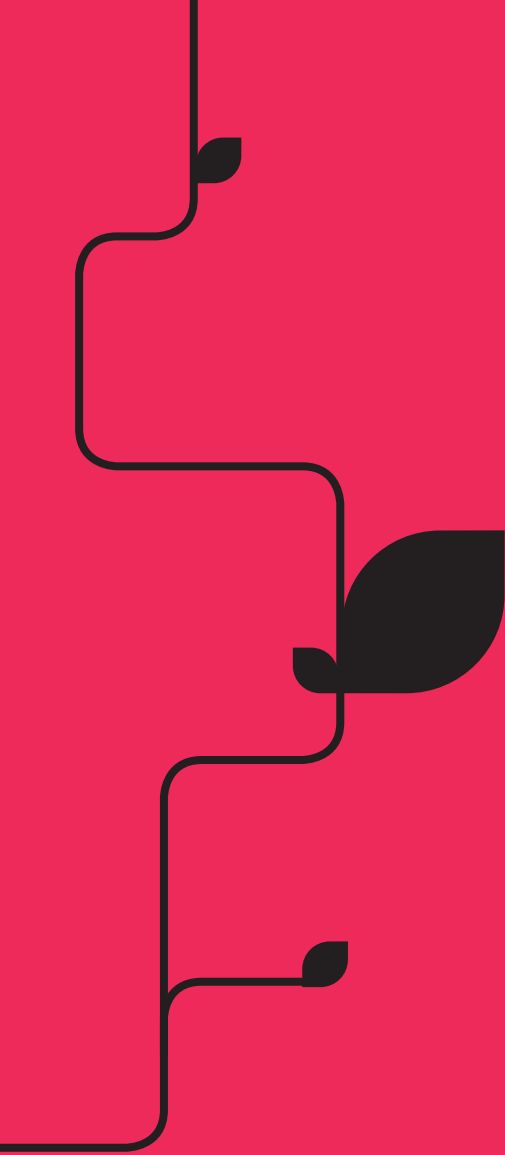
Crime against business should become a Key Performance Indicator (KPI) for police forces, thereby ensuring it is prioritised.

Local police forces should have dedicated Police Business Crime Advisers, whose priority would be to liaise with the business community.

The business community and Chambers of Commerce should be granted a greater role in local crime and policing partnerships setting priorities for local police forces, and acting as champions for SMEs that have been affected by business crime.

The BCC also believes that Government is too focussed on retail crime and would like to see greater action and attention to crimes against business in offices and on industrial estates..





APPLICABILITY

England only.

CONTACTS

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