SECURE YOUR PDQ

Chief Inspector Rob Rands
Police Constable Annie Halstead
Wales - Cymru

Land of mystery ..... Druids ..... Mountains ..... Castles
Wales - Cymru

Wales has;

- Its own flag
- Its own language, Cymraeg
- Its own Parliament

And now these guys...
Wales is part of the United Kingdom (UK), having been so since 1282 when sovereignty was lost.

North Wales has a population of 678,461 people. It is 6,172 km².

It has 1,450 Police officers.

Compared to the 42 other UK police forces:

- Covers the 6th largest geographic area
- Has the 15th smallest number of officers
- Has the 16th smallest budget

Now to our story….
Our story
TreYsgawen Hotel - Anglesey
• Distraction techniques
• Card payment machine/PDQ removed, refund processed, PDQ returned
• Suspects then leave the location
Local actions and investigation

4 males arrested following a brief pursuit – part of a Somalian OCG

Investigation – ANPR showed that they had travelled from London directly to a hotel in Llandudno and then to our location.

Enquiries in Llandudno showed that a likely offence was prevented by the actions of staff.

Arrested persons were part of a Somalian OCG

Activation of Shop watch & Pub watch considered

PCSO engagement with businesses
Social Media Consideration

Informative – but to who?

Educate potential victims

Educate potential offenders

Easy MO

Having an un-protected card machine is no different to leaving a cash till wide open – don’t be an easy target!!

- Password protect all card machines for refund facility
- Set refund limits
- Regular password changes
- Don’t write the password down
- Don’t leave card machines within easy reach

DON’T FALL VICTIM TO CARD MACHINE THEFT

making North Wales the safest place in the UK
ULTIMATE SAFEGUARDING MEASURE

MARCH 2020 LOCKDOWN – THANK YOU BORIS
Local picture

8 reported incidents within North Wales in total between December 2019 and March 2020
All incidents involved hotels
All lone working receptionists – in the early hours

- 3 successful refunds completed with unprotected PDQ machines – totalling over £40,000
- 4 unsuccessful attempts due to staff interrupting the offenders
- 1 unsuccessful refund due to the PDQ being password protected
National picture

Changing picture of crime. Traditional forms of crime (burglary, car theft, low level assaults and so on) have been replaced by new forms of crime and harm (The Police Foundation, 2022: p.9).

Huge rises in fraud (47%) and Computer Misuse Act (89%) compared to September 2019 (ONS, 2022)

These offences are very difficult to detect with only 0.2% resulting in a prosecution. This indicates efforts to prevent, detect and investigate such offences have limited success.

UK police are doing little to tackle this.
Problem Solving - Scanning

Gang distracts staff at Pembroke hotels to steal thousands from card machines

The brazen moment gang steals £9,000 from Tenby hotel

Pair walked into empty hotel reception in the early hours and gave themselves a £13,600 refund

Two men walked into a hotel reception in the early hours of the morning, picked up the card machine and processed £13,600 worth of refunds.

Harun Buni and Abdawali Maxamed took the card reader out of sight of CCTV cameras then processed six transactions on two different bank cards.

Sentencing the pair at Cardiff Crown Court, Judge Richard Twomlow said: “It was a sophisticated offence, in my view, carefully planned and carefully executed.”

The court heard the incident happened at Bryn Meadows Golf and Spar Hotel in Caerphilly on January 30. Nuhu Gobir, prosecuting, said staff reviewed the CCTV footage and saw two men approach the reception desk at 5.15am.

making North Wales the safest place in the UK
Investigation input

Suspects phones showed a journey from London to Northern Ireland returning through Scotland in the days prior to our offence.

On the day of our offence the car was collected from a rental company and driven straight to Llandudno, only stopping at M6 services where an offence was attempted before travelling straight to Tre-Ysgawen Hall. This hardly appeared random.

Suspects were known for county lines criminality and part of a London based Somalian OCG.

Funds were transferred to a Netherlands based bank, with links to other criminality both in the UK and internationally.
Problem Solving - Scanning

**Information gaps**

Difficulties with establishing the full scale of the problem –

- Were all offences identified/reported?
- Deliberate under reporting
- COVID-19 Pandemic effect on hospitality

No one body dealing with this type of offence. The Dedicated Card and Payment Crime Unit (DCPCU) deal with crimes against victims rather than against businesses. Focusing on card skimming, or cloning offences.
Problem Solving Hub – oversight and assistance

North Wales Police problem solving hub – supports officers and officers help and guidance

Plan quality assurance and oversight of unit lead – which at this time was me

Plan review – local picture for Anglesey and even North Wales had been really well covered

Could we close the vulnerability nationally?

Barriers to this?
Problem Solving - Analysis

Vulnerability explored

PDQ – Process Data Quickly.

No – A default PIN is set when the device is issued. Similar to a mobile phone.
Why is the offence happening?

- **Vulnerability**
- **Reward**
- **Lack of Risk**
- **Location guardianship**

The locations are targeted when there is only a night porter on duty and distraction is easy. Independent hotels are less likely to warn others.
Problem Solving - Analysis

Problem Analysis Triangle

**Victim**
- Locally Hotels, typically independent or family run
- High impact crime
- Nationally all Business, Café’s and restaurants targeted
- Distraction techniques
- Use of PDQ devices

**Suspect**
- 18-25 yrs, non-local, African
- Link to Somalian OCG
- Multiple targets on a “Journey”
- Use of lease vehicles
- Knowledge of PDQ device
- Planned or random?

**Location**
- Not local
- Often targeted during early hours
- Hotels largely but methods extend vulnerability
- Use of PDQ Machine

One common feature: PDQ
**Crime Method**

So we knew that all the suspect needed was access to PDQ device in order to exploit its vulnerability.

The distraction was not important

Night time offences

Software vulnerability

Industry guardian?
Problem Solving - Analysis

**Stakeholders**

In North Wales important as we are to our own community how would we get the attention of the national industry to address this?

Super controller influence

Working group established
Local Response
Various methods of communicating with local business were considered such as leaflet design, shop watch & pub watch. But lockdown prevented the need.

Investigation
Following interview all four suspects were placed on bail conditions.
Accounts were frozen and funds seized.
The interview account was disproven.
All four suspects were charged with conspiracy to commit fraud.
Problem Solving - Responses

National Response - Op Blue Centennial established and a series of meetings between NWP, City of London Police, Barclay Card & UK finance generated the following preventative actions;

**Target hardening**
By providing education we are denying future victims by ensuring that they are aware of the vulnerability and take action themselves to prevent becoming victims.

1. Guidance to all PDQ device operators.
2. Unique PIN numbers for devices and consider security method of the machine itself.
3. Link the PDQ devices to a business the booking system
Problem Solving - Responses

Removing the means to commit crime

Reducing opportunity & taking away ability to identify vulnerability

3. Replacement and new issue of PDQ devices have unique PIN number
4. PDQ operating software no longer shows which premises still have default PIN’s set.

Increasing the risk of being caught

5. Transaction monitoring
Could we claim that our work had led to a 100% reduction?

There were a number of factors that we needed to consider;

1. Lockdown

2. Time & Space

Within North Wales Police there has not been a single crime reported.

However the national aspect of our work to close this vulnerability has had an effect.
Local business survey – Anglesey

We surveyed 24 independent hotels – the results were positive -
All had received guidance from their PDQ providers
Only one didn’t have a unique PIN, but said they would change after the call.
50% (12) had linked there PDQ to there booking system for the additional verification.
63% now lock away there PDQ device for bookings out of hours.
Many had reviewed CCTV coverage to ensure it covered the main desk.
UK national crime data

Over the period of time that our offences took place (March 2020 in 2019 data) and the introduction of our solutions a national reduction of £46m in all card fraud.

UK Finance annual fraud report 2022

Card fraud losses at point of sale saw a reduction of £15.4m.

UK finance annual fraud report 2022
Problem Solving - Assessment

National Picture based on the BFP technique

It is very difficult as stated previously to put an accurate figure to the cost of this crime, due to the low level of reporting and/or knowledge of the offence, and the Home Office Crime Recording Standards (HOCRS).

In North Wales the loss amounted to £52,000 (although some prevented).

Assumptions – are dangerous……but
We are one of 45 forces in the UK.
Newest crime trends don’t often start in North Wales – and we know this didn’t
Larger forces/more metropolitan may have experienced higher losses – but assume same as NWP
We can therefore assume that the level of loss nationally to be 45 x £52,000
A staggering £2,236,000 based on a BFP calculation
National Picture based on crime volumes

<table>
<thead>
<tr>
<th></th>
<th>England and Wales</th>
<th>England and Wales, Police Scotland and PSNI</th>
<th>North Wales</th>
<th>North Wales percentage factor of crime</th>
</tr>
</thead>
<tbody>
<tr>
<td>All crime</td>
<td>5,003,557</td>
<td>6,430,019</td>
<td>60,479</td>
<td>0.94%</td>
</tr>
<tr>
<td>Fraud data</td>
<td>37,951</td>
<td>55,746</td>
<td>285</td>
<td>0.51%</td>
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<tr>
<td>Theft</td>
<td>1,811,838</td>
<td>1,952,786</td>
<td>14,639</td>
<td>0.75%</td>
</tr>
<tr>
<td>Burglary</td>
<td>248,633</td>
<td>273,765</td>
<td>3,205</td>
<td>1.17%</td>
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</tbody>
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Dependant on comparable crime type North Wales represents between 0.51 and 1.17% of national crimes in the offending area.

Multiplying our loss (£52,000) by that percentage we get a scale of loss of between £4.4m - £10.2m
Problem Solving - Assessment

The level of loss may have been much lower or higher than those figures.

And we may not have be able to claim that we delivered 100% reduction nationally.

And we know that OCG’s evolve and change their model to exploit other vulnerability.

But what we do know is that the quick actions on the night prevented one local business becoming a victim, and that follow up actions and the problem solving approach that we took has played a part in closing a national financial vulnerability.

In a time where hospitality businesses were struggling with the financial losses caused by COVID we delighted to have played a part in preventing further losses at a time when they would have hurt even more.
Problem Solving - learning

Problem Solving Hub and structure evolution

Method and application of POP plans

Power of a super controller

Knowledge sharing

Application of SARA in a fraud context
(Thank you very much)