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Fraud and identity theft



Article by **Jenna Duffett**,
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Everyday you leave your home, switch on the alarm or at the very least lock the front door. Why? Simple, to keep unwanted visitors out. But what about your computer, internet, and bank account, how safe are these?

Today theft is no longer just someone breaking into your home, instead they spend time monitoring you and your activity patterns to build a profile of you. With this information they then attack your bank accounts impersonating you.

In the past three months KMG have intercepted several fraud attempts on our clients' accounts. In one of these cases the client's email account had been hacked and we received an email requesting a large sum be disinvested and the money paid to their account. One of the best features of KMG is that we have an active relationship with our clients and we know you. This request was out of the blue and not expected and there was just something not right in the way the email was written that made us stop. When we contacted the client, it was not her request. With lots of hassle her email had to be secured and the bank notified, because in this case worryingly they asked for the money to be paid to her own accounts, so they must have had access and were waiting for the money to arrive. No doubt they would have moved the money onwards very quickly.

In another case we received a phone call to our office to ask for details of an account, but the voice was clearly not the client we know and on challenge they rang off. We alerted the client and again it appears identity had been stolen.

Here are two examples from our own teams' experience...

Kate Greenwood:

I have been a victim of identity fraud and theft and, like many people, use "Wearable Technology" in the form of a Fitbit® activity tracker. If it was not for the fact that I wear this everyday - not just for recording fitness activity but also to receive email and text notifications - my recent identity fraud may have gone unnoticed until I checked my bank account.

Without my Fitbit® notification switched on I would have found out a lot later that my identity had been compromised. I received a text message from my bank at the start of the month which sent alarm bells ringing because I certainly would not be using my overdraft on the 2nd day of the month! It was only because I was notified on my watch that I had gone over my agreed overdraft limit that made my

bank issue a text alert. Having subsequently logged into my bank, I found out that three car insurance policies had been set up in my name and the amounts of each debited from my account. It was an unpleasant feeling, knowing that someone, somewhere had got hold of my details.

I feel thankful that this wearable technology can provide this notification service. I contacted my bank to explain the situation who passed me straight onto the Fraud Investigation Team. Luckily, I was able to claim the full amount back that was taken from my account having proved that I was at work at the time the three transactions took place.

Activity trackers are not just for fitness, they can prove a very useful tool in the fight to stop identity theft.

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Think! About the future and investment trends



Article by **Patrick McIntosh and Nick Matthews**,
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Here are a number of key points that will come up in our seminar, which we will elaborate on, but I hope that you see some themes in the observations made. Of all the news and predictions – often of doom – that bombards each of us every day, the vast majority of it never comes to pass. Yet our natural bias to give greater weight to recent or current events inevitably lead us to the conclusion that we are going through the single most worrying, or amazing, and certainly dramatic change that the world has ever seen.

Tariff barriers

In respect of tariff barriers and customs unions, remember that our second largest trading partner in the UK is with America and is done under World Trade Organisation rules.

If we can pass hundreds of thousands of vehicles under and over the Dartford Crossing every day, and check them for car insurance, car tax and congestion charge and then fine them if they fail on any of those three issues, then controlling the Northern Ireland border or indeed, any of our ports is not remotely difficult. Furthermore, hundreds of lorries pass through France into Switzerland and the Chamonix Mont Blanc tunnel without any barriers, restrictions or control points, one presumes that Europe has already come to terms with these arrangements in other parts of the EU, particularly in trading between Switzerland and the EU which has multiple border crossings (far more than Northern Ireland).

The euro

The euro simply CANNOT survive unless Europe moves towards fiscal and political union. This point has been made by everyone since the euro currency arrived.

Trade surpluses

Europe also will not survive if there continues to be a massive trade surplus imbalance between Germany and the rest of Europe, the same is also true between China and the rest of the world.

Self-determination

Is the future for younger people about the elimination of possessions and at the same time the ability to control self-determination as a consequence of the evolution of the digital world, irrespective of what older people may feel and understand?

Trump has done more to stimulate feminism in the USA than any normal president could possibly have achieved. He has annoyed them so much that they have finally risen up which is why people such as Weinstein have been caught and many, many other unpleasant people are now being brought to book.



Trade tariffs and protectionism

The converse argument to Trump's ridiculous ideas around trade barriers and protectionist moves, along with tariffs, is that of course everybody else reacts in the same way. Whether it be Canada, Europe, and China etc, in the end because everybody imposes trade barriers and tariffs, does the global economy simply grind to a halt and we all go bankrupt? Or does the world finally understand that in a globalised world, driven by the internet trade barriers and protectionism simply cannot and will not work. Albeit in the short-term, there may be some significant disruption while we proceed through these adjustments in our thinking.

Incentivise the National Health Service

If we are moving rapidly towards risk adjusted cost charges based upon our lifestyle choices and our living habits, why should we not adopt the same principles for funding the National Health Service?

If we were to create a payment for funding the NHS which was related to our individual circumstances the reality is that if people could see a way of keeping their costs down, they are probably far more motivated so to do than having a universal benefit without accountability which is, unfortunately, the current situation and which is so widely abused as a consequence. The digital age of watches, monitors, iPhones etc makes this a very real possibility.

Democracy

Part of the huge dilemma of democracy at the moment is apathy. Unfortunately, a few people end up dominating the world whether it be local councillors in elections around planning issues or indeed whether it is Trump who actually lost the election in terms of votes cast but won on electoral college nominations. The opportunity to turn democracy into something in the real world by using technology efficiently and effectively and making people engage as they do on Facebook and all the other media outlets, surely is an opportunity to transform and become a real power for good rather than evil.

Automatic vehicles

When thinking about artificial intelligence in relation to car transportation, think about the complete misunderstanding about the future when cars were first introduced and how cars took over from horse-drawn transportation. Is the

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same situation going to occur in the future as follows?

Car ownership will fall by as much as 50%

Congestion charge will be by demand, (a bit like the Dartford Tunnel where between 10pm – 6am you do not pay anything) at busy times, on congested roads you will pay a congestion charge, this will apply to all towns, not just London.

Why should we have so much capital and debt tied up in a tin can that sits outside our house for 80% of the day doing virtually nothing? In point of fact, one opportunity would be for it to be converted into a power source. If every car had a solar panel on its roof, it could actually provide power not only to drive around, but also feed back into the grid. Currently, the taxpayer subsidises car ownership. This will have to change.

Debt and housing

Debt versus equity investment is reasonably easy to manage. As the value of equity goes up and down, so does debt more or less. The problem with debt versus property is that the tail wags the dog in the sense that the debt does not go away when the property value falls and this creates crises in banks. We continue to lend on the basis that property prices will rise but what happens when our population declines, our way of living changes and the idea that our house as our goldmine unravels. The end could be an extremely messy event.

Poverty

In 1980, 40% of the world's population lived in so-called poverty, i.e. on less than a dollar a day. This has fallen to 8% of the world's population in a relatively short space of time, a phenomenal transformational move for which we have blindly taken advantage of without understanding quite how much wealthier we have all become. As a consequence for all people in some minor or major way we are now positive contributors to the global economy.

Disparities

I leave you with the following important observations.

- the disparity between the wants is high
- the disparity between the needs is much, much more equal
- do we live to work?
- do we work to live?

If you want to understand what I mean, you will have to come to the seminar to have an explanation of these key questions.

Imagination

Not for one minute do I suggest that technology is moving faster than ever. The speed of change really is as impressive as you imagine it to be. It is not without its problems but is likely to be of benefit more than cause for complaint for most people alive in the world. What I am talking about above is politics.

The EU is breaking up, Trump is leading us into a war, Brexit will be an unmitigated disaster, China will soon be running the World, the banking crisis is upon us again, property prices are about to crash, stock markets are about to evaporate and so on.

The truth is that there is always noise. We lap it up, relishing the disaster story rather than the beneficial one. It is far too easy to be completely overwhelmed, throw up our hands or bury our heads in the sand.

So, if much of what we hear about on a daily basis is just noise to be ignored where possible, what are we looking at on a more fundamental level as we look into the years ahead?

Here, I want to talk about demographics, but there are other themes that we understand are the basic building blocks for the future, including energy production, technology, ageing, healthcare and so on.

Demographics

If predictions made are so poor quality, what is the point in continuing to look towards the future as we try to plot a course and an investment strategy that will preserve and grow our clients capital?

Well there are some underlying trends that seem to transcend all of the noise and the popularist to and fro. We know that technology is affecting all of our lives, even if the result is not yet clear. We know that changes to the climate will affect our lives, and we know that changes to our population will have enormous impact on us as well.

Africa's population is set to double over the next 25 years, at the same time the average age in Japan will be 53 – in Nigeria it will be 23. Think about the following:

Ageing

We can see the strain placed upon our NHS, partly by immigration but predominantly because we are living longer and needing greater care than ever before. Technology offers the possibility of turning around our healthcare system, along with a greater understanding of diet and lifestyle.

The make up of the workforce is changing, as more people aged 65 and over continue to work. Industries adapt and retrain and what we look for and how we spend money changes. Retirement becomes less clear cut for many, as continuing to earn is more necessary and more acceptable.

Welfare bills are going to soar. How will they be met in a world where governments find it difficult to raise taxes?

Shrinking populations in the West

Not just shrinking but rapidly ageing. Economic growth has almost always been funded by greater debt – the creation of credit by the banks. Debt is created on the

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Fraud and identity theft

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Jenna Duffett:

This last month my husband's identity was stolen, and someone took out payday loans in his name and then kindly paid them off from our bank account! It appears they had his card details and personal

information. Worryingly my husband rarely uses his debit card and so how did they get the details? We suspect when he hired tools recently and used the card and of course had to give his ID to prove who he was; someone then kindly used the information for their benefit.

Another client experienced the same detail when hiring a car. To avoid this happening, produce your ID but do not let it be copied or details recorded, if they insist then WALK AWAY!

What can be done?

There are several things you can do to protect yourself:

- Ensure any external post box at your home is locked and cannot be tampered with or you are just giving away your information to anyone who wants to just put their hand in and take it
- Take care where you shop – always use reputable companies. When shopping online make sure by looking at the browser line at the top of the screen you are where you think you are and have not been transferred to a fraudsters website instead – make sure the address starts https://, or has a padlock icon
- If you need to send money to someone make sure you confirm their bank details with them not just in an email. If and when you do transfer money, send a small amount first to ensure it's received into the right account
- Ensure you have a secure password for your email account and not a loved one's name – hackers piece together your life and will find their names easily. The same applies to the router for your internet. Don't leave the password as the manufacturers one – choose a new one and a hard one to link to you!
- Check your bank account regularly and report ASAP any issues to your bank
- Don't divulge your personal details to any one calling you. Your bank and even KMG will not ask you for personal information because we have it already! If in doubt call them on a number you know and double check
- Be wary of places offering free wi-fi. NEVER EVER USE THEM, they are classic phishing places to access all your data. Make sure your phone or device does not auto connect
- Get a blocking wallet so that your cards cannot be read by people walking by or sitting next to you or your data.

Rest assured at KMG if we have any doubt and especially large transactions we will call you to confirm. So please accept our apologies in advance if this causes a delay but we would rather be safe than sorry and keep your investments secure!

Investment trends

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assumption that it will be repaid with interest and at a Government level, this is through tax receipts from a growing and increasingly productive population.

When this turns around, and the working population begins to shrink, who will meet all of the bills of the past as well as ever larger bills for the future? Perhaps it will be migration or working longer.

Growing populations in the emerging world

97% of population growth will be from the emerging world. No wonder those with a very long-term view look there for future economic growth.

Women in work

The massive increase in the global education of women, along with lower birth rates and an understanding of the wasted opportunity if women are excluded from the work place, is leading to more women working.

It will not be long until women have vastly more power over the purse strings, and the decisions of the future might be different to those made by men in the past.

Unlike the debate over whether there will be a trade war, or changes in government or tax, these changes in demographics are happening whether we want them to or not.

We don't know exactly how these impacts will be felt, or when. Even within KMG there is discussion over how soon or how far away such changes are.

Surely to ignore them would be foolhardy, and to prepare ultimately must make sense and that is why we spend so much time debating and researching future opportunities.