

European Distribution Fraud



European Distribution Fraud happens when a European manufacturer or supplier is contacted by a fraudster claiming to be a well-known UK company and places a large order of goods. These goods are sent to the UK where they are picked up by criminals and never paid for.

Contact is made with a European manufacturer initially via email, claiming to be from a well known UK retailer, such as a supermarket, or a well known UK manufacturer.

Originating domain names on the email are similar to the genuine companies that they are purporting to be from and logos, websites and contact details may be cloned.

Goods are then ordered on credit or using fake bank transfer confirmation forms. Goods ordered vary – the NFIB have received reports where orders have been placed for food stuffs (including meat, fruit and non -perishable items), alcohol and electrical goods as well as other items (such as solar panels).

The goods are then delivered to various UK locations that are not used by the genuine UK retailer. In some cases the delivery driver is contacted and asked to change the drop off address mid transit. There have been a small number of reported offences where the offenders have collected the goods directly.

The ordered goods are then picked up by the organised crime group (OCG) and not paid for. The fraud becomes apparent when the supplier attempts to invoice the UK retailer and is told that the order was not placed by them. The European supplier ultimately bears the loss which runs into several thousand Euros and causes significant financial harm to the company. In addition to this there is a health and safety risk where perishable items of food have been taken, as well as a reputational risk to the UK retail industry.

Are you a victim of European distribution fraud?

- You've been contacted by a large UK retailer or manufacturer that you have never previously supplied to.
- You have received an order via email for a large order of goods. The request has a short turn-around time and you are being pressured into sending the goods quickly.
- You have had sent a large order of goods to an un-verified UK address.
- You have not received payment for these goods from the UK company.

What should you do if you've been a victim of European distribution fraud?

- Stop all communication with the 'UK Company' but make a note of their details and report it to Action Fraud (**Please include the prefix XXXEDXXX in the free text box of the online tool**).
- Put a stop to all orders being sent to the UK address. Contact your delivery driver and ask that they halt their delivery.
- If you have already released the goods and they are in transit, contact your local police as a matter of urgency.
- Contact the genuine UK Company and inform them of the fraud.
- Report the offence to your local police station and also any trade bodies you are a member of to warn other members.

Protect yourself against European distribution fraud

- Check any documents for poor spelling and grammar – this is often a sign that fraudsters are at work. If English is not your first language and you are not confident that you can do this, try and find someone that can carry out these checks for you.
- Check the authenticity of the correspondence by completing thorough comparisons to the domain name used by the legitimate company. Authenticate the addresses and contact telephone numbers used.
- Use an internet search engine to see if this company has been cloned previously to make fraudulent orders. If it has then verify authenticity of the order via telephone.

- Verify the order by calling or emailing the UK retailer. Use telephone numbers or email addresses found on the retailers website – do not use the details given on the suspicious email for verification purposes.
- Where bank transfer documentation is sent, check the authenticity by contacting the bank, using contact details researched on the internet. Due diligence processes to be adhered to for this documentation.
- Authenticate the delivery address by checking that it is a warehouse or storage facility of the UK retailer.
- Instruct your delivery drivers about the risk and ensure that they do not change the drop off point without checking with you first.
- If fraud has been committed, report it to **Action Fraud**.