

Trending Fraud Alert

Protect Your Business – Stay Compliant, Stay Safe



Are you aware of the latest fraud trend affecting dealerships across the UK?

Dealers who ignore the risks could face severe **financial, regulatory and criminal consequences**. Don't take that risk.

Latest Fraud Trend



Third-party "traders" arranging finance through dealers



Some customers colluding with traders in the fraud



Fraud often discovered months later when payments stop, or disputes arise



Vehicles often never seen by the dealer – many are suspected ghost cars

What is a Ghost car: A vehicle that physically exists but may no longer be in the UK.

Red flags include:

- ◀ No MOT despite being over 3 years old
- ◀ No insurance records

You should have the physical asset in stock.

The Risks to You	Don't Do This	Do This
Significant financial loss or even business closure	Do not accept finance applications proposed by third-party traders	Ensure compliance with the new Economic Crime and Corporate Transparency Act (ECCTA)
Breach of FCA regulation, risking loss of permissions	Do not fund vehicles you have not physically verified	Have fraud prevention processes in place across your business
Criminal liability and possible police involvement		Act immediately if you suspect fraud and notify the relevant authorities

The ECCTA – What You Must Know

The new Economic Crime and Corporate Transparency Act 2023 sets a higher fraud prevention standard.

Failing to comply could mean **corporate criminal liability** – Read the official ECCTA guidance [here](#)

Don't Take the Risk. Protect Your Business – **Stay compliant. Stay vigilant.**