The 2024 Charity Fraud Survey

#StopCharityFraud – putting lessons into practice.

2024 is the fourth year of BDO's Charity Fraud Survey, in partnership with Fraud Advisory Panel.

This year we had the highest response rate for the survey, with 139 respondents, a 15% increase from last year. This demonstrates an ongoing commitment from charities to share their fraud-related experience so that we can get a clearer view of the charity fraud landscape.

Despite operating in a continually challenging fraud environment, our 2024 survey reveals a real sense of development and growth in how charities manage fraud risk, from a positive stance when dealing with instances of fraud to an optimistic outlook when developing prevention strategies.

We have prepared this snapshot of the key highlights of this year's survey findings ahead of the publication of the full report.

Who did we survey?*

68% of respondents are charitable companies

55% of respondents have annual income **> £10m**

17% of respondents have annual income **< £1m**

94% of charities had 5+ trustees. Only one charity had below the required number of trustees

37% of responses were completed by finance directors

45% of respondents are national charities

24% of respondents are international charities

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Scan this QR code to ensure that you are the first to receive the full Charity Fraud Survey report.

Note on the data: This data is a snapshot of the UK charity sector and is to be interpreted only as a general overview of the views and experiences of the sample base. This report is drawn from 139 respondents from UK-based charities. The survey included a mixture of quantitative and qualitative questions. Comparison data was derived from research conducted by BDO and Fraud Advisory Panel in 2023, 2022 and 2021. Percentages included in the charts have been rounded, and therefore there may be small rounding errors.

Looking back at the past year

Have charities suffered fraud?

42%

of charities reported fraud or attempted fraud (compared to 43% in 2023).

Average number of frauds experienced in the past year **decreased to 4-7 per respondent** (compared to an average of 5-8 in 2023).

Response

52%

of fraud instances were reported to the police (up from 37% in 2023).

45%

took internal disciplinary action (up from 35% in 2023).

12%

took no action at all (down from 21% in 2023).

Type of fraud

40%
Misappropriation of cash or assets

33%
Authorised Push Payment (APP) / Payment diversion fraud

29%
Expenses and subsistence fraud

Perpetrators

2023: 50%

50%
committed by individuals within the organisation.

2023: 23%

29%
committed by persons with no connection to the charity.

Detection

2023: 67%

62%
Internal controls remain the most common means of detecting fraud.

2023: 4%

10%
External whistle-blowers became an increasingly important means of detection.

Financial impact

84% suffered financial loss (compared to 92% in 2023).

Total losses due to fraud between **£5.9m and £11.4m**.

Average loss per fraud between **£102k and £197k**.

40% recovered losses.

What other consequences did charities experience?

78% **experienced other non-financial issues.**

12% experienced reputational damage – down from 24% in 2023.

21% experienced a loss of staff, volunteers or trustees' morale – a decrease of over 50% from 45% in 2023.

Remedial measures

61% **made control changes** (compared to 79% in 2023).

33% **made policy changes** (compared to 37% in 2023).

14% **upgraded IT systems** (compared to 8% in 2023).

32% **reviewed their fraud awareness training** requirements and **19%** **implemented an enhanced fraud awareness training program** in the last year.

Proactive measures

36% and **50%**, respectively, **conducted a fraud risk assessment and fraud awareness training** in the last year (compared to **48%** and **47%** in 2023).

Looking forward to the future

Barriers to fraud prevention

Over-reliance on trust was reported as an obstacle to fraud prevention by only **37%** of charities this year (compared to 57% in 2023).

Investment

80% said their financial **investment** in fraud **increased or stayed the same** (compared to 86% in 2023), but **18%** said they **do not financially invest** in fraud prevention (compared to 10% in 2023).

53% of respondents think that their **financial investment** in fraud prevention **is enough** to address their fraud risks (compared to 44% in 2023).

Prevention

Most charities said they had key policies in place.

+80%

had one or all of the following policies:

- conflict of interest
- whistleblowing
- risk register including fraud
- anti-fraud

44% said they had a fraud response plan; **53%** said they had a cyber response plan.

The Economic Crime and Corporate Transparency Act

This legislation aims to enhance transparency and combat economic crime, providing a framework that charities can leverage to strengthen their fraud prevention efforts.

45%

believe the Act will apply to them.

88%

have taken or are committed to taking action in preparation for ECCTA.

26%

of those to whom the ECCTA is not applicable are taking voluntary action

Future risk

50% of respondents **expect fraud risk to increase** in the next 12 months (compared to 63% in 2023).

56% of respondents cited **cyber-related fraud** (including phishing) and cybersecurity as **their biggest concern**.

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