



EXPERIAN UK FRAUD INDEX

**Q4 HIGHLIGHTS AND
2025 SUMMARY**



Our latest findings

Q4 FRAUD INDEX HIGHLIGHTS

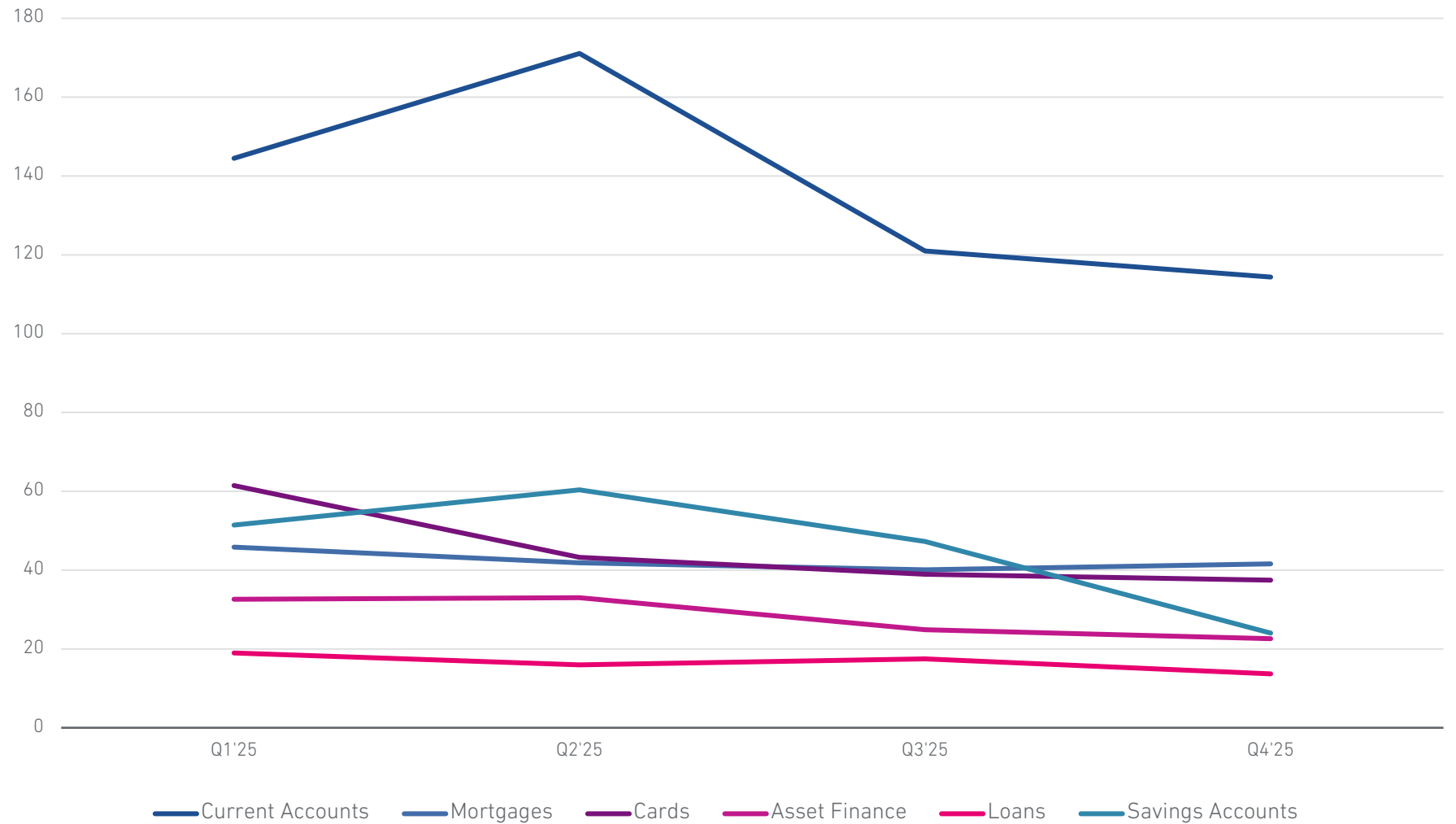


Our Fraud Index is the number of confirmed, detected and/or prevented fraud applications per 10,000 applications received.

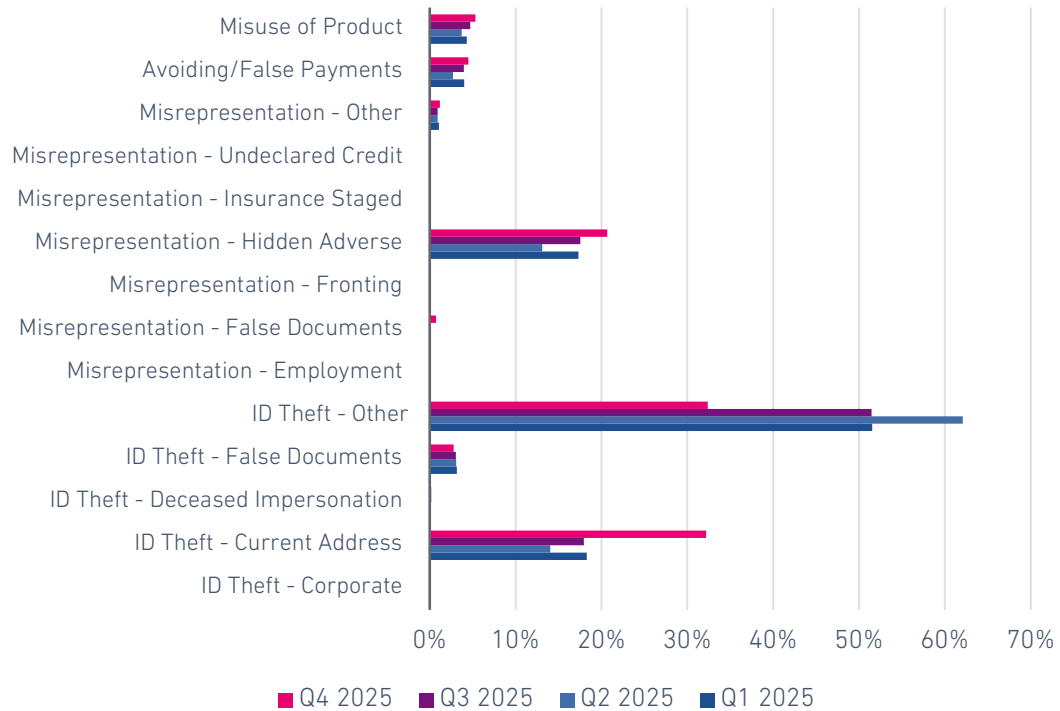
The 'Fraud Index' declined across five of the six product groups in Q4 with the largest drop seen in Savings Accounts, falling twenty-three points from Q3.

Mortgages was the only product group to show a slight increase rising by just under two points.

Full Year by sectors

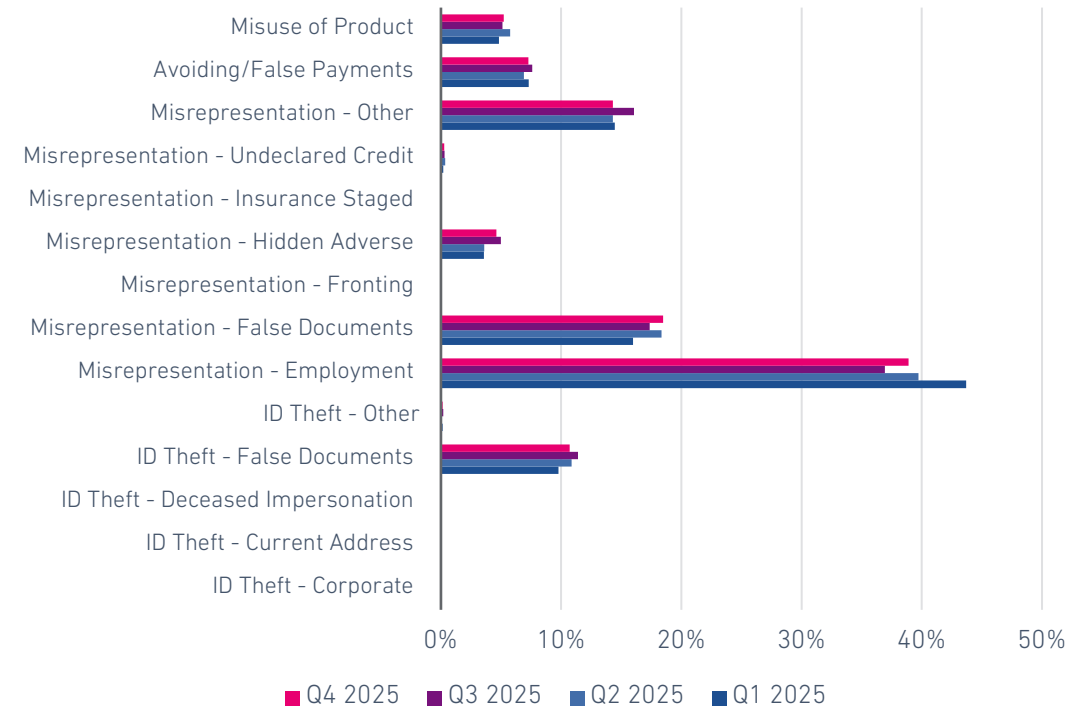


2025 Current Accounts – Fraud Categories



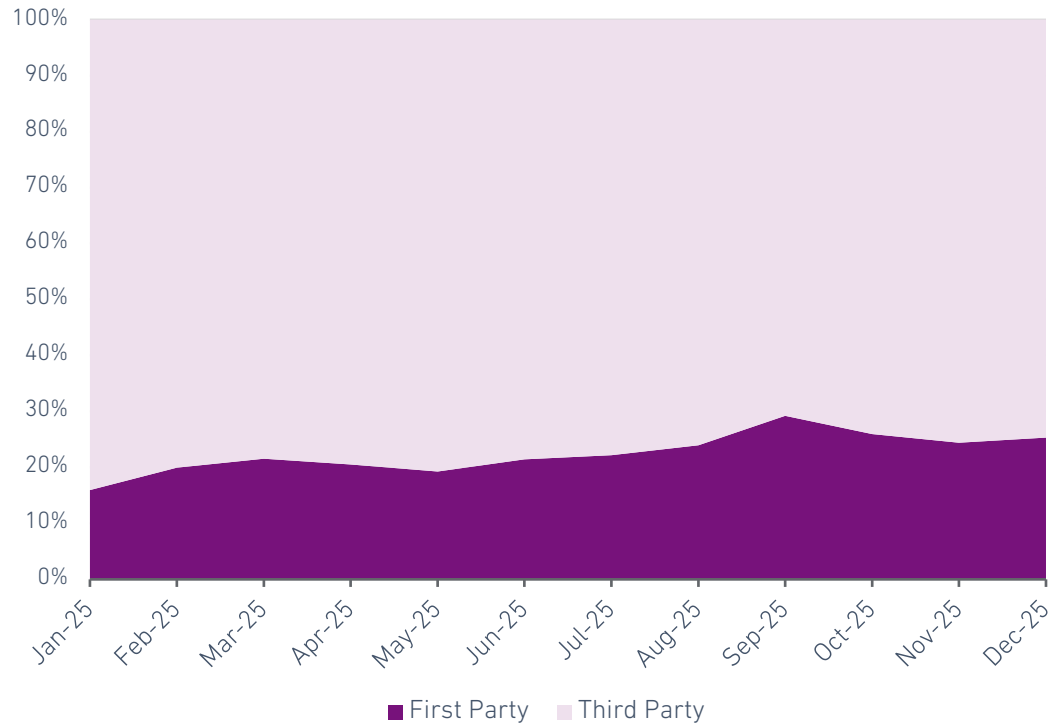
Q4 marked a clear shift away from identity-led fraud, with “ID Theft – Other” reducing significantly. In contrast, first-party misuse remained consistently high, pointing to ongoing affordability pressures and increased opportunistic behaviour among genuine applicants.

2025 Mortgages – Fraud Categories



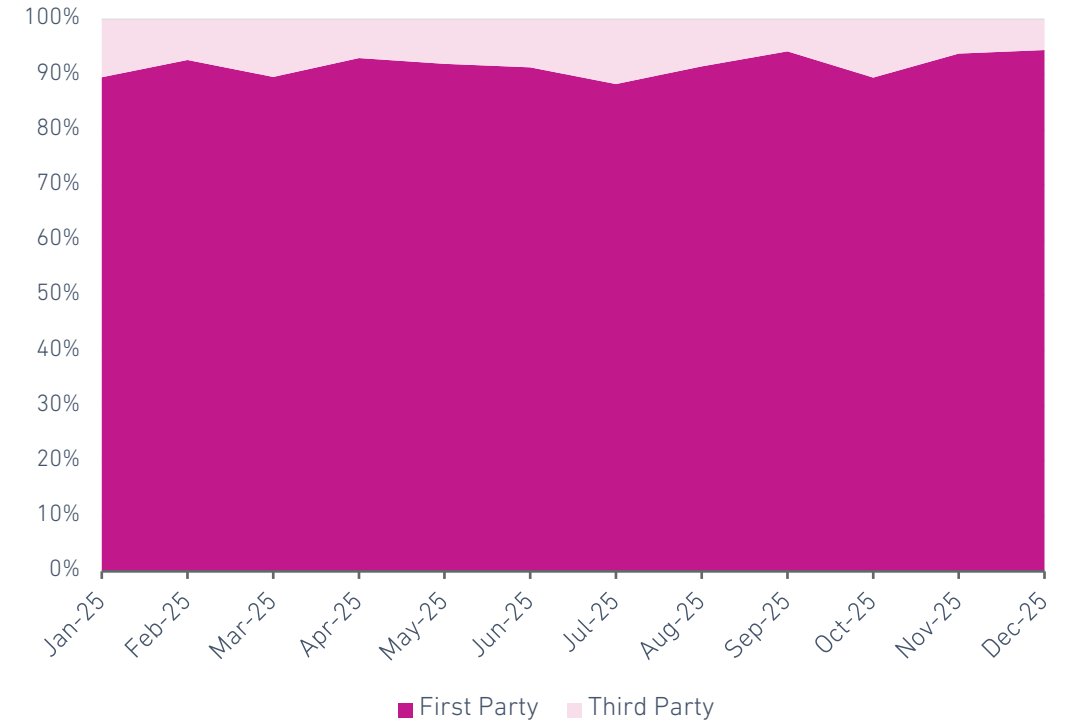
Mortgage fraud intensified through Q4, with misrepresentation, particularly employment and income-related, remaining the primary threats. Rising misrepresentation pressure suggests renewed stress on borrower affordability and a need for continued robust income and document verification controls.

2025 Cards – Fraud Type



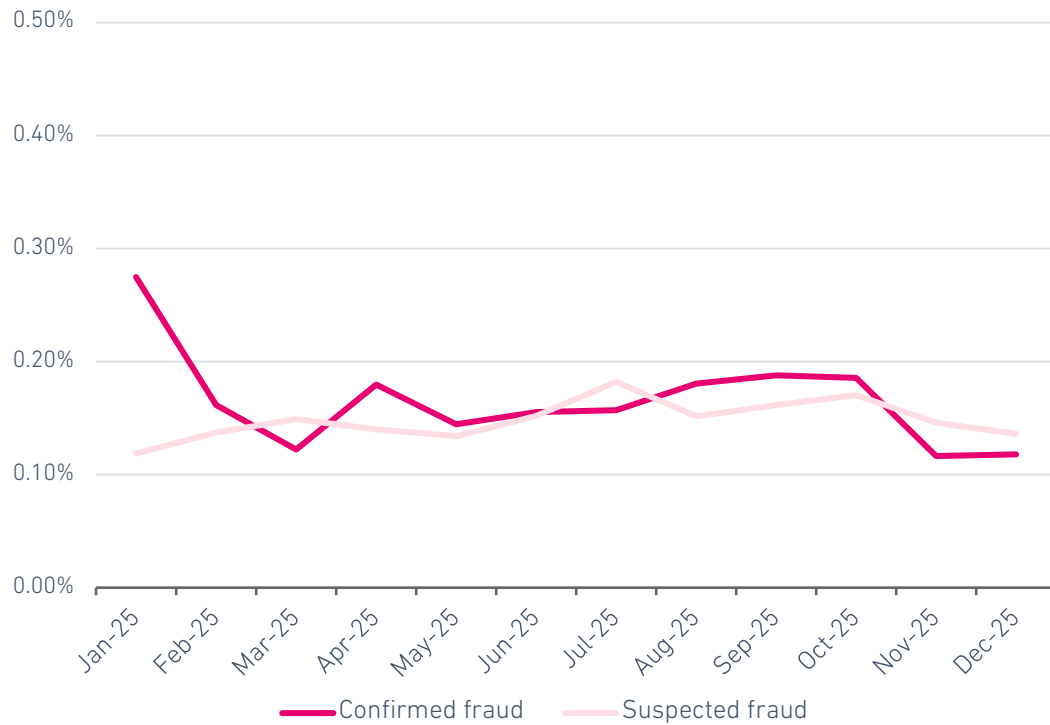
Card fraud stayed relatively stable, but seasonal demand in Q4 created openings for increased opportunistic attempts. Third-party attacks remained dominant; however, first-party behaviour continued its gradual upward trend, reflecting broader behavioural shifts seen across banking products.

2025 Asset Finance – Fraud Type



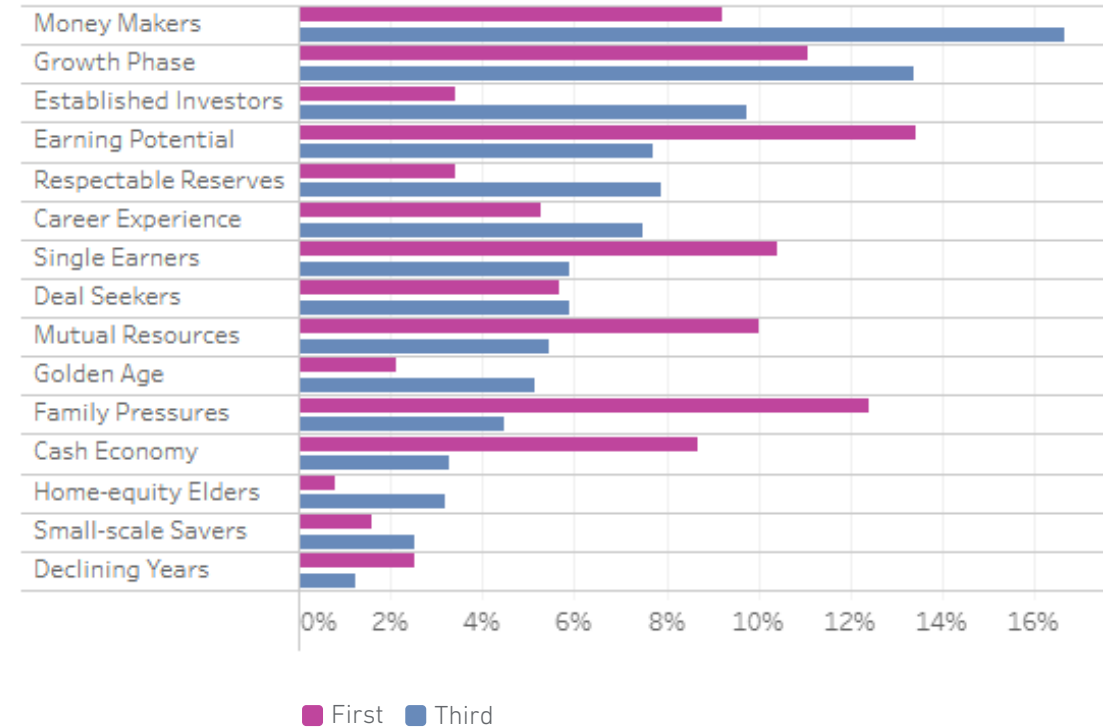
Asset Finance remained the most heavily skewed towards first-party fraud, which hit record levels. Misuse-driven behaviours, including fronting and false intent are now deeply entrenched, underscoring the need for behavioural insight and affordability assessment, rather than identity-centric controls alone.

2025 Loans– Fraud Rate



While overall rates softened, Q4 saw a renewed rise in identity-based fraud, reversing the drop seen in Q3, particularly “ID Theft – Current Address.” First-party behaviour dipped slightly, signalling a short-term rebalancing toward third-party reported frauds in the loans onboarding channel.

2025 Savings Accounts – Demographics



Savings remained dominated by third-party fraud, but Q4 also brought a notable lift in first-party behaviour among younger, financially strained demographics. Identity-theft patterns shifted from broad “Other” categories toward more targeted current-address compromise.

2025 SUMMARY



2025 Summary



£1.68bn

Application Value of **Confirmed** Frauds identified in 2025

11% reduction in number of reported **Confirmed** frauds (YOY)

6% reduction in number of reported **Suspected** frauds (YOY)



£1.83bn

Application Value of **Suspected** Frauds identified in 2025

71% Third-party / 29% First-party Split across all products



7.25%

increase in application volumes (YOY)

First-party fraud increased

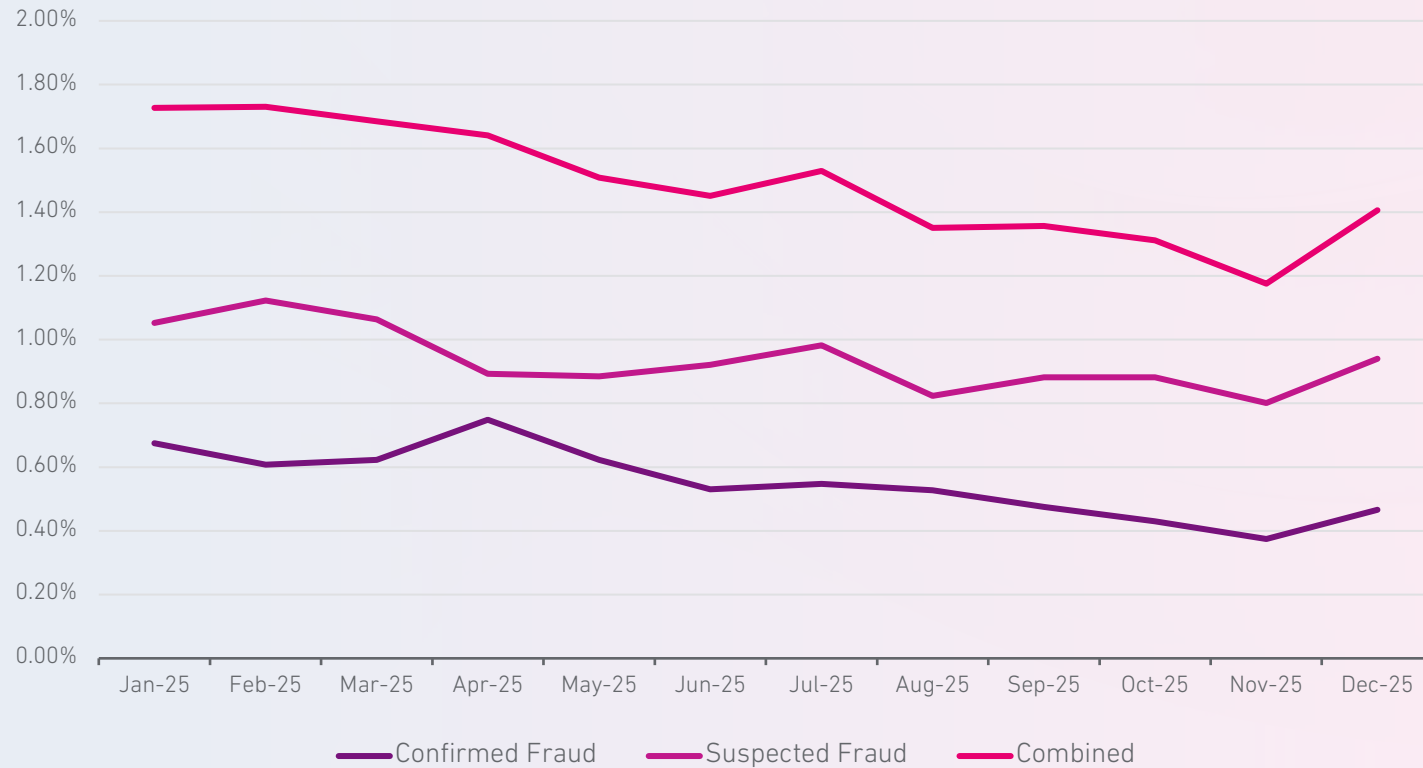
across most products, particularly Current Accounts, Cards, Asset Finance, and Loans

In 2025, application fraud declined overall despite increased market activity, with application volumes rising 7.25% year on year while confirmed and suspected fraud volumes fell by 11% and 6%, respectively. £1.68bn of confirmed fraudulent application value and £1.83bn of suspected fraud were identified across the year, reflecting the continued effectiveness of strengthened identity and prevention controls in reducing third-party identity-based attacks. However, the fraud landscape shifted materially toward first-party behaviour, which now accounts for 29% of cases and increased across most products, particularly Current Accounts, Cards, Asset Finance and Loans.

Persistent economic pressures throughout the year, including elevated interest rates, high living costs and constrained household finances, contributed to increased opportunistic misrepresentation, affordability stress and repayment-avoidance behaviour. As a result, fraud has become more behavioural and financially motivated rather than purely identity-driven, reinforcing that first-party fraud is now a structural risk that requires more dynamic, context-aware and behaviour-led controls going forward.

2025 Highlights

Confirmed fraud and suspected fraud rates 2025 (all products)

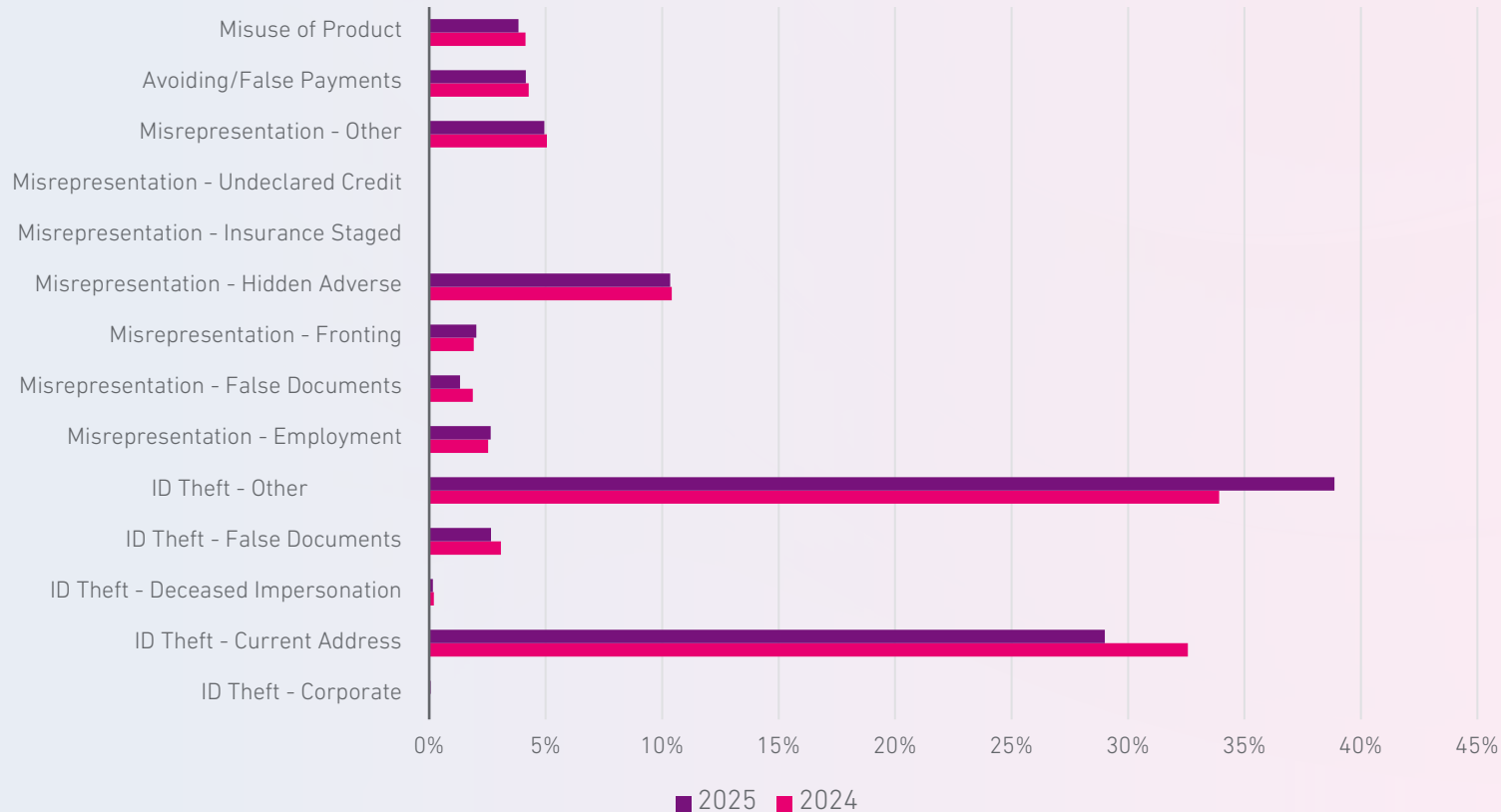


Whilst 2025 saw a downward trend in the number of reported fraud and suspect records, the trend in 2025 is broadly similar to that seen in the previous year.

As the data shows, fraud rates start and end the year at the highest rates and gradually reduce throughout the year with some seasonal spikes seen in April for confirmed fraud and July for suspected fraud.

2025 Highlights

Category Comparison 2024 v 2025



2025 saw very minor decreases across most the fraud categories when compared to 2024.

The exceptions to this are for First-party related categories of 'Misrepresentation – Fronting' and 'Misrepresentation - Employment' which both show increases against 2024 data.

For Third-party related categories, as was the trend in 2024, 'ID Theft – Other' saw a 5% increase, largely driven by the 'False Identity' sub-reason.

