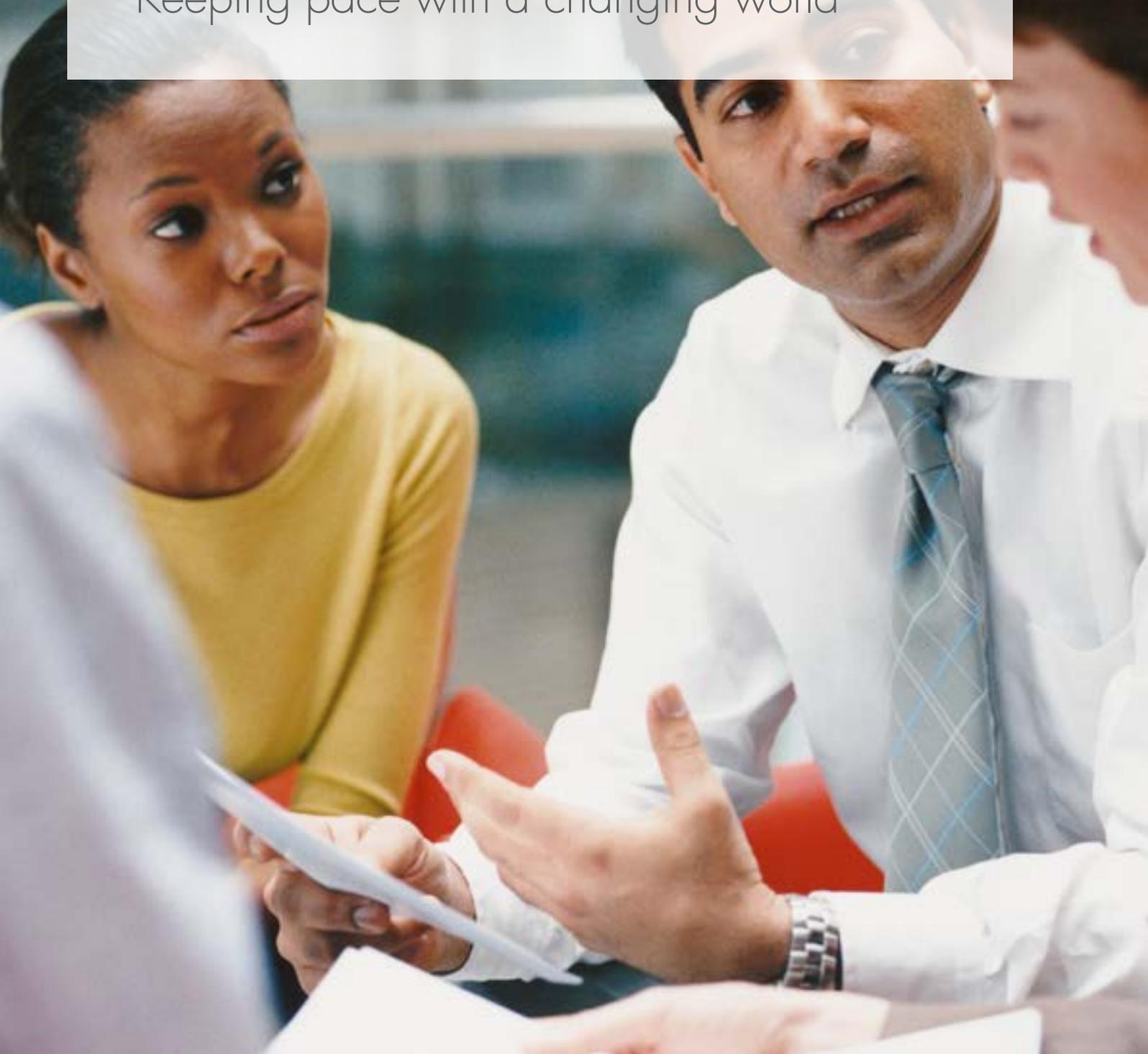




FRAUD MATTERS

UNITED KINGDOM

Keeping pace with a changing world



Tightening fraud protection

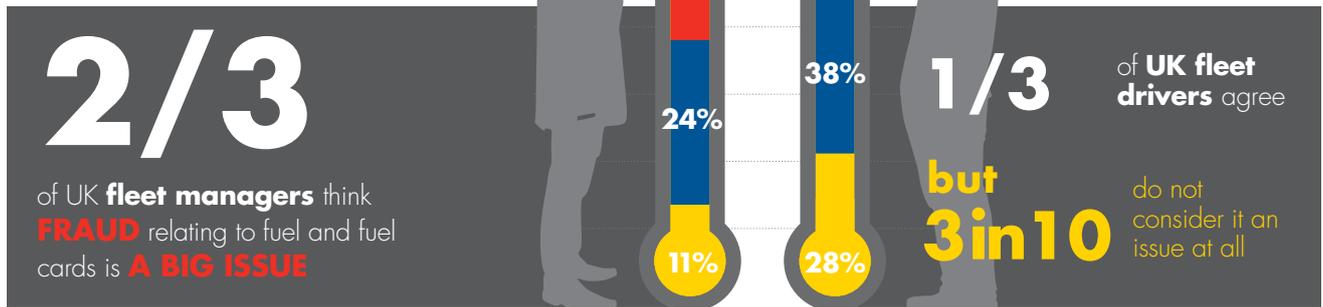
Cashless payments are on the rise. According to CapGemini's World Payments Report, there were around 366 billion worldwide cashless transactions made in 2013. Fuel card usage in the commercial road transport sector is also on the rise. In 2014, Shell fuel cards were used to make around 260 million transactions worldwide. With greater use, however, comes greater abuse, especially as fuel is one of the world's most valuable commodities.

This presentation offers a view into the fraud management practices of fleet managers and drivers in the United Kingdom. In particular it reveals insights into:

- How big an issue fraud currently is for the fleet industry
- The most costly and frequent fraudulent behaviors
- The most significant barriers to monitoring and detecting fraud more effectively

Fraud is currently perceived as an issue that significantly impacts the fleet industry

Q21. How big an issue do you think fraud related to fuel and fuel cards in your industry is? **Base:** All Fleet Managers – 110; All Drivers - 50.

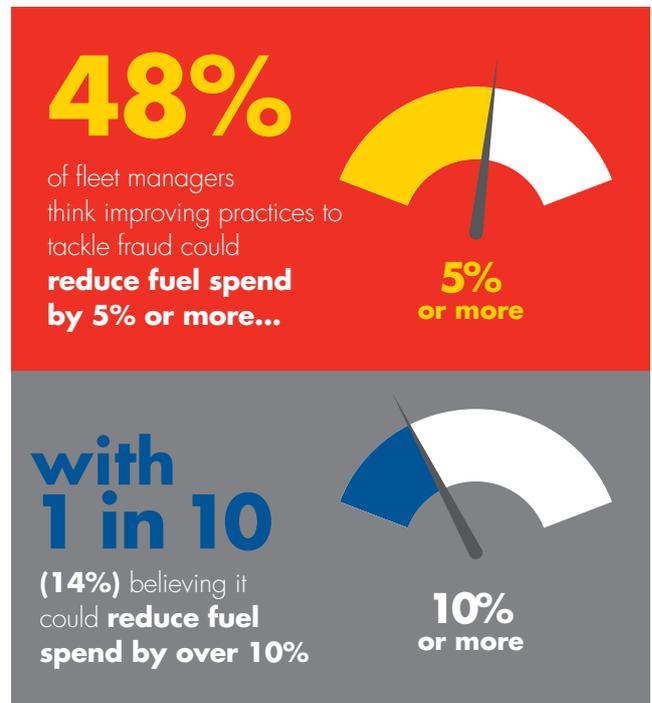


Market comment: Research carried out last year by Fleet News confirmed that 64% of fleets have been the victim of fuel theft or fuel fraud, yet this figure only relates to those who actually know that fraud is taking place in their fleet. Many more remain in the dark but fuel related fraud and fuel card crime have risen sharply in recent years. **Source:** Fleet News

But tighter focus on fraud represents a big financial opportunity

Fleet managers recognize if they managed fraud prevention and detection more tightly they could generate significant cost savings.

Q34. If the barriers mentioned above were alleviated, how much do you believe you could reduce the overall amount you spend on fuel annually by? **Base:** All Fleet Managers – 110.

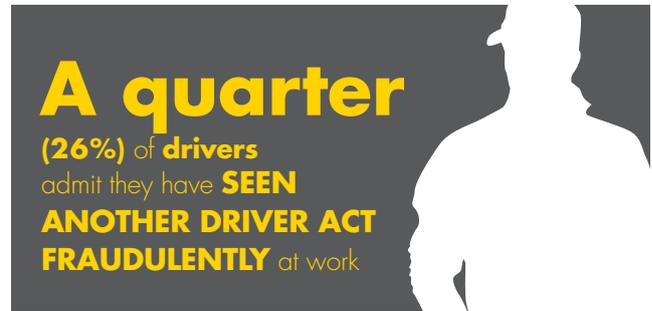


Market comment: Reducing fleet costs is a constant, never-ending struggle for all fleet managers. Many are in fact given a specific percentage reduction goal in annual fleet costs and they must determine how they will achieve this. As a result, fleets are adopting a multi-pronged approach to cost cutting. This includes seeking ways to increase driver awareness of cost savings opportunities but also becoming more vigilant looking for potential instances of fuel card misuse and fraud.

Source: <http://www.automotive-fleet.com/article/story/2014/10/the-state-of-the-commercial-fleet-industry.aspx>



Both fleet managers and drivers believe fraud is commonplace



Q27. To the best of your knowledge, what percentage of drivers do you think conduct fraudulent activity? **Base:** All Fleet Managers – 110 //

Q26. Have you ever seen another driver act in a fraudulent manner (e.g. performing any of the behaviours outlined in the previous question), whilst in a professional capacity? **Base:** All Drivers - 50

Market comment: A Shell survey amongst fleet managers last year recognised that fraud prevention systems were one of a handful of key measures to cutting fleet management costs because fraud is commonplace. Of those surveyed, 58% cited fuel card information management systems and route planners as the key to cutting costs in addition to fuel economy formula fuels (37%), telematics systems (32%) and fraud prevention systems (32%): <http://www.transportengineer.org.uk/transport-engineer-features/fuel-for-thought/60997#sthash.plglbBEi.dpuf>

And both consider siphoning fuel to be the most costly and frequent activity

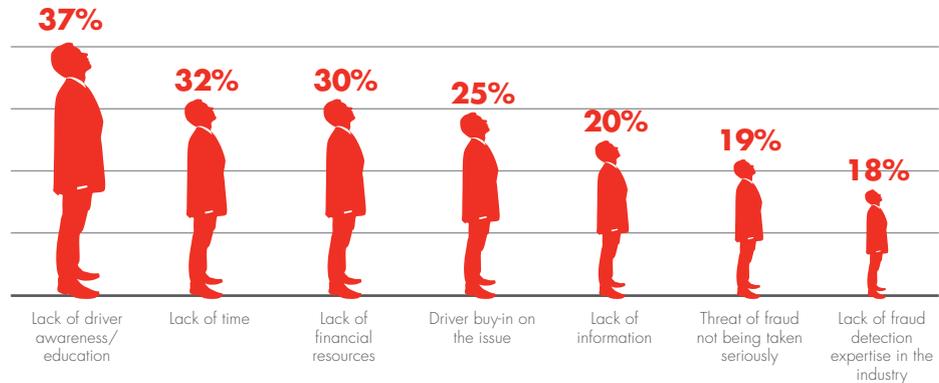
	OCCURS FREQUENTLY		COSTS THE MOST MONEY	
	Fleet Managers	Drivers	Fleet Managers	Drivers
Drivers siphoning fuel	34%	12%	19%	10%
Drivers paying for fuel with cash to hide the purchase of additional items	35%	10%	6%	0%
Card cloning	33%	12%	5%	14%
Negligent behaviour of drivers	29%	12%	3%	6%
Abuse of genuine card done by drivers	26%	12%	3%	12%
External cybercrime	26%	4%	11%	0%
Cards & PIN intercepted via post	25%	8%	2%	2%
Account hacking	23%	8%	18%	8%

Q23. How often do you think each of the following behaviours occur in your industry? [NET Very/somewhat frequently]; **Q24.** And which of the following behaviours do you think costs the fleet industry the most money? // **Base:** All Fleet Managers – 110; All Drivers – 50.

Low levels of driver knowledge and lack of time are the biggest barriers to overcoming fraud

The barriers that prevent fleet managers improving how effectively they detect fraud

Q33. Which of the below do you think currently stand in the way of improving how effectively you can detect fraud? // **Base:** All Fleet Managers – 110



Market comment: Lack of driver awareness and education tops the table but there are some straightforward steps that can be taken such as telling drivers to fill up at sites with CCTV which acts as a deterrent to fraud and taking the security of the PIN code just as seriously as for personal bank cards
Source: <http://www.europeanceo.com/business-and-management/shell-fights-to-eradicate-fuel-card-payment-fraud>

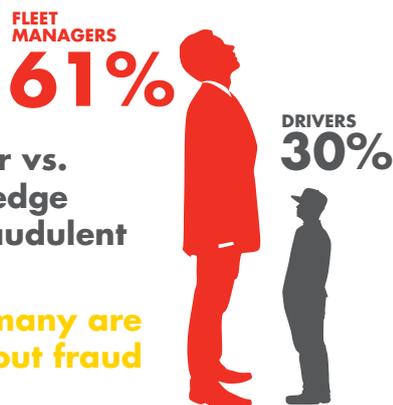
Not enough fleet managers are proactively using tools or processes to help monitor fraudulent activity more effectively.

Q7. What are you currently doing to inform your fleet drivers about fuel efficient driving behaviours? // **Base:** All Fleet Managers – 110.



Fleet manager vs. driver knowledge gap about fraudulent activity

How many are informed about fraud



Significant knowledge gap between fleet managers and drivers

When it comes to fraud, there is a significant knowledge gap between fleet managers and drivers. The majority (61%) of fleet managers say they feel informed about the latest developments, but only 3/10 (30%) drivers feel the same. This indicates that fleet managers are not sharing their knowledge with drivers.

Meaning drivers consider some behaviours acceptable

Q32. How informed would you say you feel about the latest developments on fraudulent activity within your industry? // **Base:** All Fleet Managers and Drivers - 160 **Q25.** In your opinion, which of the following would you consider as acceptable behaviour as part of your job?; **Q20.** Which of the below would you consider to be fraudulent behaviour? [% Not selected] // **Base:** All Drivers - 50

One of the consequences of the need for more education about what constitutes fraud, is that many drivers currently consider some fraudulent behaviours to be acceptable practices, most notably siphoning fuel.



The Shell fraud management solution

How can Shell help you combat fraud?



PIN protected cards which allow secure transactions



Onsite cameras in the UK



Only UK fuel card provider with a dedicated team of experts constantly reviewing transactions



24/7 real-time fraud alerts, card blocking, secure invoicing, filtering 260m transactions a year

Methodology

This global study surveyed 870 fleet managers and 350 drivers across eight countries – Germany, Netherlands, UK, Poland, Malaysia, Thailand, USA and South Africa. The research was conducted by Edelman Berland, an independent research firm.

Who 110 fleet managers and 50 fleet drivers

Fleet types* Combination of both heavy and light goods vehicles (81)
Heavy goods vehicles (19)
Light goods vehicles (10)

Where United Kingdom

How Online survey

When May 2015

About Edelman Berland

Edelman Berland is a global, full-service research firm. Edelman Berland is a global, full-service research firm that provides corporate, non-profit and government clients with strategic intelligence to make their communications and engagements with stakeholders the smartest they can be. The firm specializes in qualitative and quantitative research, measurement, tracking and analysis in reputation, branding and communications. Edelman Berland is part of Edelman, the world's largest public relations company. Edelman Berland has more than 100 employees in offices around the world.

For more information, please visit www.edelmanberland.com

