

## Fraud and Cyber-Enabled Crime

Fraud is an ongoing threat, so it's really important that we protect our customers, colleagues and suppliers from it. We can do this by reducing the opportunities fraudsters get to use our products and services to commit financial crime.

In short, fraud is an act of deception intended for personal gain or to cause loss to another party. It's based on false representation, failure to disclose information when there is a legal duty to do so, or abuse of position.

Cyber-enabled crime happens when devices such as laptops, phones and tablets are used to facilitate fraud. This includes the use of social engineering through social media platforms, and other forms of targeted communication.

### Keeping us on the right track

We have policies and controls in place to protect our customers, colleagues and suppliers against fraud. These are outlined in our fraud and cyber-enabled crime Policy Standard. They are reviewed regularly and comply with the Fraud Act (2006) and the Proceeds of Crime Act (2002). Our team of specialists ensures we actively manage and develop our fraud protections, as well as understand and apply fraud legislation in our day-to-day business.

In addition, we have registered with the Contingent Reimbursement Model Code. This is administered and overseen by the Lending Standards Board, which sets out the commitments that lenders need to make to protect customers.

### The Standards we uphold

To ensure that all our colleagues understand their roles and responsibilities in preventing and detecting fraud, we have what we call Standards.

These are supported by Group-wide Policy Breach & Exemption Guidance, and apply to the entire Virgin Money Group. That includes our employees, contractors, agency workers, and directors.

To help colleagues stay up-to-date, all must complete data protection, data privacy and data management training at least once a year, with additional training for those who work in higher-risk roles.

Our fraud and cyber-enabled crime Policy Standard contains a number of key principles. Here's a summary:

- We never knowingly employ, contract with, or conduct business with individuals or entities who we believe are engaged in fraudulent activity.
- We take reasonable care to establish and maintain effective systems, processes, policies and controls to detect and prevent fraud by customers, colleagues and suppliers. We apply detective and preventative fraud controls before a customer, colleague or supplier enters a relationship with the Bank – as well as before and while they are using our services and carrying out transactions.

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We apply the above principles to all the Bank's business activities (including those which are outsourced) as follows:

- Fraud risk management – in our decision-making, we always consider the risk of fraud and potential losses. If an individual business area decides to accept the risk of making an exception to policy, our governance ensures that their rationale and level of risk being taken on are fully understood and accepted.
- We apply controls across all interactions and relationships with our customers to balance the risks they face from fraud, with the impact of frequent interruptions to their transactions. The Board is accountable for fraud risk management, and for defining our fraud risk appetite. To reassure the Board that the bank is effectively detecting and preventing fraud, we:
  1. Complete an annual schedule of assurance reviews, plus regular close and continuous assessments.
  2. Monitor key management information and manage fraud issues at the Fraud Management Forum, escalating to senior management where appropriate.

### Staying Safe Online

The Group will continue to develop its capabilities to mitigate financial crime in an external environment where digitisation is increasing quickly and threats continue to evolve.

Supporting our digitisation strategy, investment will continue in the Group's anti-money laundering systems platforms and fraud prevention (including Confirmation of Payee) capabilities to protect our customers.

You can find out more about how we protect our customers from fraud at [virginmoney.com/service/staying-safe-online](https://virginmoney.com/service/staying-safe-online).