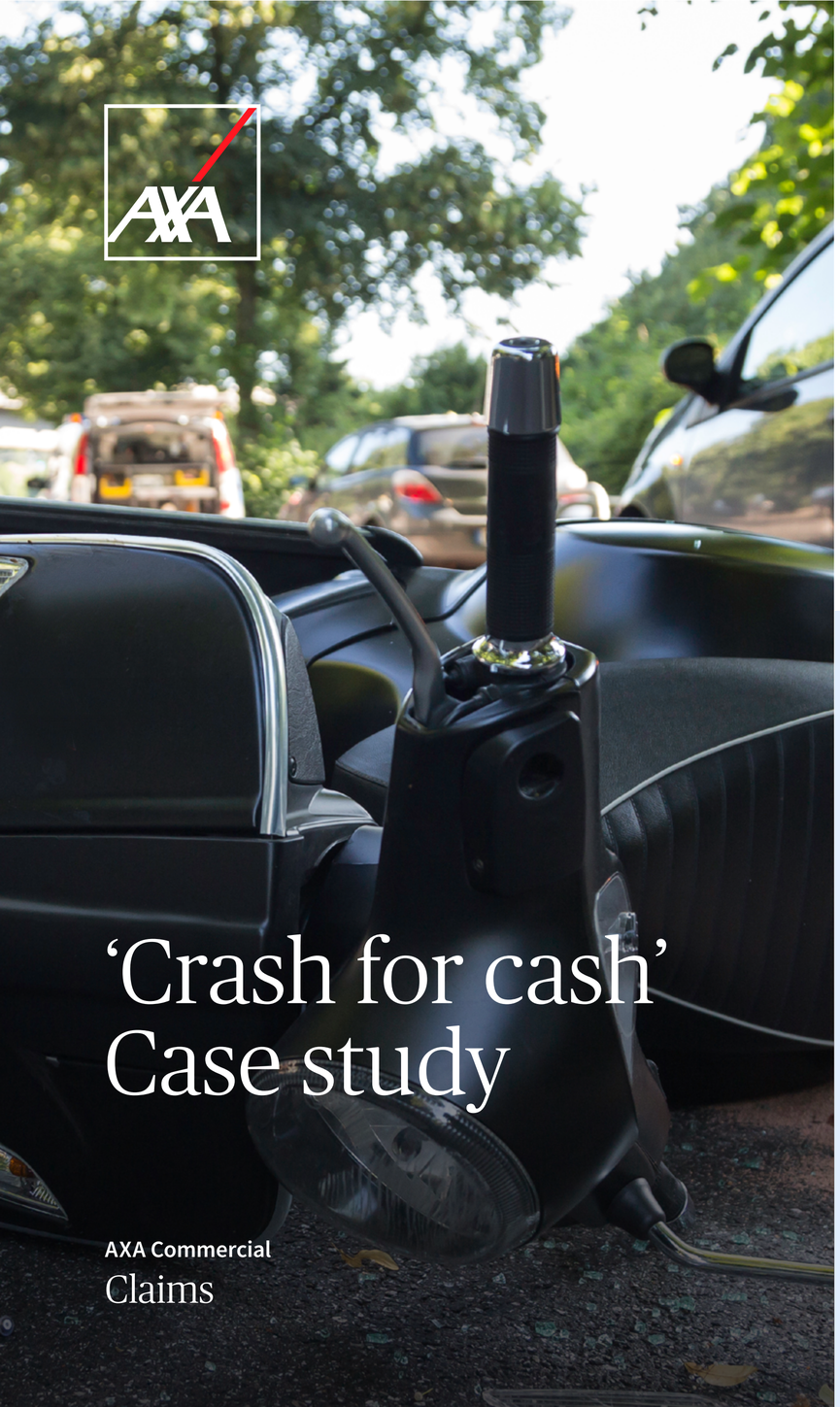

‘Crash for cash’ Case study

AXA Commercial
Claims

An increase in ‘crash for cash’ fraud is impacting both insurers and policyholders. Critically, this often acts as the starting point for inflated credit hire claims, a key mechanism through which fraud costs are then amplified across the industry. Our multi-award-winning Fraud team’s proactive approach to tackling these claims, is not only helping to identify and prevent fraudulent activity but also contributing to a more sustainable insurance environment.

The challenge

Our team noticed a series of suspicious incidents involving the same claimant, occurring in similar circumstances and locations. These incidents appeared to be orchestrated ‘crash for cash’ schemes – deliberate staged accidents where individuals intentionally cause collisions by pulling out from seemingly free junctions or making deliberate contact with other vehicles. Such frauds inflate claims and drain resources, ultimately affecting honest customers through higher premiums and reduced trust.

What we did

- **Deep dive into data:**
  Using our comprehensive claims database, we identified that the claimant had filed multiple similar claims to various insurers within a single year. These were flagged for further investigation.
- **Pattern recognition and strategic action:**
  Recognising the pattern of staged incidents, we employed a strategic approach based on past experience, focusing on claims that exhibited common characteristics typical of ‘crash for cash’ fraud.
- **Linking fraud patterns to credit hire behaviour:**
  Because staged ‘crash for cash’ incidents frequently lead to inflated or exaggerated credit hire claims, our findings higlighted how this behaviour was contributing to unncessary litigation and increased costs across the industry.
- **Cross-insurer intelligence sharing:**
  Our system cross-checked the claimant’s activity with other insurers. Data requests confirmed a pattern of repeated claims with similar circumstances.
- **Working with legal and industry partners:**
  With evidence of this link, we engaged our legal team and worked with the Ministry of Justice (MOJ). This led to a landmark High Court ruling clarifying the responsibilities of Credit Hire Organisations (CHOs), placing the burden of unsuccessful litigation costs on them – a major deterrent to exaggerated claims.
- **Prompt legal action:**
  Supported by this strengthened legal position, our solicitors acted swiftly, resulting in withdrawal of legal representation in some cases and a significant reduction in fraudulent activity.

The outcome

Financial savings
Our diligent checks resulted in a saving of £42,178, with the potential for further recoveries.

Deterrence and industry impact
The High Court ruling has already contributed to a notable decrease in inflated credit hire charges. By placing the cost burden of unsuccessful litigation on CHOs, the decision acts as a clear deterrent to exaggerated or unmeritorious claims – many of which arise from staged ‘crash for cash’ activity.

Protection for genuine customers
By stopping fraudulent claims early and preventing unfounded credit hire costs, we are helping to protect honest policyholders from the wider financial impact of fraud, including higher premiums and prolonged claim cycles.

Enhanced industry standards
This case has reinforced the importance of transparency, accountability and responsible litigation within the credit hire market. Our approach is helping to shape how these claims are assessed and managed, supporting a fairer and more sustainable environment for insurers and customers alike.

What made us stand out

Our success stems from the unwavering diligence and expertise of our multi award-winning team, trained to identify suspicious activity quickly. Despite incidents being months apart and claims managed by different handlers, our team remained vigilant, recognising patterns and acting decisively.

Our dedicated specialists, combined with advanced data analytics and strategic partnerships, enable us to stay ahead of fraudsters and protect the integrity of our claims process.

This case exemplifies our commitment to protecting honest customers and fostering a fair, transparent insurance environment. It underscores the importance of expertise, teamwork, and proactive investigation in combatting fraud and upholding industry standards.

Want to know more?

Please contact your AXA representative or Claims Relationship Manager.

We’ve also produced a guide – **‘Motorcycle fraud: Safeguarding against ‘crash for cash’** to help you spot accident types and behaviours that could indicate a staged incident. It includes practical steps to help business protect themselves.