

# Staged Collisions: Separating Accidents from Fraud



THINKPIECE

**Staged road traffic accidents are on the rise across Ireland and the UK. Insurance Ireland estimates that insurance fraud costs Irish insurers an estimated €100m a year; as a result, Gardaí have launched an investigation, 'Operation Nascar', into motor insurance injury claim scams. To date, over 20 people have been arrested for suspected organised fraudulent motor insurance injury claims.**

## **CASH FOR CRASH**

A 'cash for crash' scam is where criminals intentionally cause drivers to crash into them and then put the blame on the victim, claiming thousands of Euro against insurance policies. We have no figures in Ireland to indicate how much staged accidents are costing the Irish public, but in the UK it has been estimated by the Association of British Insurers (ABI) that staged car crashes helped push the level of insurance fraud last year to a record £1.3bn. This figure represents an increase of 18% on 2012.

The biggest rise was in car insurance fraud, where the number of dishonest motor claims rose by 34% to 59,900, attempting to cheat the industry out of £811m. The ABI said fraud was now costing each household in the UK an extra £50 a year through increased premiums. The UK Guardian reported on 30 May 2014 that the Insurance Fraud Bureau is currently investigating 110 'cash for crash' scams.

Imagine this scenario: you are waiting to enter a roundabout and there is a car in front of you. You see there is nothing coming and it's safe to proceed. The vehicle in front moves forward and you too move forward, but then they slam on their brakes for no reason and you crash into the rear of their car. This might be an everyday accident or you may have been scammed by a fraudster who staged the entire event.

If someone is involved in an accident, it is important to note that fault is not always clear cut and blame cannot be placed until full investigations have been carried out. The victim's role is to gather all appropriate evidence and information, pass it on to their insurance company and let them investigate the matter.

## CASE STUDIES

In September 2013, UK conman, Mohammed Omar Gulzar staged a fake accident on a bus. He convinced 26 of his friends to get on a bus, which he had arranged to crash into an innocent victim, fake all their injuries and make bogus insurance claims.

After investigations, Mr Gulzar was found guilty of conspiracy to defraud insurance firms of over £500,000 and was jailed for four and a half years. Nine other people were also sentenced for their part in the fraud and the bus driver was jailed for 20 months.

Usually staged accidents are minor tips, but they can result in loss of life. In 2012 an innocent woman in the UK lost her life when three men in a van deliberately caused a minor collision. The van driver slammed on the brakes and the lady, driving a Ford Fiesta, crashed into the back of his van. This went exactly as they had planned; it was intended to be a minor enough accident to give them the opportunity they were looking for to claim for injuries. What happened next was not planned; another van crashed at speed into the rear of her car, killing her instantly.

Last year, Reading Crown Court sentenced these criminals to 10 years and 3 months in jail for causing death by dangerous driving, conspiracy to commit fraud and doing acts tending to pervert the course of justice.

## TARGETS

Most victims involved in staged accidents are targeted specifically. Criminals are looking for someone who may be perceived as less confrontational in an accident, for example a woman driving alone, a young and inexperienced driver or an elderly driver. They usually pick areas where drivers are more likely to be insured or newer cars, which are also more likely to be insured.

Another target may be fleet vehicles as the vehicle will certainly be insured, with the driver less likely to ask too many questions as they do not own the vehicle. The vehicle used by the criminals will normally be old and will contain a number of passengers who will all pursue injury claims, most likely for whiplash-type injuries. The damage to their vehicle is often minor.

## TYPES OF STAGED COLLISION

**1. The Wave or Flash for Cash:** Where the criminal sees someone trying to switch lanes or pull out from a side road or parking space and waves them on or flashes them to go ahead. They then crash into the victim and claim that the victim pulled out without looking and caused the accident, or else that they flashed to give warning that they were there. You should never assume that flashing headlights is a signal inviting you to proceed.

**2. The T-Bone Accident:** Occurs when a criminal sees someone waiting to proceed through an intersection and then deliberately accelerates and causes a collision, claiming that the victim did not stop at the Stop sign.

**3. The Swoop and Stop:** Occurs when two vehicles work together to set up a staged accident. One car pulls in front of the victim and jams on the brakes whilst another car simultaneously pulls up alongside preventing them from swerving and so the victim crashes into the rear of the car in front.

**4. Braking for no apparent reason:** Occurs when the criminal sees you are distracted and brakes suddenly and unexpectedly, causing you to crash into them.

As well as being aware of how these accidents might occur, it is also important to watch for certain behaviours at the scene of the accident. Do the driver and passengers in the other car all immediately complain of back and neck pain and insist on an ambulance, even though the damage to their vehicle is minimal? Sometimes there may also be 'witnesses' who are part of the criminal gang, claiming they saw the accident.

## ADVICE

After an accident, it can be difficult to think clearly and to know what to do so it is a good idea to keep an accident checklist in the vehicle. It is very important that to get as much information as possible such as the name, phone number and address of the other driver, the car's

registration number, make and model, insurance details, and the names, phone numbers and addresses of all passengers in the car. Details of the passengers, such as age or gender, how they behave etc. will be helpful to the insurance company. If the victim has a mobile phone or camera, they should take photos of the damage to all vehicles involved from all angles. The Gardaí should be called to the scene and asked to note the damage to the cars. When the victim contacts their insurer, it is important that they voice any suspicions and send the insurance company as much information as possible so they can comprehensively investigate the matter.

## TIPS FOR MOTORISTS ON AVOIDING STAGED COLLISIONS

Never tailgate – always leave plenty of space between your vehicle and the vehicle directly in front of you so that you have enough distance to stop if the vehicle in front brakes suddenly.

Be careful if someone waves or flashes for you to proceed – they may be setting you up.

Avoid being distracted when driving – never use your phone while behind the wheel.

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The information in this article is correct at the time of publication.

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