

GHOST BROKERS

Just 15% of people have heard of a ‘ghost broker’.* Do you know what one is?

Have you ever heard of a ‘ghost broker’? No, we are not talking about things that go bump in the night – this is a lot scarier. ‘Ghost brokers’ are fraudsters who sell fake or invalid car insurance policies. Victims are sold fake insurance documents for a policy that does not exist, or for a genuine policy that has been set up using false details to lower the price of the premium.

How do ‘ghost brokers’ operate?

Fraudsters lure victims in with the offer of cheaper insurance premiums, usually via social media or by word-of-mouth. These individuals or groups pose as middlemen for well-known insurance companies, claiming they can offer you legitimate car insurance at a significantly cheaper price.

This type of fraud is typically carried out either by forging insurance documents, falsifying your details to bring the price down, or by taking out a genuine policy for you but cancelling it soon after.

Often, the victim is not aware that they have been scammed until they are involved in an accident and try to claim on the policy.

Who do ‘ghost brokers’ target?

‘Ghost brokers’ tend to target vulnerable communities, including members of non-English speaking communities who may not have full knowledge of UK insurance and laws, as well as young people looking for cheaper insurance deals.

Last year, Action Fraud received 694 reports of ‘ghost broking’, with almost a third (29%) coming from victims aged 17-29. The reported losses for these victims alone totalled £113,500, with each individual losing an average of £559.

Figures also indicate that over half (58%) of all reports in 2020 were submitted by men.

What could happen if I drive without valid insurance?

As policies sold by ‘ghost brokers’ are either invalid, non-existent or fraudulent, this means that the driver is technically uninsured, meaning that you could face:

- £300 fixed penalty notice
- Six points on driving licence
- Vehicle being seized and crushed

How can I protect myself from ‘ghost brokers’?

There are simple steps that you can take to spot the signs of these scams and avoid being taken for a ride by ‘ghost brokers’:

- 'Ghost brokers' often advertise and communicate via social media, online forums and messaging apps. If a broker is only using a mobile phone or email as a way of contact, this can be a sign of this type of crime. Fraudsters do not want to be traced after they have taken money from their victims.
- They may also try to sell insurance policies through print adverts in pubs, clubs or bars, newsagents
- If a deal seems too good to be true, then it probably is. If you are not sure about the broker, check on the [Financial Conduct Authority](#) or the [British Insurance Brokers' Association](#) website for a list of all authorised insurance brokers. You can also contact the insurance company directly to verify the broker's details. You can also check to see if a car appears to be insured on the [Motor Insurance Database](#) website.
- If you think that you have been a victim of a ghost broker, you can report your concerns to Action Fraud at actionfraud.police.uk or on 0300 123 2040.
- You can also contact the Insurance Fraud Bureau via its confidential Cheathline on 0800 422 0421 or on the [IFB website](#).

*According to a YouGov survey commissioned by the IFB.