

A Study on How Insider Fraud Impacts FinTechs

Authors : Claire Norman-Maillet

Abstract : Insider fraud is a major financial crime threat whereby an employee defrauds (or attempts to defraud) their current, prospective, or past employer. 'Employee' covers anyone employed by the company, including Board members and part-time staff. Insider fraud can take many forms, including an employee working alone or in collusion with others. Insider fraud has been on the rise since the Coronavirus pandemic and shows no signs of slowing. The objective of the research is to better understand how FinTechs are impacted by insider fraud and, therefore, how to stop it. This research will make an original contribution to the financial crime field, given the timing of this research being intertwined with the cost-of-living crisis in the UK and the global Coronavirus pandemic. This research focuses on insider fraud within FinTechs specifically, as they are arguably a modern phenomenon in the financial institutions space and have cutting-edge technology at their disposal. To achieve the research objective, the researcher held semi-structured interviews with over 20 individuals who deal with insider fraud perpetration in a practitioner, recruitment, or advisory capacity. The interviews were subsequently transcribed and analysed thematically. Main findings in the research suggest that FinTechs are arguably in the best position to combat insider fraud, given their focus on using recent technologies, as this can be used to combat the threat. However, insider fraud has been ignored owing to the denial of accepting the possibility that colleagues would defraud their employer, as well as the idea that external fraud is the most important threat. The research concludes that, whilst the technology is understandably prioritised by FinTechs for providing an agreeable customer experience, insider fraud needs to be given a platform upon which to be recognised as a significant threat to any company. Moreover, insider fraud needs to be given the same level of weighting and attention by Executive Committees and Boards as the customer experience.

Keywords : insider fraud, occupational fraud, COVID-19, COVID, Coronavirus, pandemic, internal fraud, financial crime, economic crime

Conference Title : ICEAAS 2025 : International Conference on Economic and Administrative Sciences

Conference Location : Maldives, Maldives

Conference Dates : January 21-22, 2025