Protect your Business from Internal Fraud

What is it?

Internal fraud happens when someone inside your business - an employee, contractor, or partner - abuses their position for financial gain.

While most colleagues act with integrity, internal fraud can be highly damaging, leading to financial loss, data breaches, operational disruption, and reputational harm.

What does it look like?

Internal fraud can take many forms and can depend on the nature of your business.

It could include:

- Making false payments or changing payment details
- Misusing system or accessing data without authorisation
- Creating fake suppliers or employees
- Unauthorised refunds or write-offs
- Theft of stock, cash, or assets
- Manipulating accounts or reporting
- Misusing expenses, benefits, or corporate cards

What drives internal fraud?

Common motivations include financial pressure, greed, coercion, opportunity ("no one will notice"), or disgruntlement ("payback").

What can you do to reduce the risk?

A few strong controls go a long way:

- Use dual approval for payments and account changes
- Regularly review and remove unnecessary access
- Monitor high-risk actions and system use
- Encourage a safe "speak up" culture
- Rotate tasks so no one controls an entire process
- Maintain clear policies on conduct, confidentiality, and data handling

Need more help?

Internally: speak to your manager, HR, or IT.
Externally: speak to your bank, the police, or contact Report Fraud.