

The Challenge

In the UK £150 million is paid out each year in compensation for delayed train journeys. Train operating companies (TOCs) estimate that anywhere between 10-30% of the claims that they pay out are fraudulent. e.g. individuals claiming compensation for trains they were never on or making multiple claims using a system of false names and addresses.

Until now the only real option for identifying fraudulent claims was a retrospective hunt through vast amounts of claims data, but once a claim has been paid it is a lengthy and expensive process to try and recoup the lost money. Many TOCs believe that this is a problem that they simply have to live with.

The Solution

Our Fraud Management application for train operating companies is the first solution to detect fraudulent compensation claims as they are being processed and prevent the claim from being paid.

Key Features and Benefits

20 Fraud Indicators

Most approaches to detecting fraud rely on one or two indicators, such as high-frequency claimants and impossible journeys. AP3's Rail Fraud application contains 20 out-of-the-box fraud indicators which can detect up to 80% of fraudulent activity. By combining indicators, we can detect fraud at much lower levels of activity.

Connected Consumers Map

By connecting claimants using their contact details, we can identify individuals who may have submitted claims using false names or addresses, or in some cases, where individuals are part of a larger organised crime unit who are working together to commit claim fraud.

Adaptive Analytics

In times of train disruption, the number of claims that are made across the network increases significantly. Our application detects system-wide increases in claims and adjusts its indicators accordingly to prevent false positives from being reported.

Journey Validation

Our Journey Validator application sits within the compensation case and allows agents to quickly validate whether the journey being claimed for was delayed, without the need to log into separate systems and wait for queries to be returned.

Journey Timeline

To assist agents with their investigation of potential fraud cases we map all the claims that an individual and their connections have made over the last 6 months on a timeline to show where multiple journeys and duplicate claims are being made.

Eliminate Legitimate Frequent Claimants

Significant time can be wasted investigating high-frequency claimants only to discover that the individual works as an administrator and is filing claims on behalf of a department or group of individuals. Our application allows you to eliminate these individuals from fraud checks.

Results

Virgin Trains had been using the Rail Fraud application for 6 months when they identified that 15% of their claims were fraudulent and were proactively detecting and preventing fraud at the rate of 22 cases per day. One individual who had claimed £70,000 worth of compensation was identified and prosecuted.

Example Fraud Management indicators

- Impossible journeys
- Consumer journey patterns
- Distance from home to station
- > 2 journeys on one day
- > 20 claims in 6 months

Connected consumers map



Journey timeline

Number	Journey	Case	Consumer	Conflicts With
J0810002270	Departure station: PHN Destination station: SWS Scheduled departure: 21-04-2019 13:21:58	CS0001408 Compensation: £0.00	Brooke Reeve	
J0810009300	Departure station: PHN Destination station: TRG Scheduled departure: 25-04-2019 07:26:58	CS0001740 Compensation: £0.00	Denise Thistlethwaite	
J0810001443	Departure station: ORN Destination station: ORN Scheduled departure: 04-05-2019 14:25:25	CS0001545 Compensation: £0.00	Vickie Madgall	



We estimate our risk through fraudulent compensation claims each year to be in the region of £2-3 million. For the first time we can detect fraudulent activity as it is happening and prevent that money from walking out the door.

Mick O'Brien | Fraud Manager | Virgin Trains