

Briefing on the Serious Fraud Office

The SFO plays a vital role as the only UK law enforcement agency with a single, specialised focus on fighting serious and complex economic crime. **This briefing highlights key reforms to unlock the SFO's full potential so that the agency is empowered to protect the UK's reputation as a safe place to do business and help generate sustainable economic growth.**

1. Measures to protect and boost SFO resources

Key points

- **Investing in the SFO** is good value for the taxpayer, with the SFO returning £3 for every pound invested between 2019-2024, a 317% return on its budget. But the nature of SFO cases means that the agency is frequently outgunned by those it is investigating. SFO staff salaries are [falling further behind](#) the private sector in spite of increasing caseloads.
- In November 2024 the Government [announced](#) a welcome £9.3 million increase in SFO funding which included an initial investment in disclosure technology to reduce the evidence processing time by 40%. But this should be the first step in moving towards **sustainable multi-year funding** for the SFO, with the Government yet to respond to an HMCPPI recommendation to develop a plan for long-term funding for the SFO by October 2024.

Recommendations

- **Set up an Economic Crime Fighting Fund** based on enforcement receipts (e.g recovered assets and fines) from agencies including the SFO so that these funds can be reinvested in economic crime fighting agencies to maximise returns on enforcement.
- Introduce measures to **ensure the SFO can recruit and retain top talent** (including those recommended in [officials reviews](#)) such as:
 - a review of salary structures and pay for core roles ;
 - financial incentives such as salary top-ups and specialist pay-scales;
 - secondments to build a strong core of expertise and experience at the SFO;
 - review compensation rates for external counsel.
- Boost targeted investment in the SFO's tech capabilities to mitigate the risks of tech-related case failures, scale up its use of tech-assisted review to speed up disclosure, and provide bespoke training to address the digital skills deficit at the agency.

2. Enhancing the SFO's ability to investigate and uncover wrongdoing

Key points

- In April the SFO [released new corporate guidance](#) to encourage prompt self-reporting and full co-operation by companies looking for a Deferred Prosecution Agreement (DPA). This is a welcome move to speed up the SFO's pipeline of intelligence and cases, but serious constraints in the criminal justice system risk undermining its good intentions.

- The SFO Director has [called](#) for a new **whistleblower incentivisation scheme** akin to [highly successful schemes](#) in the US. From [1986 to 2022](#), 69% (\$50.4 billion) of the \$72.6 billion the US Department of Justice recovered through civil fraud cases involving government funds resulted from whistleblower tip offs. UK whistleblowers are the second biggest users of US whistleblower programmes, with [774 UK nationals](#) giving tips to US authorities since 2012. HMRC has recently [announced](#) a new whistleblower reward scheme.
- There have been zero successful **prosecutions of SMEs for bribery** in developing countries since 2016, when the NCA's International Corruption Unit (ICU) took over responsibility for pursuing this kind of bribery.

Recommendations

- The SFO should work with the Government to implement reforms that would allow the agency to **update its corporate guidance** so that it:
 - rewards companies that self-report wrongdoing (e.g with a bigger fine reduction);
 - changes the incentives for companies to try their luck in an overstretched criminal justice system rather than seeking a DPA;
 - requires companies that want a DPA to **identify and redress the harms caused to victims**.
- The Government should **commit to establishing a whistleblower rewards scheme** as soon as possible (subject to the outcome of the [independent review](#) by Jonathan Fisher KC).
- The government should ensure there is sufficient **funding for the SFO to take a lead role in prosecuting all UK firms who commit bribery overseas** including SMEs.

3. Bolder ambition to tackle serious economic crime and corruption

Key points

- Under its new Director Nick Ephgrave, the SFO is showing welcome appetite to play a more active role in international anti-corruption efforts, as demonstrated by the new [International Anti-Corruption Prosecutorial Taskforce](#) involving the UK, France and Switzerland as well as the recent [memorandum of understanding](#) between the SFO and Indonesia's Corruption Eradication Commission. These promising steps must be backed by strong political support to show the UK's ambition to step up as a **global anti-corruption leader**, especially as the US appears to be taking a big step [backwards](#) on this agenda.
- The UK must show that it is serious about ensuring **clean investment** by UK firms in developing countries **in critical mineral supply chains** and ensure the SFO is resourced to tackle green corruption and fraud. This would go a long way towards consolidating the UK's leadership on raising global anti-corruption standards.

Recommendations

- The Government should **provide the political and financial support for the SFO** to boost its ambition to play a global leadership role in tackling corruption.
- The UK Government must **ensure that the energy transition is not undermined by bribery and corruption**, particularly in high-risk extractive sectors such as critical minerals, and ensure the SFO is equipped to tackle green corruption and fraud.