

Press release

Euler Hermes/DFCG survey 2015 Fraud: consequences and issues for businesses in France

PARIS – 2 JUNE 2015 – With one out of every two companies set to be affected by fraud this year, the world's leading credit insurer, [Euler Hermes](#), and the French association of finance directors and controllers, [DFCG](#), joined forces to carry out a major survey at 184 businesses of all sizes in France.

This survey showed that 77% of businesses had suffered at least one external fraud attempt in the past twelve months and that these had experienced at least ten fraud attempts during the same period. This constant harassment weakens every type of business, whether small and medium-sized enterprises or multinational corporations.

“This is a very worrying phenomenon that has intensified significantly in France over the past five years,” explains Eric Lenoir, Chairman of the Executive Committee of Euler Hermes France. “Twenty percent of the companies surveyed failed to counter all the fraud attempts. Given the present still relatively tense economic conditions, the losses resulting from such attacks can severely damage a company's cash situation and profitability.”

Identity theft tops the list of external fraud attempts, whether in the form of “fake CEO”, “fake customer” (through false payment orders) or “fake supplier” (by altering supplier contact details).

Eighty percent of the companies surveyed stated that fraud was considered a major threat by general management. Measures have already been taken to counter fraud: 65% of the companies had strengthened their internal procedures and 32% provide specific staff training. Paradoxically, however, only 28% had mapped their fraud risks.

“Heightening staff awareness is essential, particularly when one sees that fraud attempts are countered mainly thanks to a good mix of control procedures and human response,” points out DFCG Chairman, Philippe Audoin. “Finance directors play a key role in this area, not only for optimizing procedures and training the employees directly concerned by the company's financial issues but also by building awareness in the management committees, which has already been done in 90% of cases.”

“There has been a strong increase in external fraud but this should not overshadow the threat posed by internal fraud, which is even more frequent and concerns larger amounts,” warns Eric Lenoir. “While fraud prevention procedures are essential, a more global system for protecting corporate assets now seems absolutely necessary. Yet despite this, 81% of French businesses are not yet aware that fraud insurance exists.”

At the beginning of the year, Euler Hermes launched a new insurance policy covering fraud risk, catering in particular for SMEs and mid-tier companies (sales of more than €5 million), offering them insurance cover of up to €10 million. “[EH Fraud Cover](#)” provides comprehensive protection against internal/external fraud and cyber fraud and the potential impact on the company's reputation as well as helping to defray legal costs arising from cases of fraud.

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Euler Hermes France

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