



UK's top insurer calls for ban on whiplash payouts as crash for cash epidemic hits record levels with fraud up 21%

- Aviva says more than half of fake claims are down to gangs
- Birmingham, Luton and North London are hotspots
- It is urging the Government to ban compensation on whiplash
- Dashcam sales are soaring as people record their driving

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Crash for cash scams have hit a new peak and add £400million to the cost of motorists' premiums, Aviva has reported, identifying Birmingham, Luton and North London as hotspots.

Road traffic accidents deliberately caused in order to claim whiplash compensation are now at record levels, Britain's largest insurer has warned. It wants short-term whiplash payments to be banned to remove the financial incentive for fraud.

It says organised gangs are at the heart of the problem with a 21 per cent increase in them this year compared to 2013 and despite raised awareness the problem continues to blight the car insurance industry



Widespread fraud: Organised gangs are largely behind the increase in fake whiplash claims

Aviva warns more than half of its motor injury claims fraud is now organised, while it currently has more than 6,500 suspicious injury claims linked to known fraud rings.

Phoney claims have led to experts dubbing Britain the whiplash capital of Europe and they add roughly £14 on the cost of every premium.

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A rise in these whiplash claims are a huge factor in car insurance costs now rising again. The average cost of cover for motorists is at the highest price since March 2013 according to the latest Moneysupermarket index.

Premiums have risen 14 per cent since falling to a low in February, the research showed.

Tom Gardiner, head of claims fraud for Aviva UK and Ireland, said: 'Crash for cash is not just a financial problem – it's a serious social problem. No other form of insurance fraud puts the public at risk of serious injury.'

'Imagine you're driving the kids to school when the car in front slams on their brakes without warning, leaving you no chance of avoiding a crash.'

'These deliberate accidents are on the increase, putting innocent motorists at risk simply so the driver in front can get cash compensation.'

'Last year Aviva found these accidents increased by 51 per cent, and they are continuing to grow. Part of the growth is coming as fraudsters are moving away from a small number of 'hot spot' locations to a much wider footprint.'

Aviva research shows Birmingham and London are crash for cash hotspots. In the past, the North West – particularly Manchester – has been the focal point for crash for cash activity.

However, the insurer says a number of successful operations and prosecutions in that area, as well as the expansion of organised fraud in other areas of Britain, is changing that picture.

Fraudulent motor claims in Birmingham postcodes detected by Aviva totalled more than £4.7million alone through August this year. In turn, it makes premiums in the area more expensive.

To combat the rapid growth of crash for cash, Aviva is asking the Government to look at treating minor whiplash injuries with rehabilitation, instead of cash compensation.

It believes this would remove the motivation for fraudsters to deliberately cause accidents in order to make a claim, as well as protect innocent motorists and help keep premiums low for customers.

Tom Gardiner adds: 'The fight against fraud begins with an effective deterrent. In addition to more prosecutions and stronger sentences, we need to remove the financial incentive for minor whiplash claims like those claimed for by serial crash for cash fraudsters.'

'We are asking the Government to consider compensating short-term whiplash with rehabilitation, instead of cash. Would crash for cash exist if there was no money in it? We don't think so.'

Professor Stephen Glaister, director of the RAC Foundation, said: 'It's worrying that these scams are now attracting the criminal equivalent of big business.'

'Industry figures show some kind of fraudulent car insurance claim is made every nine minutes. Worryingly, cash for crash swindles don't just have a financial cost but also risk life and limb.'

CRASH FOR CASH HOTSPOTS

Top 10 Postcodes for Crash for Cash by number of accidents:

1. Birmingham (B)
2. Luton (LU)
3. North London (N)
4. Manchester (M)
5. Leeds (LS)
6. Uxbridge (UB)
7. Harrow (HA)
8. North West London (NW)
9. Bradford (BD)
10. Slough (IG)



Dashcam boom: There has been a huge surge in people buying the devices which usually sit on the dashboard

Is whiplash worry behind a dashcam sales boom?

Many motorists are turning to dashcams to record their driving and thwart potential bogus claims. There have been a number of high profile accidents which have been dis-proven with the help of a dashcam.

One insurer, Swiftcover even offers a discount on those who use dashcams, as revealed by This is Money in April.

Halfords says sales of dashcams have increased by 320 per cent in a year. A quick trawl on online retailer Amazon shows that a number of dashcams are in the biggest selling 50 electronics products – including this **one which costs under a tenner**.