

# fraud case update

## Cases

### Chamberlain & 4 Others -v- Equity Red Star Insurance

**County Court: Newport**  
**Claim no: 9NP03120**  
**Hill Dickinson reference: 55549.143**

#### Case facts

Our client's policyholder, GE Capital/TLS Vehicle Rentals, loaned a vehicle to allegedly unemployed brick-layer Mr Anthony Jones. Mr Jones is said to have collided with a vehicle driven by the owner of a local building company, Mr Neil Chamberlain. This vehicle apparently contained Chamberlain's wife Gemma, and friends Rory Easthope, Jemma Esmond and Carrie-Ann Holton.

The IFB Cheatline received a call in relation to this matter and another claim for theft of tools/equipment. Our client acted on the tip-off, ultimately instructing Hill Dickinson to handle the matter.

Investigations began and statements were obtained from the driver of the insured vehicle, the first claimant, Neil Chamberlain. Both drivers denied any knowledge of each other, other than recognising each other from the local area. However, it was found that Chamberlain had given a verbal credit reference regarding his employment of Jones and that they had been personal friends for 10-15 years.

The Hill Dickinson lawyer was able to identify an investigator with a good local knowledge of the area who was instructed to interview the two parties involved.

A defence was entered which pleaded fraud, and a Part 20 claim issued against all claimants and the hirer of the insured vehicle, for recovery of special damages paid and investigation costs. Solicitors acting for all five claimants almost immediately came off record, having made an application wherein they implied they had spoken with their clients and felt that the defence would succeed!

An application was made for summary judgement after the claimants failed to respond to the Part 20 claim. The first and second claimants attended the hearing but could not satisfy the judge that their claim was genuine. All five claims were struck out and a summary judgement given. The five claimants and hirer were ordered to pay the costs of the hearing.

Deputy District Judge C W Jefferies did not accept the first and second claimants' suggestion that this situation had arisen as a result of someone with a 'grudge', reporting them to the IFB Cheatline out of spite, commenting that they had offered no real defence to the overwhelming evidence against them. He awarded a summary judgement in favour of the defendant/Part 20 claimant, not

only against all claimants, but also the driver of the insured vehicle, for his part in the fraud.

Witness statements have been filed in respect of the disposal of the Part 20 claim, which is listed for the first open date after 16 August 2010.

#### Result

The file had a reserve of around £50,000. Fortunately, however, through thorough investigation and a proactive approach to the proceedings, we were able to take the driving seat when the claim became litigated, due to the strength of the evidence, and in issuing a Part 20 claim, which put the claimants on the back foot.

#### Comment

We are in discussion with the client regarding the lengths to which we will pursue any judgements, and financial searches are being conducted to ascertain the likelihood of a recovery action.

The claimant, Mr Zuberi, stated that his vehicle had been recovered to Euro Storage of 5 Carlton Road, Nottingham. Photographs were obtained of the area which showed a residential area and the address in question related to a mini mart. The claimant relied upon engineering evidence of Barry Cobb of Giles Lovell Ltd, confirming that the vehicle had been inspected at Euro Storage and the vehicle was deemed a total loss. Northern Assesors inspected the vehicle on behalf of the defendant at a different address and noted that the mileage had increased, indicating the vehicle had been in use.

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## Welcome

Welcome to the winter 2010/11 Hill Dickinson fraud case update. In this issue, we explore a selection of case summaries to keep you informed of our fraud team's recent activity.

Sharing this information will, we hope, be another useful contributor in our fight against fraud.

If you have any questions relating to the points raised in this edition, or for more information on our fraud services in general, get in touch or visit:  
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### Operation Buren

**Hill Dickinson reference: 988122.1129, 1132, 1221 and 1467**

#### Case facts

Chaucer Insurance referred three files featuring Aqua Vehicle Storage of Greenacres Farm, Nine Mile Ride, Wokingham, RG40 4NE. This firm has featured on previous Hill Dickinson enquires and IFIG alerts.

In each case Chaucer had experienced difficulty in contacting their policyholder and were unable to verify the alleged incident circumstances and subsequent claim.

Netfoil analysis based on data from the above three files identified a fourth Chaucer matter featuring the same key fraud indicators and nominals.

Having secured images of the claimant vehicles from the inspecting engineers, it was evident that damage to the third party vehicles was inconsistent with the alleged circumstances, and in some cases more akin to an impact with immobile objects rather than other vehicles.

A comprehensive intelligence picture was established based on information available prior to an agreed field investigation exercise being conducted. During the course of investigations it remained impossible to trace the alleged policyholders and no defendant statements could be obtained.

DVLA enquires in to the 'fault' vehicles revealed the policyholder and alleged fault drivers were not the registered keepers of the respective vehicles at the material time.

Hill Dickinson's in-house fraud ring investigators were able to identify the fault vehicles as random cars selected from internet auction sites on which false insurance policies have been incepted. The respective owners were traced for every alleged fault vehicle and witness statements obtained to the effect that the respective fault vehicle was not in the custody and control of the named fault party, and the respective vehicle had not been involved in the alleged incident.

Preliminary concerns surrounded the possible use of false identities at policy inception. Whilst this was proven to be the case in one claim, the remaining 'policyholders' were found to be genuine identities but had returned to their home countries in Eastern Europe shortly before policy inception dates.

On the basis of the witness statements and discrepancies in vehicle damage all third party claims were repudiated on the basis of fraud.

#### Result

Hill Dickinson's fraud unit realised savings of £81,000 for our client and Netfoil data was able to expand upon the original information provided to identify further cases linked to the original suspected fraud ring, securing additional savings for insurer clients.

One claim for Chaucer Insurance was duplicated in its entirety against another UK insurer. Pursuant to Section 29/3 of the Data Protection Act, sufficient information was provided to the second insurer for them to successfully defend their claim.

Another proven fraud case featured the proprietor of an Accident Management Company (Ahmad HAMADI of Accident Help Ltd). This firm did not feature in any other cases.

The identity of those persons responsible for inception of the policies using false details still remains unknown.

Given the strength of evidence proving fraud, a summary of our investigation findings was provided to the Ministry Of Justice Claims Management Regulation unit and the Metropolitan police. Their independent enquires are ongoing at this time.

#### Comment

Although this was not the largest nor most complex of attempted fraud cases, the use of in-house investigation resources and intelligence analysts proved key in expediting and securing evidence sufficient for the successful repudiation of these claims.

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## [Singh -v- Iqbal](#)

**Hill Dickinson reference: 960288.3166**

### Case facts

The alleged accident occurred on 26 February 2009, between noon and 15.00, on a slip road leading to the M4 at Heathrow. It is alleged that the driver of the insured vehicle collided with the rear of the third party vehicle.

Initially, it was suspected that we were dealing with a possible deliberately-induced collision. However, in view of the conduct of the insured driver, we had concerns that, if the collision occurred, it may have been staged. Initially the insured driver met with our enquiry agents on two occasions, however, abruptly ended the interviews and refused to cooperate throughout. We have not been able to obtain final signed statements.

It is clear, however, that we were also dealing with a fronted policy. The insured's vehicle in question (a Honda Civic) was registered with the DVLA in the name of Miss Sardeep Kaur, the policyholder's daughter. However, when the policy was inceptioned, the policyholder indicated that he was the registered keeper of the vehicle.

The policyholder indicated to our investigator and in the first interview that he was the main user of the vehicle, however, at the second interview he retracted that part of his statement.

We also arranged for the insured vehicle to be inspected by the CIS (Co-operative Insurance) engineer. Manpreet Singh (the alleged driver) was present at the inspection and told the engineer that the car was given to him by his sister. When the engineer asked Manpreet Singh if the policyholder drove the vehicle he replied "No...it's not his car". The engineer also suspected a staged accident had occurred.

Engineering evidence has been disclosed confirming that the damage allegedly caused to both vehicles (Honda Civic and Honda Jazz) was not consistent, the claims were repudiated and all has gone silent, although, of course, limitation does not expire until 2012.

### Result

There were three personal injury claims presented from the occupants of the third party vehicle. There was also potential for three claims from the alleged passengers in the policyholder's vehicle, but no claims have been presented so far.

Reserves were set at £47,000.

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## [Leach Holdings Ltd -v- Bashir Haji and 3 Others](#)

**Hill Dickinson reference: 960288.3487**

### Case facts

Claims were intimated via Askew Solicitors on behalf of Bashir Haji, his wife and two children, in respect of a road traffic accident that occurred on 15 May 2009 on the A56.

The claimant alleged that the vehicle travelling in front of him slowed down to make a left turn. As a result, the claimant slowed down, however, the policyholder did not stop in time and collided with the rear of the claimant vehicle.

The insured driver, Mr William Alty, was interviewed, and confirmed that the third party vehicle contained four Asian males, not the family of four as had been claimed. In addition, Mr Alty suggested that the third party vehicle was in collusion with the vehicle in front of him, which also contained a number of Asian males. The decoy vehicle in front of Mr Alty slammed on, indicating to turn left at the last minute, causing the third party to slam on and making a collision unavoidable. A statement was also taken from the insured passenger, who corroborated Mr Alty's statement.

We wrote to the third party's solicitors advising that we had no intention of dealing with their clients' claims as we believed the accident had been deliberately induced with the help of a decoy vehicle. We also advised of the bogus passenger claims.

The solicitors responded advising that they were no longer instructed to act. We have heard nothing for over seven months and the file is closed.

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## [Hodgkinson -v- MMA Insurance](#)

**County Court: Liverpool**

**Claim no: OLV02302**

**Hill Dickinson reference:**

**AMN.1072952.112**

### Case facts

Three claims were presented against the MMA Insurance policyholder following a collision that occurred on 24 April 2009. Following a detailed proofing of the policyholder, and an examination of the locus, it became clear that based on his version of events, the third party vehicle was at fault and therefore liability was disputed.

There were further concerns over the occupancy of the third party vehicle and who was actually the driver at the time of the collision, as there were a vast number of inconsistencies with the three claimants' versions of events. We also obtained strong evidence to suggest that the claimants' alleged 'independent' witness was not present at the time of the collision, as she provided a completely incorrect version of events. It became clear that our client's version of events was the only viable option based on the damage to the vehicles and the mechanics of the incident.

### Result

Due to the evidential pressure applied to the claimants, a Notice of Discontinuance was filed prior to us even needing to file a fully pleaded defence.

Savings of approximately £18,000 were achieved.

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[Khalid Hussain -v- Majid Malik \(1\) & Brit Insurance \(2\)](#)**County Court: Bedford****Claim no: 9BE00064****Hill Dickinson reference: 979220.244****Case Summary**

The claim arose from an alleged accident on 30 April 2008. A minibus insured by Brit Insurance was alleged to have hit the rear of a car on Swift Drive in Bradford. Thirteen claims arose from the accident, most of which were from the minibus. The claim was of particular concern due to a high volume of claims activity at the address of most of the claimants in the minibus.

After investigations and discussions with the claimants' solicitors, only one claimant indicated an intention to pursue the claim, and issued County Court proceedings. Engineering evidence was obtained which suggested that the vehicles had not collided, and witness evidence served, setting out the details of the pattern of claims activity uncovered.

Shortly thereafter, the claimant ceased to provide his solicitors with instructions and an 'Unless Order' against the claimant was obtained. He subsequently did not comply with the order and the claim was struck out.

**Comment**

Whilst the remaining claims may still be pursued prior to the expiry of limitation, none of the solicitors previously representing these claimants are still with instructions.

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[Saeed Azimi -v- Arturas Muraskinas & Brit Insurance](#)**County Court: Slough****Claim no: 8MA12864****Hill Dickinson reference: 979220.191****Case facts**

It was alleged that, on 24 May 2007, a collision occurred between Mr Muraskinas and the third party vehicle, driven by Mr Azimi. Mr Muraskinas was insured with Brit Insurance and was driving a self-drive hire vehicle. A Default Judgment was obtained

against Mr Muraskinas as he failed to pass the papers on, which were subsequently set aside. Mr Azimi claimed for personal injury; his vehicle damage claim having been dealt with pre-issue on a without prejudice basis.

Investigations carried out by HDFPU (Hill Dickinson Fraud and Policy Unit) identified that Mr Azimi's vehicle was involved in a subsequent accident, involving the same accident management company, First Choice Claims, and the same engineer, MMM Assessors. Further enquiries identified that Mr Muraskinas had been involved in a previous accident and used the services of First Claim Services and MMM Assessors, as had Mr Azimi in this index accident. Furthermore, Mr Muraskinas had been involved in another previous accident, when the other party in that accident had used the same accident management company and engineer again. The passage of vehicles between the parties as fault and non-fault vehicles was a common feature, and all four claims involved the same companies. It was submitted to the court that this was beyond coincidence.

During the litigation process, a Part 18 request was put to the claimant on various matters. When this was not returned in time, an Unless Order was obtained. Prior to the date for expiry a signed Part 18 Reply was forwarded.

**Result**

Under cross-examination at trial, the claimant gave evidence that he had not signed the statement of truth on the Part 18 reply and the district judge was therefore obliged to strike the claim out for failure to comply with the Unless Order. The claimant was ordered to repay the pre-accident value of his vehicle, and costs were awarded in Brit Insurance's favour in the sum of some £15,800.

**Comment**

A Part 18 request can be a useful tactical tool, not only to elicit further information, but also as a way of dismissing the claim for non-compliance.

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[Mrs Shaheen Hussain et al -v- Mr Arshad Nazir and MMA Insurance plc Mr Muhammad Sadiq and Mrs Fozia Muighal -v- Mr Arshad Nazir and MMA Insurance plc](#)**County Court: Salford/ Burnley****Claim no: 9SF07182/9LV24863****Hill Dickinson reference: 1072952.11****Case facts**

Two sets of proceedings arose out of an accident alleged to have taken place on 20 January 2009 at a roundabout in Accrington.

The MMA Insurance (MMA) policyholder alleged to have had two passengers in his vehicle, both represented by Goldsmith Williams Solicitors. The third party driver alleged to have had three passengers in his vehicle, all represented by Blakewater Solicitors.

Medical reports were presented by all claimants who had attended either their GP following the accident or the local A&E department. Hire and special damages claims amounted to £6500.

The case was one which, at first, presented itself as one lacking evidence. The damage consistency report commissioned showed the damage to the two vehicles as entirely consistent. None of the claimants had an especially extensive previous road traffic accident history and had appeared unusually cooperative in providing witness statements prior to the actual issuance of proceedings.

The claim was repudiated from the outset, whilst further intelligence gathering could take place.

The intelligence gathering process resulted in one striking development which linked the index accident to Mr Mohammed Patel, who had recently been jailed for the staging of 92 road traffic accidents. Mr Mohammed Patel's activities took place through the North West Claims Centre at 336 Colne Road, Burnley. An alias for this outfit was 'CAIM Cars', who was the registered keeper of the third party hire vehicle in our index accident. Mr Patel was assisted in his activities by two brothers,

Mr R Javed and Mr R Javed. The police raided the home addresses of the Javed brothers, and in doing so, found eight or nine files detailing various road traffic incidents, our index accident being one.

### Result

A witness statement was requested from the attending police officer, PC Stanton, and whilst this statement was in progress, a defence laying out the details of Mr Patel's recent jailing and the Javed brothers' involvement and raid circumstances were laid out.

### Comment

Unsurprisingly, within weeks, the claims had been withdrawn by all claimants in both sets of proceedings. Remarkably, at least one of the claimants has shown willing to repay MMA's costs of investigating the matter.

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### Ghayrat Khan -v- Mark Rawinsky

#### County Court: Chelmsford

Claim no: 9KH06913

Hill Dickinson reference: 1072952.70

#### Case facts

The policyholder collided with a third party vehicle coming off a roundabout and three claims were presented from the third party's vehicle. However, a witness statement was taken from the policyholder who is adamant that there were only two people in the third party vehicle.

#### Main issue of the claim

It was noted that the claimant's National Insurance Number matched his date of birth, and despite repeatedly raising queries with the claimant's solicitors he failed to respond to any of our queries. A defence was filed pleading bogus passenger claims were being pursued and putting the claimant to strict proof as to the veracity of the claims. Due to the claimant's lack of response, an application was made to strike out the claimant's claim and it was granted in full.

### Own views on the case

This had the hallmarks of a staged accident, low velocity impact and phantom passenger claims. It was noted at the defendant's application to strike out the claimant's claim, and the District Judge agreed this was a fraudulent claim and could not understand why the claim was not discontinued prior to proceedings.

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### Mr Muhammad Akhtar and others -v- Mr Mohammed Bashir

Hill Dickinson reference:  
ANWO.960288.4033

#### Case facts

The policyholder, Mr Bashir, notified his insurer of an alleged road traffic accident that occurred on 13 January 2010 when, he alleged, he approached a mini roundabout, was unable to stop and collided into the nearside of a correctly proceeding third party vehicle.

At the time of the impact, Mr Bashir stated that his vehicle contained two passengers, whilst the third party vehicle contained three occupants in total.

Claims were instigated for general damages in respect of the innocent passenger claims along with claims for vehicle damage, recovery, storage and credit hire charges.

Mr Bashir had continually chased his insurer for his total loss settlement cheque following the inspection of his vehicle. Once the matter had been passed to Hill Dickinson, Mr Bashir again pursued the handler for payment repeatedly. Enquiry agents were instructed to obtain a full, detailed description of the accident circumstances from Mr Bashir, at which point he disappeared.

#### Result

Despite contacting him on the two numbers we had, writing letters to him and even cold calling at his purported address, there was no further contact

and indeed indications have been made from neighbours of the purported insured's address that they have no knowledge of this person residing at that address at all.

Independent forensic assessors were instructed to inspect both vehicles allegedly involved in this incident, and their report concludes that the damage evident to both vehicles does not support the accident scenario and does not support the allegation that the damage evident was as a result of the two vehicles coming into contact at all.

All claims were declined and there has been no further contact in respect of any of the claimants' losses to date.

#### Comment

There are major concerns with regards to not only this incident, but further incidents that have been identified by Netfoil and Hill Dickinson's intelligence unit.

The address of the claimant driver is linked to a previous incident dated 16 December 2009, while a further Netfoil match is identified on the insured's address for an incident dated 19 November 2009.

As a result of the intelligence searches, Netfoil and CACHE, enquiries, numerous, further incidents have been identified with exposure to potential fraud for insurers the Co-operative Insurance Society, Chaucer, Provident, MMA, Esure, Aviva and Zurich. Further, ongoing intelligence is being undertaken and indeed, the index incident appears to be a small part of a larger network of fraudulent claims against the insurance sector.

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## [William Doyle -v- Budget](#)

**County Court: Liverpool**  
**Claim no: 9CV30371**  
**Hill Dickinson reference:**  
**AWL.1018034.297**

### Case facts

Following an accident in which liability had been admitted, Mr Doyle suffered damage to his relatively new Mercedes. Repairs came to just over £11,000. During the repair period, he hired a replacement vehicle from Helphire for a credit hire claim of just over £32,000 and also claimed diminution of value of £6,000. The case litigated after Helphire rejected settlement proposals.

Following the receipt of spot rate evidence, shortly after the defence was filed, a Part 36 offer of £20,000 on a global basis was made by the defendant, following advice from Hill Dickinson. There were some possible arguments in relation to the duration of the hire, and certainly there were issues in relation to the claimant's financial situation.

This offer was rejected by the solicitors, Temple Street, acting on behalf of the claimant and the hire company. After a few months, and with a lack of compliance with the various court directions, MTA Solicitors (MTA) came on the record as Temple Street had, by that time, folded.

Hill Dickinson updated MTA, sent them a copy of the various directions and orders, and notified them of the trial date. The day before the trial, Hill Dickinson contacted the court to check a previous order for the payment of the listing fee had been complied with, only to be told the trial was vacated; the claimant's solicitors had contacted the court and advised that both sets of solicitors had agreed to adjourn the trial.

Despite our vehement protests, the trial was adjourned and a new date set.

Although there was ample time for MTA to get their house in order, Hill Dickinson had to prepare a trial bundle as the bundle provided by MTA was, to be generous, inadequate. Before the trial, it was anticipated that once counsel for the

claimant saw the papers (or lack of them), he would recommend that the offer be accepted and Hill Dickinson advised their client of the same. Given the lack of compliance with the court directions and weaknesses in the claimant's case, consideration was given to withdrawing the offer, however that was dismissed.

### Result

At court, the claimant's counsel accepted the offer, and after much prevarication and the intervention of the judge, following the claimant's request that his costs go to detailed assessment, the ultimate order was that the claimant, having accepted the £20,000, do have his costs paid, assessed at £2,750, to the last date he could have accepted the Part 36 offer, but that he pay the defendant's costs assessed at £6,500.

### Comment

Astute use of Part 36 offers reaps rewards in a case restricted to hire and, for example, diminution. If the solicitors are confident that a claimant is not impecunious, or will not cooperate with the hire company or the solicitors, once the spot rate evidence is in, an offer should be submitted in order to protect the costs position.

Making a Part 36 offer is not a 'scientific exercise' and there is no obligation for a breakdown of how the offer is calculated. In the above case, from what transpired at court, it was clear that there was a dispute between Mr Doyle and the hire company; no-one appears to have taken the £6,000 claim for diminution into account. Mr Doyle clearly wanted the full amount; the hire company (or their solicitors) wanted all of the £20,000 to go to pay for the hire. As counsel and solicitor for the defendant left, there was a heated telephone call in progress in the conference room outside court 25 for all to hear.

Another satisfied credit hire customer.

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