

## Accountancy Age

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### **Identity theft is on the rise**

*By Kevin Reed*

Fresh concerns have been raised about the security of information filed with Companies House, after a leading credit agency warned it was now aware of more than 100 cases of theft of auditors' identities.

Companies House officials said this week they are publishing through proposal to improve security following revelations by Accountancy Age in April of widespread theft of auditors' identities. But it will be at least two years before plans to control the quality of data are in place.

Officials said the company law reform bill – which would not become law before 2007 – could enable the agency to gain 'more flexibility' in dealing with filed information. One proposal would enable the Companies House registrar to 'correct' a document that appears incomplete or inconsistent.

Martin Williams, MD at business credit check agency, Graydon, said the DTI had been warned as many as five years ago of the need to improve 'quality assurance'.

A review of Companies House, published in November 2000, highlighted areas where it should improve its services, especially around actively checking for incorrect information.

Williams said the recommendations had not been implemented, and Graydon was aware of 'around 100 examples' of accountants' identities used to falsely verify financial statements.

'Where fraudsters have invented auditors' names, for example, it would be a very simple job for Companies House to check whether they are fictitious or not'.

Alan Livesey, a director at fraud detection services business IDS, said he had found numerous examples of incorrectly entered data regarding disqualified directors. 'If accountants wanted to use Companies House as a credible source of information, then it's been compromised,' he said.

A Companies House spokesman said its new online filing system, PROOF, enabled more secure filing of directors' information. The DTI said it had taken a 'number of steps to protect companies since 2000.