



Sources	Deloitte		
Date	January 2020		
Potential scale of impact	Certainty of outcome	Impact horizon	
★★★☆☆	★★★☆☆	H1	H2 H3

In 2018, food fraud was estimated to cost the UK food and drinks industry in the region of £12bn per year through overpayments for lesser ingredients, unfair competition and reputational damage.

Organisations within the sector need to be increasingly alert to their potential exposure to food fraud, and this risk has been brought back to the forefront with unprecedented demands placed on the global supply chain during the COVID-19 pandemic.

The criminal intelligence unit of the Food Standards Agency (FSA), the National Food Crime Unit (NFCU), defines food fraud as *A dishonest act or omission, relating to the production or supply of food, which is intended for personal gain or to cause loss to another party.*

Food fraud is the term used to encompass the deliberate and intentional substitution, addition, tampering, or misrepresentation of food, food ingredients, or food packaging; or false or misleading statements made about a product. Food fraud can affect anyone in the supply chain: suppliers, manufacturers, distributors, retailers, and food service outlets, and in particular, the end consumer.

Risks are heightened by complex international supply and logistics networks, fluctuations in consumer behaviours, the increase in online markets, and economic pressures on costs. It is also for these reasons that food fraud can go undetected.

Operation OPSON, a joint Europol-Interpol operation between the police and food regulatory authorities of 79 countries, seized more than €100 million worth of potentially dangerous food and drink in its latest operation which ran from December 2018 to April 2019, with over 600 individuals arrested.

The need to understand the full supply chain and where and how products are sourced has come to the forefront for both businesses and consumers alike. A focus on ethical supply chain is likely to continue after the crisis, with increased awareness and scrutiny from consumers on where the items in their grocery basket have come from.

**FIGHTING
FRAUD**

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