

March 14, 2008

Press release for UK Business Barometer and UK Business Adviser Barometer reflecting findings of January 2008 surveys.

## Fighting back against business fraud

Smaller businesses are increasingly taking action to protect themselves against business fraud, according to an internet survey run by The University of Nottingham Institute for Enterprise and Innovation (UNIEI).

Responding to the latest UK Business Barometer (UKBB), 61 percent of smaller business owners said they had introduced new measures to stop their companies falling victim to business fraud in the last two years. These ranged from electronic measures such as stepping up internet security and changing email addresses frequently, to day-to-day measures such as shredding documents far more often and taking greater steps to protect sensitive information.

One in five respondents to the UKBB said they had already fallen victim to business fraud at least once.

The dangers of fraudulent use of confidential data were thrown into sharp relief recently with the disclosure that HM Revenue and Customs had 'lost' personal details relating to 25 million people. Computer disks containing the information – including bank details and National Insurance numbers – went missing in transit to the National Audit Office, prompting an admission in the House of Commons by Chancellor Alistair Darling.

The UKBB findings also follow a report issued by accountancy firm BDO Stoy Hayward warning of an explosion of corporate fraud in 2008.

The UKBB and parallel UKBAB (UK Business Advisers Barometer) bi-monthly surveys are all completed online and assess current business conditions through a series of topical questions aimed at smaller businesses and their advisers.

The availability of bank credit and other effects of the credit crunch also featured in the latest surveys. Just over half of respondents to the UKBB reported that terms and conditions of debt finance offered by banks had become 'more' or 'much more' restrictive. Business advisers were asked if they thought terms and conditions of debt finance offered to clients by banks had become more restrictive over the last six months and 62 per cent said they had.

Panellists were asked in the UKBAB survey to what extent their clients' businesses would be vulnerable in the event of a severe credit squeeze by banks and found that 63 per cent of advisers assess their clients' businesses as 'highly' or 'relatively highly' vulnerable.

Changes in Capital Gains Tax – due to take effect in April 2008 – were also raised in the latest surveys. This will take the form of a new flat rate of Capital Gains Tax at 18 per cent, reducing liability for entrepreneurs to ten per cent on the first taxable £1m.

But a question about the importance of the changes to many businesses yields a mixed picture: 36 per cent of UKBB respondents said the changes would impact strategic decisions 'highly' or 'reasonably highly', but a further 44 per cent said they would not impact strategic decisions at all, or only very little.

The UKBB and UKBAB (UK Business Advisers Barometer) are run by The University of Nottingham and operate over the web to generate very rapid results. The surveys have unique

software that enables results to be processed and posted on their respective websites immediately they arrive.

The surveys assess current business conditions through a series of topical questions aimed at smaller businesses and their advisers. The surveys are issued bi-monthly and more information, including results and analyses, can be found on the web at [www.ukbb.ac](http://www.ukbb.ac) and [www.ukbab.ac](http://www.ukbab.ac). Businesses and advisers wishing to contribute as panellists on the project should visit the appropriate Business Barometer website to register.

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Notes to editors: The University of Nottingham is ranked in the UK's Top 10 and the World's Top 70 universities by the Shanghai Jiao Tong (SJTU) and Times Higher (THES) World University Rankings.

It provides innovative and top quality teaching, undertakes world-changing research, and attracts talented staff and students from 150 nations. Described by The Times as Britain's "only truly global university", it has invested continuously in award-winning campuses in the United Kingdom, China and Malaysia. Twice since 2003 its research and teaching academics have won Nobel Prizes. The University has won the Queen's Award for Enterprise in both 2006 (International Trade) and 2007 (Innovation – School of Pharmacy).

Its students are much in demand from 'blue-chip' employers. Winners of Students in Free Enterprise for three years in succession, and current holder of UK Graduate of the Year, they are accomplished artists, scientists, engineers, entrepreneurs, innovators and fundraisers. Nottingham graduates consistently excel in business, the media, the arts and sport. Undergraduate and postgraduate degree completion rates are amongst the highest in the United Kingdom.

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