

Crime and Fraud

UK RETAIL CRIME STATISTICS >>

The National Survey of Retail Crime and Security

From the Centre for Retail Research.

The National Survey of Retail Crime and Security found that total shrinkage was equivalent to 24.1% of retail profit. 16.7% of shrinkage was perceived to be administrative error.

Large companies had shrinkage rates that were 18% lower than smaller retailers (defined as retailers with turnovers of £5 million or less).



Views about who stole from shops varied significantly with company size.

Percentage of losses caused by:

	Small Retailers	Multiples	Large Multiples
Employees	20%	29%	36%
Customers	54%	47%	37%
Vendors	10%	8%	10%
Administration	16%	16%	17%
	100%	100%	100%

The surveyed retailers only handed 40.5% of thieves they apprehended to the police. The reasons why so few were handed over were as follows:

Factors Explaining the Non-reporting of Customer Thieves

Take up too much staff time (particularly in owner operated stores)	24.5%
Did not want to prosecute elderly, juveniles or mentally ill	23.6%
Low success rate in courts	19.7%
Fines/Penalties not a deterrent	18.5%
Low prosecution rate by the Crown Prosecution Service	17.2%
Only report the worst offenders	12.9%
Afraid of bad publicity	9.0%



The report provides some evidence that low shrink is associated with higher rates of pay, the existence of profit-sharing schemes, lower staff turnover and low proportions of part-timers. Above all, low theft rates seemed to be related to good leadership at store level.

The National Survey of Retail Theft and Security was conducted by the Centre for Retail Research.

Retail Crime Costs >>

From the British Retail Consortium

The British Retail Consortium has carried out annual surveys of the cost of retail crime since 1993/4. The main trends are:

- Crime costs have fallen annually since 1993/4, but rose by 15% in 1999/2000.
- Retail crime as a percentage of turnover (sales) has fallen from 1.6% to 0.91% since 1993/4.
- There has been a large drop in robbery, arson, burglary and terrorism since 1993/4
- In 1998, retailers have noted a growth in employee theft as well as customer theft of 23%.

British Retail Consortium 2000 RESULTS

Crime	£ millions	Crime	£ millions
Customer theft	£746	Burglary	£26
Staff theft	£426	Criminal Damage	£10
Fraud	£54	Arson	£3
Other	£147	Robbery/snatch	£4
		Terrorism	£2
Subtotal	£1418	Subtotal	£45
Loss prevention costs	£626		
TOTAL CRIME COSTS	£2044		
Shrink % sales	0.91%		

Comparison between 1997 and 1999

Total crime costs rose from £1,834m (1997) to £2,230m (1999) (+22%)

- Perceived customer theft ('shoplifting') increased by 22% from £608m to £740m.
- Perceived employee theft rose by 41.3% to £519m.
- Burglary costs fell by 48% to £80m.
- Robbery fell by 70% to £15m
- Fraud rose.
- The money spent on the security (loss prevention) department rose by 36% from £450m to £612m.

Average loss per incident

- Employee theft average loss per incident was £320 in 1999.
- Customer theft average loss per incident was £42.