

# Lifting the barriers to **GROWTH** 2006 survey

Cracking Business Crime in Northern Ireland



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## INTRODUCTION

The Federation of Small Businesses (FSB) is now Northern Ireland's largest business organisation with over 5,500 members and growing, from across every sector of industry. As well as providing an invaluable helpline for members, the FSB lobbies all decision makers to create a better business environment.

The FSB is constantly reviewing and developing policy and the *Lifting the Barriers to Growth* survey provides an invaluable insight into the issues affecting businesses at a grass roots level in Northern Ireland. It is also an important tool in comparing our performance with the rest of the UK and will be required reading for any policy maker who wants an understanding of the small business sector in Northern Ireland.

This report summarises the results from the crime statistics obtained in the fourth biennial survey of the FSB membership in Northern Ireland. Questionnaires were sent out in September 2005, with 436 responses received in Northern Ireland and 18,939 across the UK.

In order to better highlight to policy makers the findings in the survey, we are publishing the main headings in sections.

**Wilfred Mitchell O.B.E**

FSB POLICY CHAIRMAN





## TACKLING BUSINESS CRIME IN NORTHERN IRELAND

The most startling fact in the Lifting the Barriers 2006 survey is that Northern Ireland now has the highest level of business crime in the UK. Over half (57%) of businesses have been a victim of crime in the last year alone.

The FSB has been continually highlighting the issue of crime as it is now one of the main barriers to running a successful business. Despite our many presentations on this issue there is a lack of joint effort to tackle this growing problem.

The impact of crime on businesses has been underestimated for too long. Crime has closed down many businesses, particularly in areas where racketeering and extortion are prevalent.

In addition, many businesses face problems due to the hassle of louts and vandals hanging around which affects trade by intimidating potential customers.

Crime, and the fear of crime, is a concern for most businesses in Northern Ireland, and there is a genuine perception amongst the business community that no one cares. Crime has a devastating impact on businesses, particularly SMEs, as they lack the human and financial resources of larger businesses to implement crime prevention measures.

Crime is stretching already slim budgets as well as causing disruption and anxiety in the workplace. Our research reveals that the true extent of business crime is not reflected in official figures as many businesses have effectively opted out of the criminal justice system. Businesses tend to report crime mainly for insurance purposes as opposed to getting the issue dealt with.

The FSB has many recommendations on this issue but they will only be achieved if there is a will by the Northern Ireland Office, Police Service for Northern Ireland, local politicians and local communities to protect the business environment. This in turn would create a more peaceful and vibrant business community and protect the economy.

over  
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of crime in the last year.

# 100%

first year **tax relief** should be made available for investment in security systems for **small businesses**

## RECOMMENDATIONS

- The extent and level of crime against businesses needs to be measured more accurately. The FSB would therefore strongly recommend that business crime is recorded as a distinct category from domestic crime
- There should be an incentive of 100% first year tax relief for investment in security systems for businesses so that they can afford to be more proactive in securing their assets
- The Northern Ireland Office should make business crime one of the key performance indicators of the police so that it receives the funding necessary to tackle crime against business
- Businesses should be encouraged to report all crimes to the police and more effort should be made by the Northern Ireland Office to market the Youth Justice Agency and its work
- There needs to be a clear commitment to tackling business crime by the entire criminal justice system. A prison sentence is not suitable for all offences, but the punishment must fit the crime if the judicial system is to retain business confidence
- Sentencing guidelines need to be revised to ensure that all crimes of a similar nature are treated equally
- Planning regulations should be relaxed so that businesses can install CCTV, metal shutters and any security measure allowing them greater flexibility in protecting their premises
- A business crime compensation scheme should be established to prevent otherwise viable businesses closing down
- The Organised Crime Force makes eliminating racketeering and extortion against the business community a core priority

## THE SURVEY RESULTS

- Over half of Northern Ireland businesses (57%) have been the victims of crime on at least one occasion in the past year, the highest of any UK region (UK average of 51%). The most common crimes are minor ones, notably threatening behaviour/intimidation, vandalism and vehicle damage. Compared with the UK as whole businesses in Northern Ireland are more likely to experience threatening behaviour/intimidation and less likely to experience vehicle theft.

only  
**60%**  
of small businesses  
**report crime** to  
the police.

6% of businesses report  
that annually **the cost  
of crime** exceeds

# £5,000

- For most businesses, the cost of crime is relatively low. Of those businesses affected, 28% report the cost was either nil or negligible and a further 22% report the cost as being under £500. However, for 6% of businesses the cost is more substantial, exceeding £5,000 during the past year. Compared with the UK as a whole, Northern Ireland businesses were less likely to report that the cost of crime was negligible and more likely to report that it exceeded £5,000.
- Of those businesses that have experienced crime, only 60% reported crimes to the police. By far the main reasons why crimes are not reported to the police is because business owners believe it would not achieve anything. Other reasons are that the crime was not serious enough, the respondent did not believe the police would find the criminals/achieve a successful prosecution, no insurance claim was being made, and the police were not interested.
- Few businesses have undertaken measures to protect themselves from crime. One-quarter (26%) have installed or upgraded a security alarm, 9% have installed CCTV, 7% have installed extra security systems, 5% have increased insurance cover and 5% have sought advice from the police. Only

2% have either set up or joined a Business Watch Scheme. Business owners believe that the most effective methods of reducing crimes against the business are tougher sentences, faster police response, more visible police presence, CCTV surveillance and grant assistance for security.





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