



## NEWS DIGEST

### Increase in money laundering forecast

Some 46 per cent of financial services companies say that money laundering is the top concern in financial crime, according to a survey.

The research found that nearly one-third of companies expect money laundering to increase over the next two years, while one-quarter expected fraudulent claims to increase in the same period.

Concern about crime has made 63 per cent of the companies, which included banks and insurers, put fighting crime very high up the agenda, according to the study by Coleman-Parkes Research on behalf of LogicaCMG.

The report also found that over half of the 100 companies questioned believed that middle-class

crime, such as identity fraud and fraudulent claims, is increasing and is set to be an important issue over the next few years.

**Jane Croft**

### Friends Provident to axe about 500 jobs

Friends Provident yesterday announced the loss of about 500 jobs following a decision to axe its direct sales operation. The group, which is one of the UK's leading insurance and pensions groups, said the move stemmed from a review of its distribution structure.

About 120 of the posts will be administration roles based around the UK while the remainder are direct sales staff. Friends Provident hopes to retain 150 of those affected as self-employed representatives of the company.

representatives and other strategic partners.

The moves, which mirror changes made by a number of other insurance companies in recent years, are expected to save Friends Provident £18m a year.

The company said that the review was also in anticipation of proposed regulatory changes to the way investment products were sold across the country.

**Press Association**

### Police forces to get 3.25% grant increase

Police forces in England and Wales are to receive a 3.25 per cent rise in their grant from the Home Office, it was announced yesterday.

Including specific additional grants, the 43 forces will get a cash rise of £403m next year, or an

increase of 4.2 per cent, the Home Office said. It added that the increase would be "sufficient to cover inflation".

However, the Liberal Democrats said that the funding would lead either to council tax rises or cuts in services.

The specific additional grants will include £30m for rural areas and up to £25m for anti-street crime initiatives, the Home Office said.

**Press Association**

### Whitehall acts over potato disease

Measures to prevent the possible spread of ring-rot, a highly infectious disease that affects potatoes, were stepped up yesterday by the Department for

Environment, Food and Rural Affairs.

The number of farms in England whose crops are being tested for the infection was increased from three to six in a precautionary move, the department said.

The outbreak, the first to occur within the UK, began on a Welsh farm that imported seed potatoes from the Netherlands. A big outbreak could be economically disastrous for farmers, causing yield losses of up to 50 per cent. The disease does not threaten human health.

**John Mason**

### High earners favour private education

Most high earners would choose private over state schools but underestimate the cost.

Fifty-three per cent of those earning more than £50,000 a year would send

their children to private school, and 59 per cent believe that it offers better education and teaching, according to a survey for Lloyds TSB, the bank.

Other benefits included smaller class sizes and fewer disruptive influences, the survey found. Only 1 per cent thought better facilities or extra pastoral care would be a factor in their decision.

But despite the vast majority feeling that private education offered value for money, more than one in 10 admitted to not knowing the current level of fees.

Well over 40 per cent of those surveyed underestimated the true cost. Average private day school fees are about £9,000 a year. More expensive boarding schools were unpopular, with 77 per cent saying they would not send their children away.

**Miranda Green**



Friends Provident, which is based in Dorking, Surrey, said it would now focus on distributing its products through independent financial advisers, appointed