



From Invoice Scam To Recovery

How cyber insurance helped a retail company respond quickly to e-theft



The Client

Supermarket with revenues of approximately £30 million.

The Cyber Challenge

The insured is a retail company. One of their suppliers based in China ships freight to the UK.

The insured received an invoice from the supplier using the supplier's legitimate email address; however, the invoice provided a different supplier's name. The insured sought payment details and subsequently arranged payment to what they believed to be the supplier.

It transpired that the insured had paid USD230,746.68 into a fraudulent bank account.

The Resolution

The client was covered under the Pen Underwriting cyber insurance policy.

Summary

- The fraud was covered by the cyber insurance policy, covered as 'e-theft'.
- The policyholder was paid the full limit of their indemnity under the policy, subject to an excess. This didn't cover the full amount paid into the fraudulent bank account.
- Complimentary breach response guidance was provided under the policy, but no further action was required.

Details

Following confirmation of the policy response and appropriate evidence from the insured, insurers paid the sum of GBP100,000 (the limit of indemnity) for the loss of funds under Section C1 — Crime Loss. A GBP10,000 excess applied.

The insured sought initial guidance from breach response counsel; however, as it was unlikely the insured's network had been compromised, breach response counsel was not engaged.

Financial position

Indemnity costs:	Excess:
GBP100,000	GBP10,000

Contact Us

Speak to your Pen Underwriting business development manager to secure appropriate cyber insurance for your clients' business, or email uk.cyber@penunderwriting.com.