

# Whistleblower Rewards May Soon Materialize In UK

By **Tom Grodecki** (May 28, 2025)

The Serious Fraud Office has announced that it will be making the case for whistleblower incentives as part of a government-sponsored fraud review.

As the SFO's drive for whistleblower incentives gathers momentum, corporations should consider the implications for managing misconduct risk.

On April 22, the Home Office announced part two of Jonathan Fisher KC's fraud offenses review, the first independent review of fraud legislation in the U.K. since 1986.[1] The review considers six different stages of the fraud life cycle, with the first stage including a detailed evaluation of incentives for criminal informants and whistleblowers.



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The Fisher review is expected to play a critical role in informing the Labour government's fraud strategy, and so provides the SFO with an important vehicle for further promoting incentives reform within government.

Following the announcement, the SFO confirmed that it will be engaging with the Fisher Review team to present its case for reform.[2]

These developments followed an announcement in March from HM Treasury that it would implement a new scheme for informants, looking to target serious tax noncompliance, particularly at large corporations.[3] The announcement made clear that the scheme would be modeled on U.S.-style whistleblower incentives programs, with a specific percentage of the tax recovered being awarded to the informant.

The exact percentage and additional detail will be released later this year. Were the scheme to be modeled on the rewards scheme operated by the U.S. Internal Revenue Service scheme, it would pay informants an award of 15-30% of the additional tax collected.

These are just the most recent signals that the long-standing aversion to rewarding whistleblowers is reversing. What began as a call for reform from the Director of the SFO Nick Ephgrave is developing into broader support across government and civil society for the need for change.

SFO proposals in November 2024 for rewarding whistleblowers were backed up by an influential independent review from the Royal United Services Commission,[4] and recent developments show that momentum continues to gather pace.

This continuing momentum toward reform underlines the importance of organizational adaption to prepare for what could be a very significant uptick in tipoffs to the SFO and other enforcement agencies.

## Background

In the wake of the financial crisis, governments and enforcement agencies considered a

series of bold reforms, including offering financial rewards to report financial wrongdoing. In England, the Financial Conduct Authority ruled out such measures, citing a lack of evidence as to their effectiveness. The U.K. government and other agencies, including the SFO, leaned on these conclusions and rejected whistleblower rewards.

A very different path was taken in the U.S. Whistleblower reward schemes proliferated and have had a huge impact, with tens of thousands of tipoffs annually and the recovery of billions of dollars in penalties. The intelligence generated has led to faster and more effective investigations, enabling much earlier settlements.

Sentiment in the U.K. now seems to have changed markedly. Ephgrave has been a passionate advocate for the implementation of whistleblower rewards, describing whistleblowers as key holders, without which his investigators are left "scrambling in the dark." [5] In November, Ephgrave announced proposals to reward whistleblowers at levels matching those seen in the U.S. [6]

The FCA also signaled that its long-standing opposition to paying whistleblowers may change, announcing that it is in discussions with government and other agencies about the potential implementation of rewards. [7]

In December 2024, compelling research published by Eliza Lockhart of the Royal United Services Institute presented a powerful case for whistleblower reform, taking a rigorous and evidence-based approach in assessing the various criticisms that have been made of such schemes in the past. [8]

## **Impact**

If the Fisher review is supportive of whistleblower incentives, then it is in all likelihood only a matter of time before incentives for serious economic crimes are put into law. It would be prudent for organizations to assume that when this happens, the effect will be a significant increase in the risk of corporate misconduct being unearthed and reported, particularly through external channels.

The increased risk is greatest for global corporations and financial institutions, who are already facing increased conduct risk as a result of the coming into force of the new failure to prevent fraud offense in September of this year.

The SFO faces disproportionately higher challenges in investigating these organizations, where wrongdoing is typically most complex, well-hidden and multijurisdictional, and where investigation involves the heaviest document review and disclosure burdens.

A significant increase in the quality and quantity of whistleblower reports would provide Ephgrave with his sought-after key holders, significantly reducing these obstacles.

An uptick in intelligence reported to the SFO would also assist other agencies in their work, as the SFO shares much of its intelligence with the FCA, HM Revenue & Customs and other agencies.

Organizations considering how they can further incentivize their employees to take up internal whistleblowing channels may wish to consider the breadth of both quantitative and qualitative data reported up to the whistleblowing champion and board — who are accountable for setting and embedding appropriate values throughout the organization.

Many corporations have rich but untapped sources of data revealing employee attitudes to internal speak-up mechanisms, as well as indicators of corporate culture, that can be used to inform this exercise at limited cost. That is particularly the case if the most recent advances in artificial intelligence can be harnessed within appropriate governance and ethics parameters.

Critically, reporting and analysis must be tracked over time and linked to corrective actions, the effectiveness of which can then also be measured.

## **Conclusion**

Former SFO Director David Green famously remarked that paying whistleblowers "just isn't British." The tide appears to have turned on that view. Ephgrave fired the starting shot and others are adopting his view.

Their perspectives are supported by the increasing availability of evidence demonstrating the impact of U.S. whistleblower incentives schemes in driving increased reporting to enforcement agencies. HMRC clearly does not need further convincing and is moving quickly to implement a U.S.-style rewards scheme.

The SFO will follow suit, just as soon as it can. With the government's desire to take drastic action to tackle fraud, the likelihood of whistleblower incentives being introduced for complex economic crime has never been greater. Corporations would be well advised to plan accordingly.

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[1] <https://www.gov.uk/government/news/independent-review-turns-to-tackling-britains-biggest-crime>.

[2] [https://www.linkedin.com/posts/uksfo\\_independent-review-of-disclosure-and-fraud-activity-7320455559437053952-WkWd](https://www.linkedin.com/posts/uksfo_independent-review-of-disclosure-and-fraud-activity-7320455559437053952-WkWd).

[3] <https://www.gov.uk/government/news/boost-for-side-hustlers-as-300000-people-to-be-taken-out-of-tax-returns-government-announces>.

[4] <https://www.rusi.org/news-and-comment/rusi-news/new-report-rusis-centre-finance-and-security-argues-uk-should-consider-paying-whistleblowers#:~:text=In%20her%20paper%2C%20Eliza%20argues:%20%E2%80%9CA%20successful,component%20in%20the%20fight%20against%20economic%20crime.%E2%80%9D>

[5] <https://www.law360.co.uk/articles/2271672/sfo-scrambling-in-the-dark-without-tip-offs-director-says>.

[6] <https://www.thetimes.com/uk/crime/article/corporate-fraud-whistleblowers-could-receive-millions-pounds-53v3dh8bm>.

[7] <https://www.compliancecorylated.com/news/uk-fca-changes-official-stance-opposing-payments-to-whistleblowers>.

[8] [https://static1.squarespace.com/static/63e4aef3ae07ad445eed03b5/t/6756cfd024f33859fb718888/1733742545613/SOC-ACE-RP31\\_Whistleblowing-Dec+24.pdf](https://static1.squarespace.com/static/63e4aef3ae07ad445eed03b5/t/6756cfd024f33859fb718888/1733742545613/SOC-ACE-RP31_Whistleblowing-Dec+24.pdf).