

# Pain of rejection makes us more likely to commit fraud

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Credit: Frontiers

People commit fraud because they are unhappy about being rejected, a new study in *Frontiers in Psychology* has found.

Many of us might not professional criminals, however when an insurance company rejects our claims, we are more likely to inflate the claims.

Insurance companies take note: we are more likely to submit false [insurance claims](#) if our original submissions are rejected. Regardless of whether that [rejection](#) is fair or unfair, or if there is a financial reward at stake, being rejected makes us feel unhappy and we react by behaving dishonestly.

In this study, which used a mock insurance claim scenario, people whose claims were initially rejected were quick to fudge their stories to get their claims settled.

Whilst the odd small claim inflation in the [real world](#) may seem harmless enough to the perpetrator, insurance fraud is a very expensive crime. According to the FBI, insurance fraud amounts to around \$40bn per year, or \$400-\$700 per family per year in the US.

Dr Sophie Van Der Zee explained "Fraud is a widespread issue that is costing society and thereby each individual large sums of money. The problem with fraud is that it benefits a few people, but as a result harms the rest of a population. "

Understanding what drives people to falsify information on their insurance claims could mean huge savings to both the insurance firm and the consumer. The scientists responsible for this research think they have the answer: clarity and transparency on the part of the insurer. Make the guidelines clear, and make the rejection policy clearer again.

The study looked at the rejection of a person's efforts, and how it affected their emotions and subsequent behaviour. Using an online platform, participants filled out and submitted mock insurance claims and reported on their levels of happiness, sadness, frustration, anxiety,

and guilt. The claims were either accepted or rejected by the researchers.

People whose claims were rejected reported more negative emotions. They were also significantly more likely to cheat or lie in the next phase of the study, regardless of whether the rejection was made on objective or subjective grounds, or whether or not there was a financial incentive.

Basically, it didn't matter if the rejection was fair or not, or if they stood to gain financially: insurers - rejection hurts, and you're going to pay.

Dr Van Der Zee said: "This means that tackling fraud will positively affect a lot of (honest) people's lives. If we understand when people tend to behave dishonestly and commit fraud, we can construct the environment in a way that people are encouraged to behave honestly rather than deceptively. Seeing as the detection of deceit and [fraud](#) is very difficult [] prevention is better than cure. "

The research for this study was conducted over the course of two and a half years, and the researchers are already in talks with several Dutch [insurance companies](#), with a view to testing their ideas in the real world.

**More information:** Sophie Van Der Zee et al, When Lying Feels the Right Thing to Do, *Frontiers in Psychology* (2016). [DOI: 10.3389/fpsyg.2016.00734](#)

Provided by Frontiers

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