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TELEPHONING BANKING FRAUD

Telephone Banking Fraud is the use of potentially illegal means to obtain money, assets, or other property owned or held by [a financial institution](#), or to obtain money from [depositors](#) by fraudulently posing as a bank or other financial institution. In many instances, bank fraud is [a criminal offence](#). While the specific elements of particular banking fraud laws vary depending on jurisdictions, the term “bank fraud” applies to actions that employ a scheme or artifice, as opposed to [bank robbery](#) or theft. For this reason, bank fraud is sometimes considered [a white-collar crime](#).

Telephone Banking Fraud is a scam which is becoming increasingly commonplace. The fraudsters do not actually scam their victims online, but use the telephone to do so. Here’s how it works:

You receive a call from somebody who claims to be from an organisation you trust, such as your bank or the police. They inform you that there is a safety or security problem associated with your bank account or payment cards, and you need to take some kind of immediate preventative action, which normally involves telephoning your bank or card provider. They may prompt you by reminding you that the telephone number is on the back of your card. You end the call, find and dial the bank or card provider’s phone number and are asked a series of security questions and account details. However, the person on the other end of the call is not your bank or card issuer, but the fraudster who had just called you to tell you about the

‘problem’. When you ended the call from them, they did not terminate the call at their end, meaning they were still on the line asking you the confidential questions. You may also be asked to give your cards to a courier sent by the ‘bank’ or ‘police’ to ensure that they have been stopped, or for evidence. This is known as ‘Courier Fraud’.

The Risks:

- You provide your account details and answers to security questions to fraudsters
- Your bank account is emptied and/or cards used to their limit
- You could become a victim of [identity theft](#) because you have revealed confidential financial and personal information

Financial criminals will commit a fraud somewhere in the United Kingdom by the time you finish reading this sentence. More than one million incidents of card scams, online and telephone banking and check frauds occurred in the U.K. in the first six months of the year, according to Financial Fraud Action U.K., an industry body funded by banks. That's an increase of 53% over the same period of last year, meaning one such crime is now committed every 15 seconds, the FFA said.

Banks are getting more sophisticated in their fight against criminals -- last year, they managed to stop \$7 in \$10 of the attempted fraud transactions from happening, the body said.

But there is a flip side to their success.

"As the banks' systems get more advanced, fraudsters turn their attention elsewhere and sadly this often means tricking people out of their personal details and money," said the director of the group. The group said 26% of people admitted providing personal details to people claiming to be from their bank, even though they knew they shouldn't. Why? According to a survey by the FFA, 43% of people simply felt the person asking for their details seemed genuine, while 38% said they provided the details because they were busy and wanted to get off the phone quickly. The group is launching a new initiative to educate people about financial fraud such as email

and phone scams and phishing attempts. Last year, losses from this kind of fraud in the U.K. totaled 755 million pounds (\$980 million). **How to Avoid Telephone Banking Fraud:**

- A bank or payment card company will never ask you to transfer money out of your account to another that you do not recognise, so hang up immediately.

- If you do think that the call may be authentic and you choose to call your bank or card issuer, call the number on your bank statement or other document from your bank - or on the back of your card - but be sure to use another phone from the one you received the call on. If you cannot access another phone, be sure to hang up for at least five minutes before you dial out, or call a friend (whose voice you recognise) before making another call.

- Never provide financial or personal details to a caller, but call back on a number you know to be authentic. Some scammers have the ability to spoof authentic numbers to fool you into thinking that they are genuine.