UK FINANCE

Remote Banking Fraud Threat Landscape

State of the Nation 2019 - Snapshot

Ali Imanat - Ecrime Fraud Manager

Introduction

UK Finance Economic Crime Unit

UK Finance is the collective voice for the banking and finance industry. Representing more than 250 firms across the industry, it seeks to enhance competitiveness, support customers and facilitate innovation.

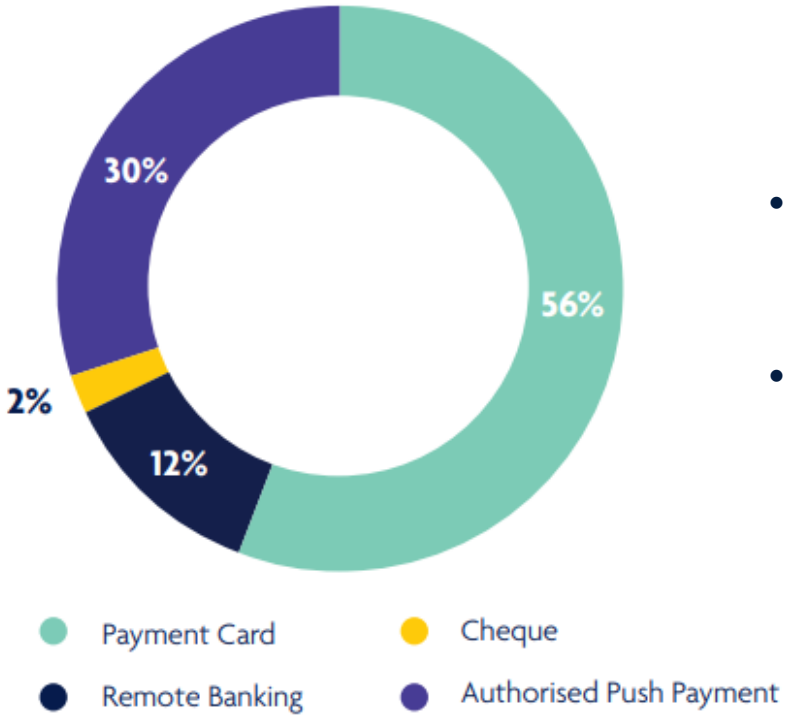
The Economic Crime team within UK Finance is responsible for leading the industry's collective fight against economic crime in the UK, including fraud, anti-money laundering, sanctions, anti-bribery, corruption and cybercrime.

UK Finance seeks to ensure that the UK is the safest and most transparent financial center in the world – working with members, law enforcement, government agencies and industry to create a hostile environment for criminals. We represent our members by providing an authoritative voice to influence regulatory and political change, both in the UK and internationally. We also act as advocates on behalf of members to both media and customers, articulating the industry's achievements and building its reputation.

Industry Fraud Losses

State of the Nation

Total 2018 financial fraud losses by type



- Financial fraud losses across payment cards, remote banking and cheques totalled **£844 million in 2018** 16 per cent increase compared to 2017.
- APP fraud (Authorised Push Payment Fraud) - **£354million** gross losses
- Prevented fraud totalled **£1.7 billion** in 2018 - This is equivalent to £2 in every £3 of attempted fraud being stopped.

See Fraud the Facts for more information: https://www.ukfinance.org.uk/policy-and-guidance/reports-publications/fraud-facts-2019

Fraud Enablers

Common Vulnerabilities Exploited

ECU Industry Controls

Fraud Prevention measures

- Single point of contact for companies suffering data breaches, to ensure compromised payment data can be speedily, safely and securely repatriated to the banks for active fraud monitoring of affected customers
- Publishing the official fraud losses for the UK payments industry, providing transparency and facilitating trend analysis and fraud performance benchmarking
- 1.Sponsoring the Dedicated Card and Payment Crime Unit (DCPCU), a unique proactive operational police unit with a national remit, formed as a partnership between UK Finance, the City of London Police, and the Metropolitan Police
- 1.Industry strategic threat management process (ISTM) designed to identify and manage existing and emerging fraud by combining root cause intelligence, fraud loss trend analysis and convening (rapid response) impacted PSPs to tackle the threat
- 1.Fraud Intelligence Sharing System (FISS) - This highly-secure system enables the banking industry to share information on confirmed, attempted and suspected fraud with payment firms and law enforcement agencies
- 1.Regular fraud intelligence sharing and monitoring between Card Issuers, Acquirers and other PSPs
- 1.Education and Awareness - Take Five national campaign offering advice to help consumers prevent financial fraud

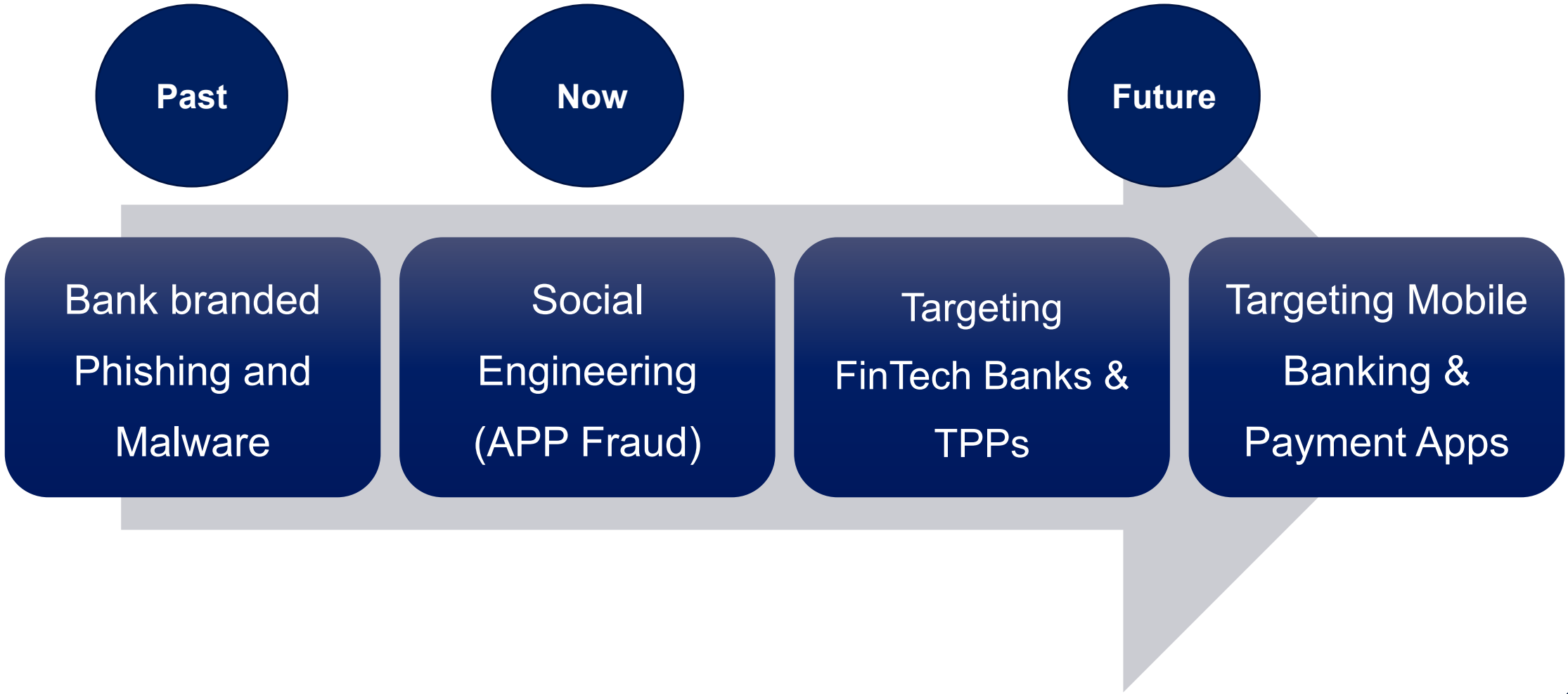
Other Industry Controls

Fraud Prevention measures

- APP Scam - Contingent Reimbursement Model (CRM) and Best Practice Standards (BPS) (https://appcrmsteeringgroup.uk/)
- Cross Sector engagement – Social Media and Telco's
- Government National Economic Crime Strategy
- Home Office Joint Fraud Taskforce
- Banking Protocol (https://www.ukfinance.org.uk/news-and-insight/blogs/why-banking-protocol-matters)

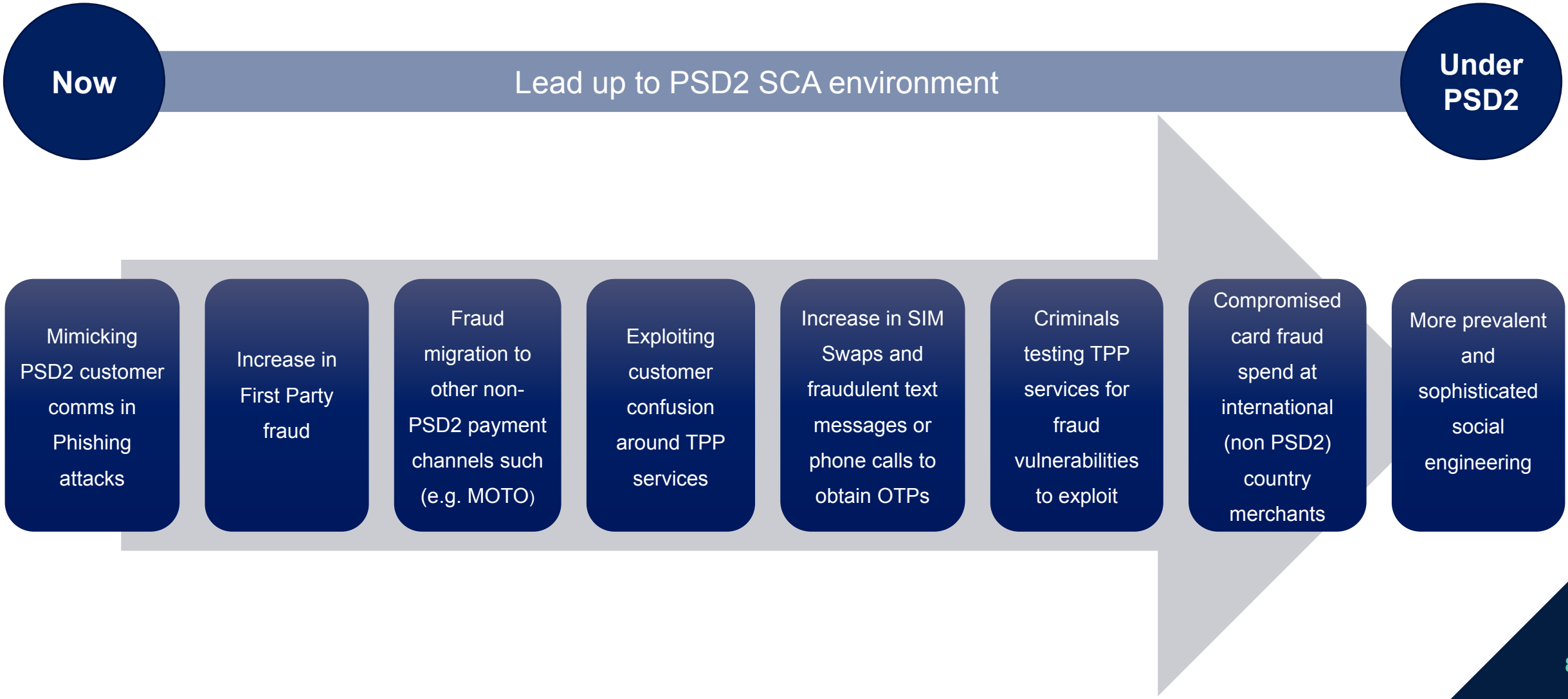
Fraud Threat landscape Shift

Evolution of Fraud



Fraud Risks & Challenges

PSD2 Roadmap – Predictions



Further Reading

Walking the tightrope: balancing fraud prevention, privacy and the customer experience

by Ali Imanat and Walter McCahon https://www.ukfinance.org.uk/news-and-insight/blogs

Fraud the Facts 2019

https://www.ukfinance.org.uk/policy-and-guidance/reports-publications/fraud-facts-2019

UK Finance Industry Guidance on Strong Customer Authentication under PSD2

https://www.ukfinance.org.uk/system/files/UK-Finance-Industry-Guidance-Strong-Customer-Authentication.pdf

Third-Party Risk Management: Keeping control in a rapidly changing world

https://www.ukfinance.org.uk/policy-and-guidance/reports-publications/third-party-risk-management-keeping-control-rapidly-changing-world

OR they can be found on the Resources page of this webinar

Any Questions

End of Presentation

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https://www.ukfinance.org.uk/

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