



# FRAUD PREVENTION

We would like to present an example of a recent occurrence and propose prevention measures to avoid such situations.

## WHAT HAPPENED?

A company received information from its long-term business partner about the change of their banking account. The information was presented in a very realistic manner using the usual means of communication and professional terminology. **The message did not raise any suspicions and the banking account was changed.** After the fraud was discovered following high-value money transfers, it turned out that actually, the indications of potential fraud had been there.

## WHAT DID THE COMPANY FAIL TO DO IN ORDER TO AVOID FRAUD?

Did the partner send an official letter containing the company's particulars?

YES

Did they call the business partner to check if the changes had indeed been made?

NO

Did they check the sender, i.e. their name and surname, and email address?

YES

Are transfers >Eur 1,000 approved by two signatures (four-eyes principle)?

NO

**BUT** the investigation revealed that scrutiny was lacking – the email address differed by a single symbol. The real email address was:

**name.surname@x.company.com**

while that used by the fraudsters was:

**name.surname@x-company.com**



## COFACE RECOMMENDATION

Before registering new/changed banking details of your business partners in your systems or making money transfers, have the validity of such banking details verified:

- **your regular contact using safe and customary contact information;**
- **do not accept banking details entered manually, sent by email or provided by telephone;**
- **give priority to the original document issued by the bank specifying the bank name, account holder name, and banking account number.** For example, a letter of information from the bank or banking account statement (with confidential data concealed) can be treated as an external document issued by the bank.

Fraudsters are becoming more sophisticated and it is getting more difficult to recognize a fraud. Particular attention to details and prevention measures within the company are required. We hope that you will make use of our recommendations.