

Bank staff in spotlight over fraud

Banking

Fraud prevention service reveals surge in thefts of cash and identity at branches, writes *Kate Allen*

Thefts by staff at banks and other companies are on the rise, according to data released by the UK's fraud prevention service Cifas.

Cifas members, which include major banks, building societies, insurance companies, credit card companies and mobile phone suppliers – saw a 43 per cent rise in staff frauds

against customers, to 539 reported incidents in 2012.

More than three-quarters of cases reported by Cifas members last year were in the banking services sector. Other affected sectors included plastic cards, call centres, insurance services and other financial services.

Two main threats to customers were identified:

theft of cash and theft of personal details, used to set up false identities.

Fraud cases are increasingly driven by organised criminals who place people as staff to gain access to customers' accounts and personal details, according to the report.

A survey last year for business communications

companies Avaya and Sabio found that customers are becoming increasingly aware of personal data fraud and are choosing not to use call centres because they are worried about data theft. Ten per cent of those surveyed said they had ended their relationship with an organisation because of concerns about their levels of data security.

However, avoiding call centres may not be the best way to prevent fraud. Cifas has found that 70 per cent of reported fraud took place in branches, retail outlets and stores. Just 20 per cent took place in customer contact centres – otherwise known as call centres.

As the scale of identity theft and fraud rises, financial companies have reduced the amount of personal data handled by staff. "Over the past couple of years, many organisations have refreshed their identity requirements," said Richard Hurley of Cifas. "Previously, they would ask for account number, sort code, name, address and PIN number or password. Now it's often an automated system where you're asked for a couple of password digits, not the whole number."

Financial companies such as banks and credit card groups are also using software that can spot suspicious patterns of account



Staff fraud has risen by 43 per cent in banks

accessing or transactions, he said. As a result, most frauds recorded last year were discovered by internal controls, rather than customers.

Action Fraud and Cifas have issued the following advice to customers:

- Regularly obtain a copy of your credit file
- Consider using a proactive account monitoring service, such as Protect-MyID
- Make sure that account statements arrive on time;
- If you visit a branch to pay money in, check that the amount registered on your statement matches that on the receipt
- Be wary of staff asking for too much information.

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Discrete year performance	Henderson European Focus Fund %	BMA Europe Ex UK Sector Average %
1yr to 29/03/13	26.4	19.4
1yr to 31/03/12	-4.4	-10.0
1yr to 31/03/11	13.9	8.3
1yr to 31/03/10	27.9	45.7
1yr to 31/03/09	-32.8	25.7

Source: Morningstar as at 29 March 2013, based on discrete performance, UK sterling, mid-risk, net income reinvested for a basic rate taxpayer. Note: John Bennett started managing the