



# **BANKs, SDIs and PSPs FRAUD REPORT**

This report is a definitive overview of various attempted and/or successful fraudulent activities recorded by Ghana's Banking Institutions, Specialized Deposit-Taking Institutions and Payment Service Providers. It presents the industry position for the period 01 January – 31 December 2022.

## **2022 TRENDS & STATISTICS**

**FINANCIAL STABILITY DEPARTMENT**

# BANK OF GHANA NOTICE NO. BG/GOV/SEC/2023/08

## Contents

<b>List of Figures .....</b>	<b>3</b>
<b>List of Tables .....</b>	<b>3</b>
<b>EXECUTIVE SUMMARY .....</b>	<b>4</b>
<b>1.0 INTRODUCTION .....</b>	<b>6</b>
<b>2.0 FRAUD TRENDS IN BANKS AND SDIs.....</b>	<b>6</b>
2.1 Count of Reported Fraud Cases .....	6
2.2 Submission of Fraud Reports (By Sector) .....	9
2.3 Attempted and Successful Fraud Values in the Banking and SDI Sector .....	10
2.4 Staff Involvement in Fraud .....	14
<b>3.0 SECTORAL FRAUD TRENDS AND ANALYSIS .....</b>	<b>15</b>
<b>3.1 BANKING SECTOR.....</b>	<b>15</b>
3.1.1 Forgery and Manipulation of documents .....	15
3.1.2 Fraudulent withdrawals .....	15
3.1.3 Cheque Fraud .....	16
3.1.4 Cyber/email fraud .....	16
<b>3.2 SDI SECTOR.....</b>	<b>17</b>
3.2.1 Cash Theft (Cash Suppression) .....	17
<b>3.3 PSP Sector .....</b>	<b>18</b>
3.3.1 Attempted and Successful/Loss PSP Fraud Values. ....	18
<b>4.0 SUMMARY OF FRAUD COUNT IN BANKS, SDIs AND PSPs SECTORS .....</b>	<b>20</b>
<b>5.0 INITIATIVES BY THE BANK OF GHANA TO ADDRESS FRAUD .....</b>	<b>21</b>
<b>6.0 DIRECTIVES FOR BANKS AND SDIs .....</b>	<b>21</b>
<b>7.0 DIRECTIVES FOR PSPs.....</b>	<b>22</b>
<b>8.0 APPENDIX .....</b>	<b>24</b>
8.1 Definition of Fraud Types.....	24

# BANK OF GHANA NOTICE NO. BG/GOV/SEC/2023/08

## List of Figures

Figure 1: Proportion of Fraud Type to Total Fraud Count .....	8
Figure 2: Percentage Change in Loss Values from 2021-2022 .....	12
Figure 2.1: Loss Values for 2021 and 2022.....	12
Figure 3: Staff Involvement.....	14
Figure 4: Forgery and Manipulation of documents success rate.....	15
Figure 5: Success Rate of Suppression Fraud .....	17
Figure 6: PSPs Reported Fraud 2021/2022 .....	19
Figure 7: Fraud Count Reported by PSPs, Banks and SDIs.....	20

## List of Tables

Table 1: Count of Fraud Cases.....	7
Table 2: Submissions per Sector (Count and Percentage) .....	10
Table 3: 2022- and 2021-Year Fraud Statistics.....	13

PUBLIC

# **BANK OF GHANA NOTICE NO. BG/GOV/SEC/2023/08**

## **EXECUTIVE SUMMARY**

The Fraud Report, published by the Bank of Ghana seeks to inform the general banking public of fraud trends. The report reflects trends in fraud typologies observed in relation to services provided by Banks, Specialized Deposit-Taking Institutions (SDIs) and Payment Service Providers (PSPs), and measures Bank of Ghana is taking to address them and promote the integrity of the banking system.

The year 2022 recorded 2998 cases of attempted fraud cases for the banking and SDI sectors, as compared to 2347 cases in 2021, representing a 27.74% increase.

Total loss value recorded in 2022 stood at approximately GH¢56million as compared to approximately GH¢61million in 2021. This shows a 7.88% decrease from 2021.

The major drivers (top five) fraud typologies that impacted most of the institutions in the sector included **forgery and manipulation of documents, fraudulent withdrawals, cheque fraud, cyber/email and cash theft (cash suppression)**.

Forgery and manipulation of documents emerged as the prominent fraud typology. This type of fraud recorded the highest loss of **GH¢33million**.

Another fraud typology which was also on the increase is fraudulent withdrawal. This typology involved money fraudulently withdrawn from customers' account resulting in losses totalling GH¢7million. Most of the cases recorded in this fraud type had the involvement of staff of banks and SDIs. Cheque fraud also accounted for a loss value of GH¢5million. The most common modus operandi in cheque fraud was cloned cheques.

While staff involvement in fraud persists, the numbers have started trending downwards as a result of strict sanctions imposed by Bank of Ghana and strong advocacy for improved controls by the sector institutions. The fraud cases involving staff decreased to 188 in 2022, as compared to 278 in 2021. Most of the incidents recorded involving staff had to do with cash theft (cash suppression)

## **BANK OF GHANA NOTICE NO. BG/GOV/SEC/2023/08**

from customers' accounts and happened to be a very common fraud typology in the Rural and Community banking sector.

The PSP sector also experienced some attempted fraud and associated losses due to the increasing usage by consumers of electronic channels for transactions. The PSP sector reported a significant number of mobile money fraud incidents and loss values in 2022. Although fraud incidents reduced marginally in 2022 comparatively, the loss values reported were higher than that of 2021. PSPs recorded 12,166 mobile money related fraud incidents in 2022 compared to 12,350 incidents in 2021, indicating a 1% decrease. The total value of fraud reported by PSPs for 2022 amounted to GH¢ 27 million, which is significantly higher than the value of GH¢ 14.2 million recorded in 2021. The total loss value showed a percentage increase of 47%. The total E-Money related loss recorded by PSPs in 2022 amounted to approximately GH¢26 million, a huge jump of 103% from GH¢12.8million in the previous year.

The report concludes with directives for the Banking, SDIs and PSP sectors to help in the fight against fraud.

# **BANK OF GHANA NOTICE NO. BG/GOV/SEC/2023/08**

## **1.0 INTRODUCTION**

As part of its role as the regulator and supervisor of the banking sector and payment systems in Ghana, Bank of Ghana assesses current fraud trends in banks, SDIs and PSPs. Consequently, and in line with its statutory powers, Bank of Ghana takes measures to help stem the tide in the banking, SDIs and PSPs sectors to promote financial integrity.

The Bank of Ghana collates data on attempted and successful fraud incidents from banks, SDIs and PSPs. Regulated institutions that do not record any fraud incidents, submit “Nil” returns monthly to the Bank of Ghana to help determine the number of institutions that are tracking fraud incidents.

Data collated from the three sectors (banks, SDIs and PSPs) indicate that the count of fraud cases recorded for 2022 was 15,164 and a total loss value of approximately GH¢82 million. The chapters below are organized as follows: (a) Fraud trends in banks and SDIs (b) Sectoral Fraud Trends and Analysis; (c) Summary of fraud count in banks, SDI and PSPs sectors; (d) Initiatives by Bank of Ghana to Address Fraud in the sector; (e) Directives for Banks and SDIs; (f) Directives for PSPs.

## **2.0 FRAUD TRENDS IN BANKS AND SDIs**

### **2.1 Count of Reported Fraud Cases**

All banks and SDIs under the Bank of Ghana are required to report cases of fraud as and when it happens. The institutions are also required to submit a ‘Nil return’ when no fraud is recorded in a particular month.

Tables 1 compares the count of fraud incidents reported by banks and SDIs for 2021 and 2022. Fraud increased by 651 in 2022 with respect to 2021, representing an increase of 27.74% in year-on-year terms.

## BANK OF GHANA NOTICE NO. BG/GOV/SEC/2023/08

The table also presents the fraud types , as captured by data submitted to Bank of Ghana. With respect to 2022, the top five (5) fraud categories are **Cash theft (cash suppression), Cyber/email, Fraudulent withdrawals, Impersonation and E-Money frauds, in descending order.**Cash theft (cash suppression) was the highest recorded fraud type, which was predominantly in the Rural and Community banking sector. The year 2022 saw a 6.01% increase from 1,530 in 2021 to 1,622.

Cyber/email fraud also saw an upsurge in the number of cases recorded in 2022. The number of cases recorded rose to 422 in 2022, as compared to 50 cases recorded in 2021, an increase of 744%.

The year 2022 saw an increase in the incidence of fraudulent withdrawals from customers' account as compared to 2021. The number of fraudulent withdrawal cases reported increased from 19 cases in 2021 to 347 cases in 2022, a 1726.32% increase, year-on-year terms.

Another emerging fraud typology which recorded a number of cases in 2022 is impersonation. Impersonation saw an increase from 20 cases in 2021 to 285 cases in 2022, an increase of 1325% in year-on-year terms.

E-money recorded 149 cases in 2022, as compared to 116 cases recorded in 2021, an increase of 28.45% in year-on-year terms.

**Table 1: Count of Fraud Cases**

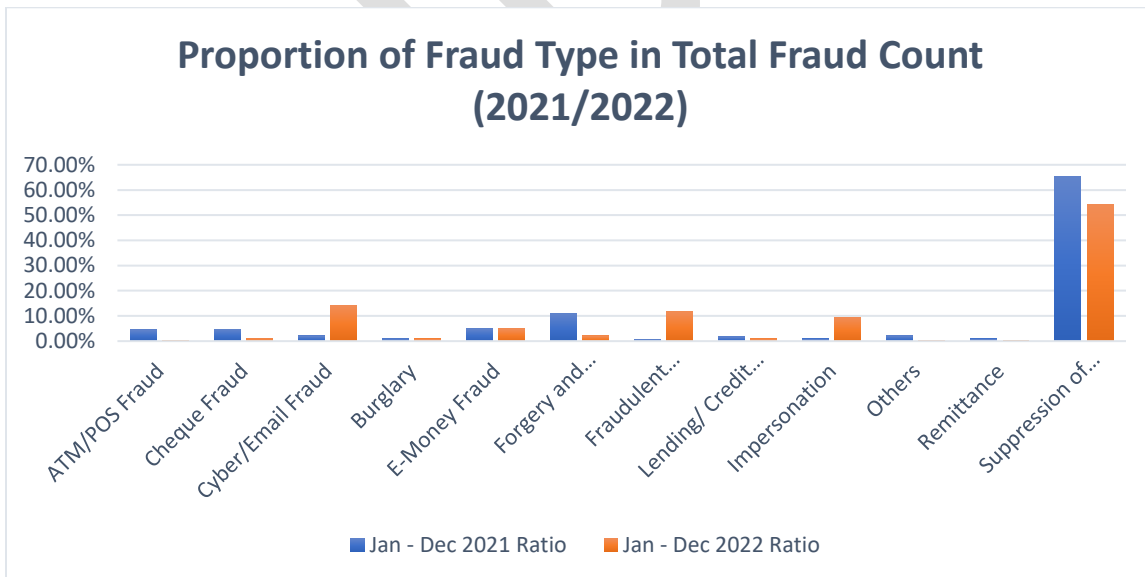
Fraud Type	January to December 2022	January to December 2021	Y-o-Y Change in 2022 (%)
Cash theft(Cash Suppression)	1622	1530	6.01
Cyber - Email fraud	422	50	744
Fraudulent Withdrawals	347	19	1726.32
Impersonation	285	20	1325
E-money	149	116	28.45
Forgery and manipulation of Docs	62	255	(75.69)
Cheque Fraud	32	113	(71.68)

## BANK OF GHANA NOTICE NO. BG/GOV/SEC/2023/08

Lending/credit fraud	29	43	(32.56)
Burglary	27	23	17.39
Others	13	52	(75)
ATM POS	9	106	(91.51)
Remittance	1	20	(95)
<b>Total</b>	<b>2,998</b>	<b>2,347</b>	<b>27.74</b>

**Figure 1** below shows the share of fraud count per fraud type to total cases reported by banks and SDIs for the years 2021 and 2022. Cash theft (cash suppression) remains the dominant fraud type accounting for more than 54% for both 2021 and 2022. Cash theft (cash suppression) basically involves staff who received funds on behalf of their customers and refused to credit same into the accounts of the customers. This is prevalent in the rural and community banks due to weak internal control systems.

**Figure 1: Proportion of Fraud Type to Total Fraud Count**





## **BANK OF GHANA NOTICE NO. BG/GOV/SEC/2023/08**

### **2.2 Submission of Fraud Reports (By Sector)**

Banks and SDIs are required to submit these statutory returns, however, some institutions are distressed and therefore renege on their commitments.

**Table 2** shows the statistics of fraud report submissions per sector for 2021 and 2022, and year-on-year changes. Banks continued to maintain submission rate of 100%

The same rural and community banks-111 submitted fraud data in 2022 and 2021 as against the 144 licensed institutions.

Out of the 132 licensed microfinance institutions, only 29 institutions submitted fraud reports for the year 2022, indicating a marginal drop from 34 submissions in 2021.

The savings and loans sector has 26 licensed institutions out of which 14 submitted fraud returns. This is a slight improvement from 13 institutions recorded in 2021.

The year 2022 saw a slight improvement in the number of finance houses that submitted fraud reports. In the year under the review the number increased to 5, as compared to 2 in 2021.

Bank of Ghana will continue to ensure that institutions submit prompt fraud reports when they occur.

## BANK OF GHANA NOTICE NO. BG/GOV/SEC/2023/08

**Table 2: Submissions per Sector (Count and Percentage)**

Type of Institutions	Reporting Institutions		
	Number Reported in 2021	Number Reported in 2022	Y-o-Y Change
<b>Commercial Banks</b>	23	23	0.00%
<b>Finance Houses</b>	2	5	150.00%
<b>Microfinance Companies</b>	34	29	-14.71%
<b>Rural and Community Banks</b>	111	111	0.00%
<b>Savings and Loans Companies</b>	13	14	7.69%
<b>TOTAL</b>	<b>183</b>	<b>182</b>	<b>-0.55%</b>

### 2.3 Attempted and Successful Fraud Values in the Banking and SDI Sector

The year 2022 recorded significant attempted fraud with loss value of GH¢165 million. Out of this amount the actual total loss was approximately GH¢56 million, compared to GH¢61 million in 2021, a decrease of 7.83% year-on-year.

Table 3 below shows total attempted and successful fraud values for 2022 and 2021.

The five topmost fraud incidents with respect to loss value in 2022, ranking from the highest are:

1. Forgery and manipulation of documents,
2. Fraudulent withdrawals,
3. Cheque fraud,
4. Cyber/Email,
5. Cash theft (Cash suppression).

1. Forgery and manipulation of documents refer to the creation or altering of a document with the intent to defraud someone. It is also the process of modifying, reordering, or decoding of information with human intervention.

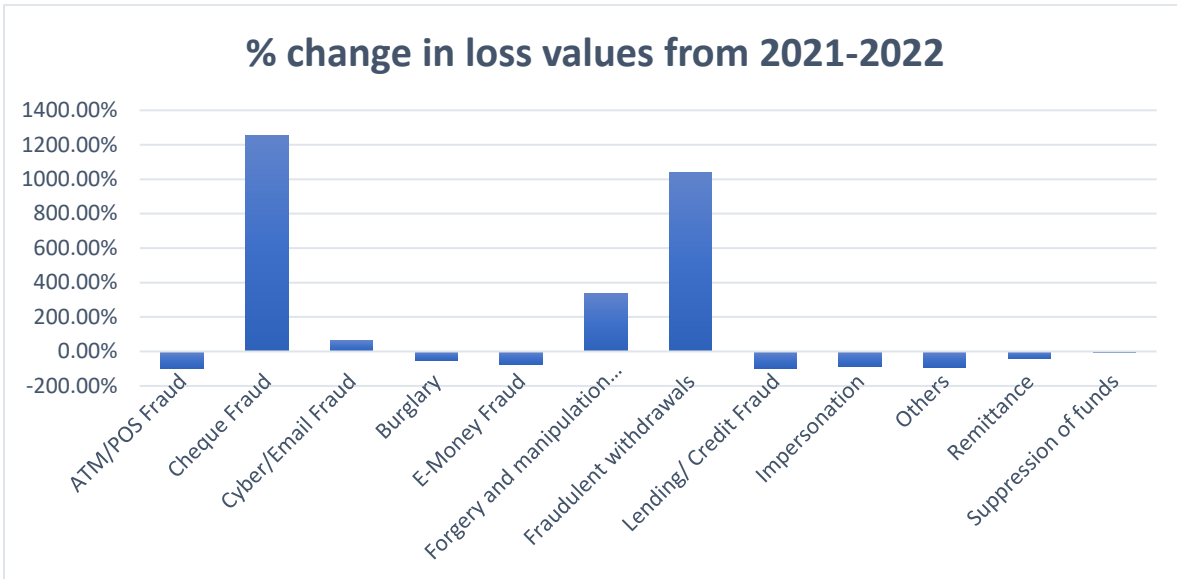
## **BANK OF GHANA NOTICE NO. BG/GOV/SEC/2023/08**

Forgery and manipulation of document recorded the most losses in 2022. The attempted incidents stood at GH¢34 million and a loss value of approximately GH¢33 million. This is a significant increase of 334.99 % from GH¢7 million in 2021.

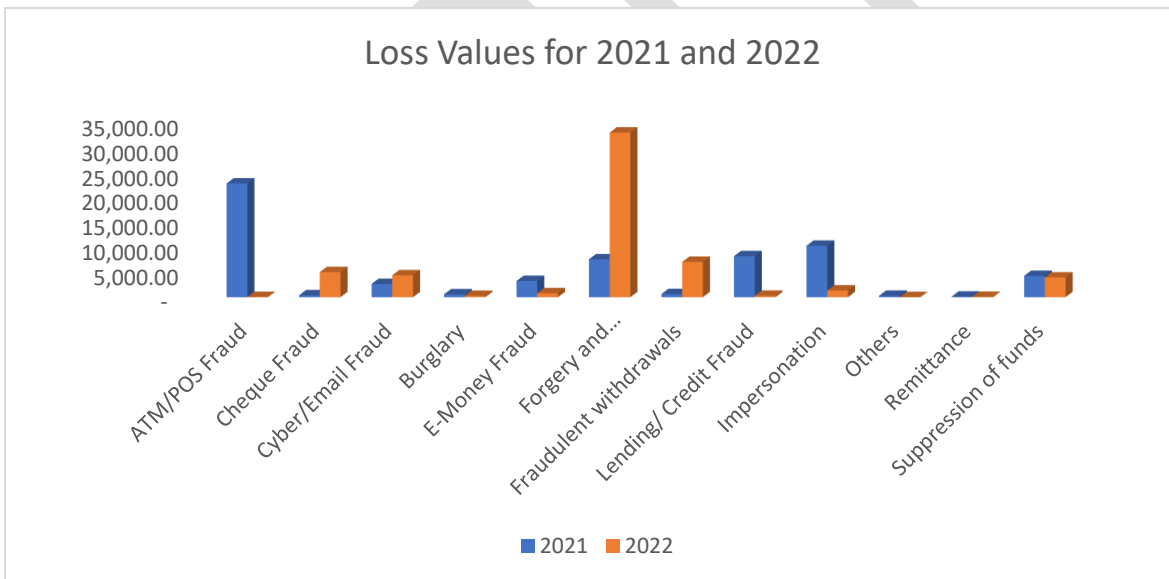
2. Fraudulent withdrawals refer to unauthorized access to the accounts and wallets of clients. Fraudulent withdrawal recorded a loss of GH¢7 million for the period under review. This figure is a significant jump from the loss value of GH¢0.62 million recorded in 2021. This shows a 1039.09% increase in 2022.
3. Cheque fraud refers to the unlawful use of cheques for the purpose of acquiring funds illegally. Cheque fraud also recorded some significant losses. Most of the cases recorded in 2022 were issues of cloned cheques. The fraud loss recorded in 2022 was GH¢5 million as compared to GH¢0.62 million in 2021, representing an increase of 1254.46%.
4. Cyber-email fraud refers to malicious emails that aims to trick recipients into giving up sensitive information such as bank accounts and passwords. Cyber/email fraud recorded a loss of GH¢4.3 million in 2022 as compared to GH¢2.6 million in 2021, an increase of 65.55%.
5. Cash theft (cash suppression) refers to the process of concealing and diverting cash deposits or cash received from a customer. Cash theft (Cash suppression) remain high, though in terms of percent change it recorded a 7.12 % decrease. Despite efforts being made by banks and SDIs to curb this menace, more needs to be done.

# BANK OF GHANA NOTICE NO. BG/GOV/SEC/2023/08

**Figure 2: Percentage Change in Loss Values from 2021-2022**



**Figure 2.1: Loss Values for 2021 and 2022**



## BANK OF GHANA NOTICE NO. BG/GOV/SEC/2023/08

**Table 3: 2022- and 2021-Year Fraud Statistics**

FRAUD TYPES	Jan-Dec 2021			Jan-Dec 2022			Percentage Change in Loss Values from 2021 to 2022
	Reported Fraud Values (GH¢'000)	Recovered Values (GH¢'000)	Successful/ Loss Values (GH¢'000)	Reported Fraud Values (GH¢'000)	Recovered Values (GH¢'000)	Successful/ Loss Values (GH¢'000)	
ATM/CARD Fraud	23,395.7	545.04	22,850.67	96.25	61.93	34.32	(98.85%)
Cheque Fraud	473.57	101.35	372.22	5,345.36	303.81	5,041.55	1254.46%
Cyber & E-mail Fraud	3,251.78	596.8	2,654.98	68,699.83	64,304.51	4,395.32	65.55%
E-Money Fraud	4,071.5	827.38	3,244.12	8,929.84	8,142.46	787.39	(75.73%)
Forgery & Manipulation of documents	53,256.32	45,652.77	7,603.55	34,438.68	1,363.79	33,074.89	334.99%
Fraudulent withdrawals	1,227.96	605.93	622.04	8,686.68	1,601.13	7,085.55	1039.09%
Lending/ Credit Fraud	10,125.04	1,899.22	8,225.81	342.99	67.85	275.14	(96.66%)
Impersonation	11,439.69	1,117.44	10,322.25	1,379.10	39.91	1,339.18	(87.03%)
Cash Theft (Suppression of Cash)	5,569.57	1,302.51	4,267.06	4,942.32	978.96	3,963.36	(7.12%)
Burglary	596.91	23.5	573.41	266.96	5.25	261.71	(54.36%)
Remittances	139.68	25.95	113.73	65.6	-	65.60	(42.32%)
Others	450.74	164.99	285.76	32,209.99	32,184.37	25.62	(91.03%)
<b>Total</b>	<b>113,998.45</b>	<b>52,862.86</b>	<b>61,135.59</b>	<b>165,403.6</b>	<b>109,053.97</b>	<b>56,349.63</b>	<b>(7.83%)</b>

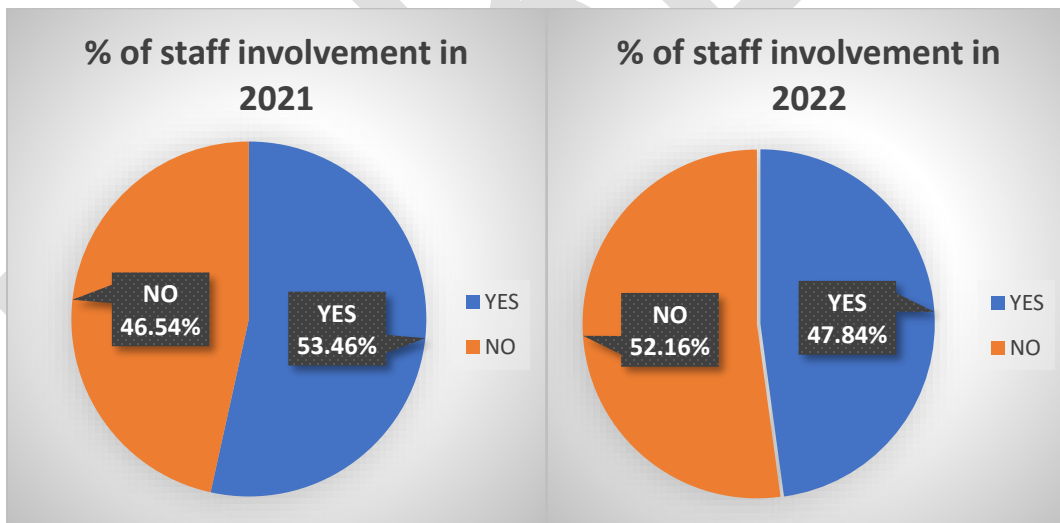
# BANK OF GHANA NOTICE NO. BG/GOV/SEC/2023/08

## 2.4 Staff Involvement in Fraud

There has been a significant decline in the level of staff involvement in fraud committed at the financial institutions. This is largely as a result of constant improvement in the internal controls of Banks and SDIs. Another factor is the stiff punishment that has been meted out by the courts to the culprits which has served as a deterrent to others. Banks and SDIs have also been admonished to undertake proper background checks of all prospective temporary and permanent employees.

**Figure 3** below shows the rate of staff involvement in reported fraud cases for the period under review. The year 2022 has seen a marginal reduction in the percentage of staff involvement to 47.84% from 53.46%.

**Figure 3: Staff Involvement**



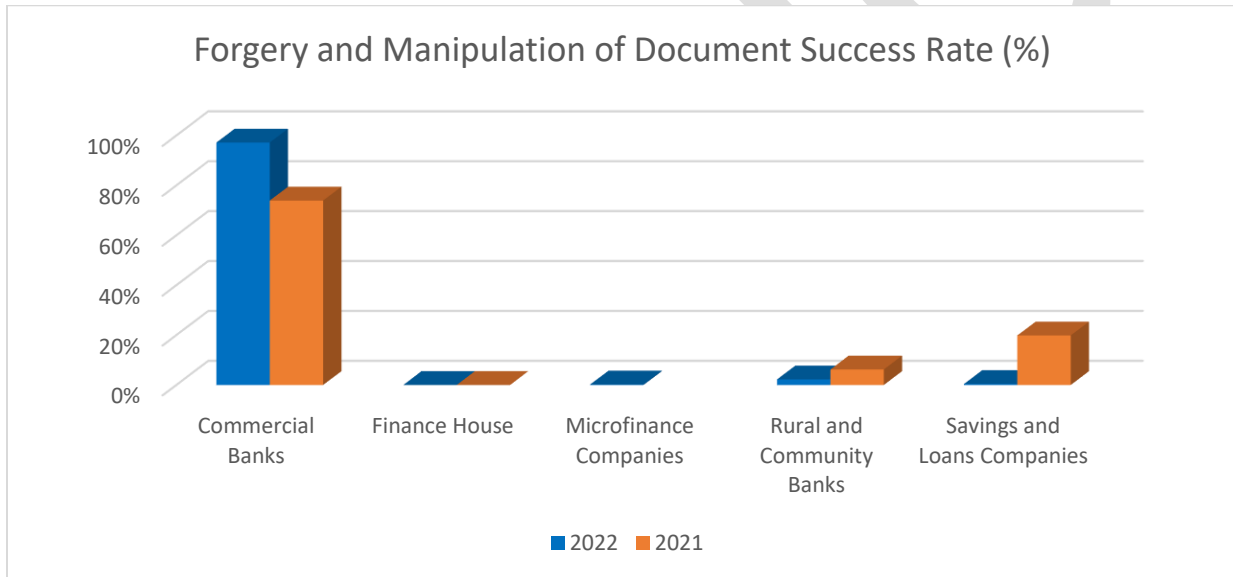
### **3.0 SECTORAL FRAUD TRENDS AND ANALYSIS**

#### **3.1 BANKING SECTOR**

##### **3.1.1 Forgery and Manipulation of documents**

The total loss as a result of forgery and manipulation of documents in the year 2022 stood at GH¢33 million. Out of this, universal banks (commercial banks) booked a loss of GH¢32 million. This accounted for 97% of the total loss recorded.

**Figure 4: Forgery and Manipulation of documents success rate**



##### **3.1.2 Fraudulent withdrawals**

The year 2022 saw an increase in this fraud trend in the banking sector. This fraud trend is the fraudulent withdrawals on accounts of customers. Data collated indicates that a system error within one of the financial institutions accounted for a significant portion of this fraud.

The data indicates that fraudulent withdrawals recorded a loss of GH¢ 7 million in 2022 as compared to GH¢0.62 million recorded in 2021. The banking sector

## **BANK OF GHANA NOTICE NO. BG/GOV/SEC/2023/08**

accounted for the highest success rate of 98%. The savings and loans sector followed with a success rate of 2%.

### **3.1.3 Cheque Fraud**

Cheque fraud has come up strongly in the recent past with various approaches being deployed by the fraudsters to commit this fraud. Ghana currently has just two cheque printers who have established very stringent internal controls to curb cheque fraud, especially cloned cheques.

Data collated indicates that majority of the loss emanated from the universal banking sector. Out of the total loss of GH¢ 5.1 million recorded in 2022, universal banks recorded a loss of GH¢ 5million with the rural and community banking sector incurring the rest of the loss.

This is a significant increase from the 2021 figure of GH¢0.37 million, a 1,254.46 % increase.

### **3.1.4 Cyber/email fraud**

Cyber/email fraud has in recent time been a topical issue in the financial sector. This led to the issuance of the Bank of Ghana Cyber and Information Security Directive in 2018. Cyber-crime poses a serious threat to the robustness of the financial sector.

Due to the nature and sophistication of this fraud, the universal banks were mainly affected by it. The amount of loss increased from GH¢2.6 million in 2021 to GH¢4.3 million in 2022, an increase of 65.55%.



### **3.2 SDI SECTOR**

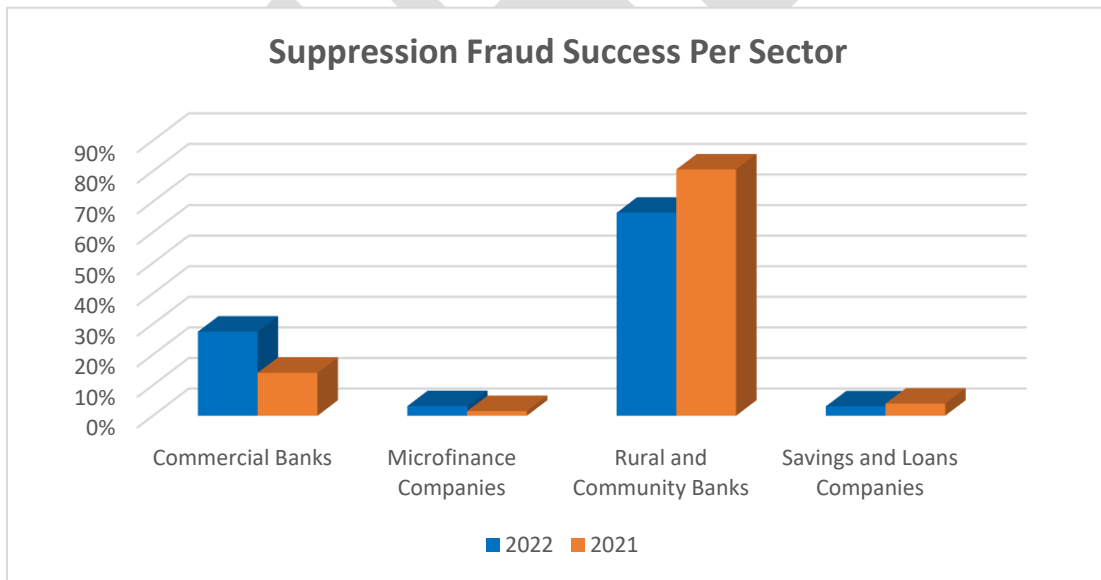
#### **3.2.1 Cash Theft (Cash Suppression)**

The issue of cash theft (cash suppression) continues to be on the increase in the SDI sector. Most of the cases reported emanates from the rural and community banking sector.

Cash theft (cash suppression) recorded a loss of GH¢3.9 million in 2022. This is a 7.12% decrease from 2021. The count of cash theft (cash suppression) incidents went up in 2022, however, there was a decrease in the loss value recorded.

**Figure 5:** Shows the success rate of cash theft (cash suppression) in the banking and SDI sector.

**Figure 5: Success Rate of Suppression Fraud**



### **3.3 PSP Sector**

PSP fraud refers to fraud reported by payment service providers and all fraud reported by PSPs were mobile money related fraud. The two main types of mobile money fraud reported by PSPs were transfers made to the wrong person and cash reversals. PSPs recorded 12,166 mobile money related fraud incidents in 2022.

Wrong transfers refer to instances where a victim inadvertently transfers money meant for a particular recipient to a wrong mobile money wallet. The recipient immediately cashes out the money before the transaction can be reversed by the PSP.

Cash Reversal occurs when a fraudster calls to demand reversal of a transaction from a victim after sending a fictitious mobile money credit notification to the victim's phone. The fraudsters then convince the victims that they have mistakenly been credited money to their account and appeal to be refunded. The victims on seeing the message and without checking the balances in their mobile money wallets, send the amount as indicated in the fake credit messages, only to realize later that no money has actually been credited to them in the first place.

The year 2022 recorded a value of GH¢1 trillion e-money transactions and the volume of e-money transactions stood at 5 billion. In 2021, the value of e-money transactions stood at GH¢ 978.32 billion while the volume of e-money transactions stood at 4.25 billion.

There is a growing usage of e-money among Ghanaians and therefore the need for stakeholders to develop adequate fraud mitigation tools to help curb fraud.

#### **3.3.1 Attempted and Successful/Loss PSP Fraud Values.**

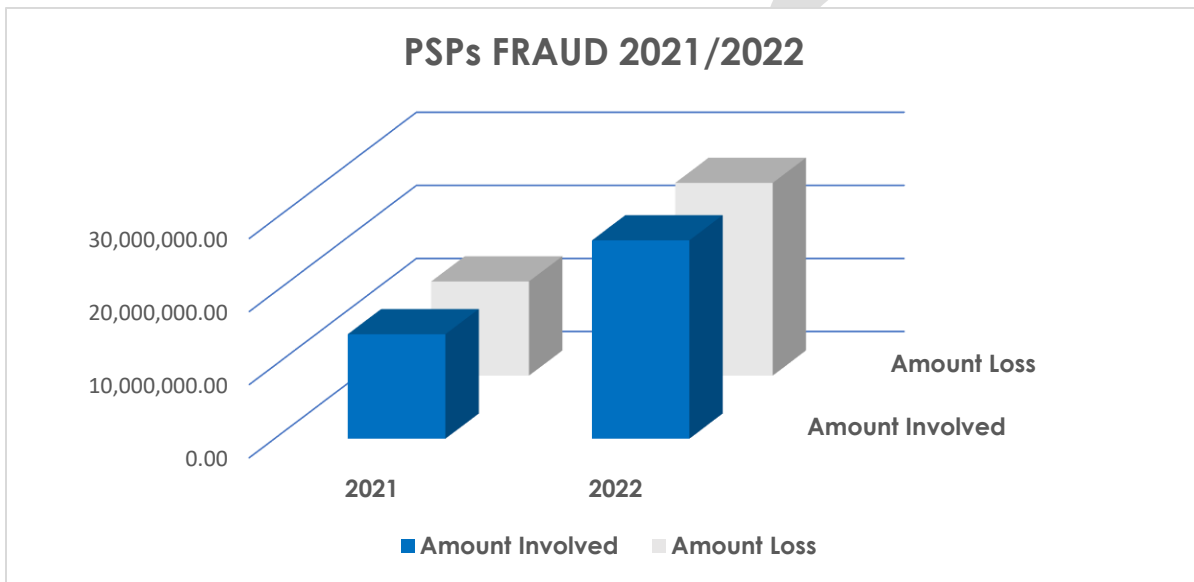
**Figure 6** below shows the monthly number of mobile money fraud incidents reported by PSPs for the year 2022. The total loss value of fraud reported by PSPs

## BANK OF GHANA NOTICE NO. BG/GOV/SEC/2023/08

for 2022 amounted to GH¢27 million. Out of which some recoveries were made, reducing the actual loss to approximately GH¢26 million.

The value of loss in 2022 increased significantly as compared to a loss of GH¢12 million in 2021. This represents an increase of 117%.

**Figure 6: PSPs Reported Fraud 2021/2022**



Mobile money fraud registered 12,166 cases in the year 2022, as against 12,350 cases recorded in 2021, indicating a marginal decrease.

Mobile money fraud has become very predominant, especially, to the vulnerable who mostly are unable to read. There is also a lack of attention to security by most people in using the mobile money application. Also a general lack of security awareness has largely contributed to victims easily falling prey to fraudsters. The Bank of Ghana has however engaged the financial entities to put in stringent measures to mitigate the impact of this fraudulent activity.

Some users of mobile money do not periodically change their PIN making them easily prone to fraudsters. The aged and uneducated users of mobile money are not very conversant with the application. They would usually handover the phone

## BANK OF GHANA NOTICE NO. BG/GOV/SEC/2023/08

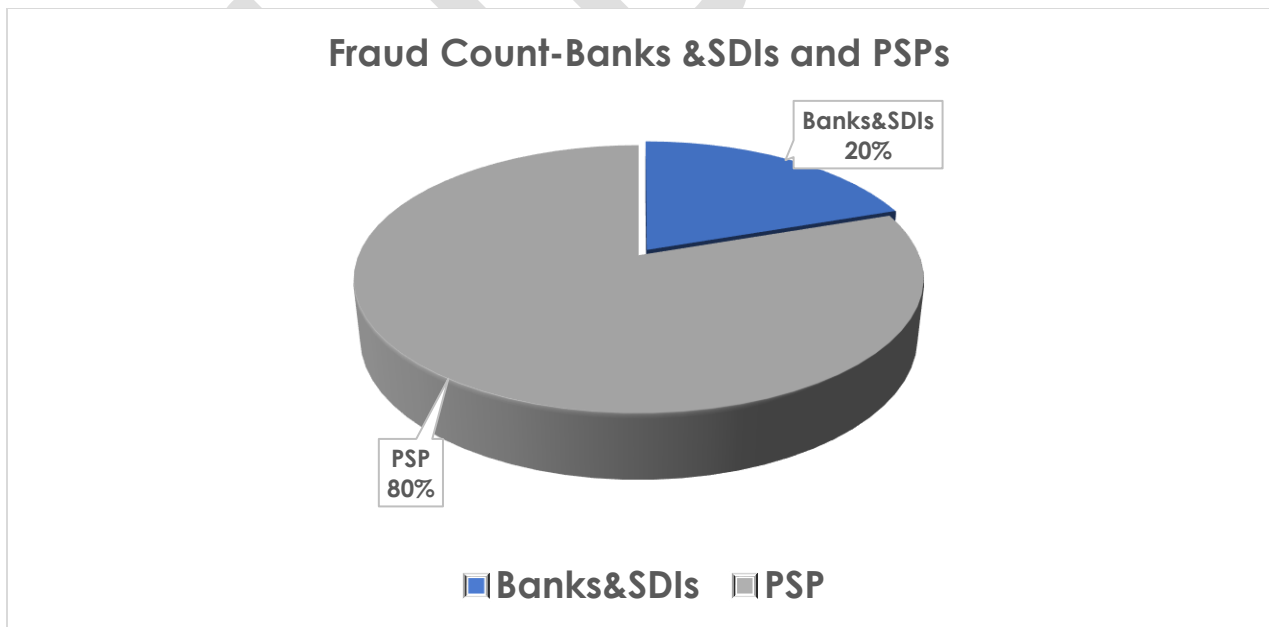
to other people to do transactions on their behalf. Their PINs are compromised since they have to give it out to a third party to do the transaction.

There is the need to undertake major sensitization on some targeted customers of mobile money. The sensitization programmes should be in multiple local languages to enable the vulnerable, in particular, and the public in general to appreciate it.

### 4.0 SUMMARY OF FRAUD COUNT IN BANKS, SDIs AND PSPs SECTORS

**Figure 8** below gives an overview of fraud count reported by banks, SDIs and PSPs regulated by the Bank of Ghana for the year 2022. Over this period the total number of fraud incidents recorded was 15,164. Out of this number, the PSP sector recorded 12,166 cases, representing 80% of the total fraud count, while the banks and SDIs reported 2,998 cases representing 20% of the total fraud count.

*Figure 7: Fraud Count Reported by PSPs, Banks and SDIs*



## **BANK OF GHANA NOTICE NO. BG/GOV/SEC/2023/08**

### **5.0 INITIATIVES BY THE BANK OF GHANA TO ADDRESS FRAUD**

- The Bank of Ghana will intensify sensitization programmes in person and on television/radio shows to educate and sensitize the public to improve the public's understanding of financial matters as well as their rights and responsibilities.
- The Bank of Ghana through the Committee for Cooperation between Law Enforcement Agencies and the Banking Committee (COCLAB) will continue to engage the Law Enforcement Agencies to deal with the prosecution of persons involved in fraud.

### **6.0 DIRECTIVES FOR BANKS AND SDIs**

- Banks are directed to immediately communicate fraud cases in their institutions to the Bank of Ghana and the Ghana Association of Banks to alert all others on the approaches deployed to avoid recurrence.
- Banks and SDIs are directed to increase the level of fraud sensitization to their customers.
- Banks and SDIs are directed to constantly review the adequacy and operating effectiveness of their risk management (credit risk) and internal control frameworks to detect fraud and other financial crimes within their institutions.
- Banks and SDIs are directed to report financial crime including all cash theft (cash suppression) cases to the Ghana Police Service and update the Bank of Ghana until the case is closed.

## **BANK OF GHANA NOTICE NO. BG/GOV/SEC/2023/08**

- Banks and SDIs that use mobile applications and internet banking platforms are directed to enable a multi-factor authentication code for their applications to help protect customers.
- Banks and SDIs are directed to continuously train their staff to help identify and fight fraud.
- Banks and SDIs are directed to ensure the independence of the internal audit functions to provide independent assurance to the Board on the effectiveness of the risk management, internal controls and corporate governance structures of the institutions.
- Banks and SDIs are directed to strengthen their ethical codes of conduct by improving the tone at the top and ensuring compliance with the requirements of the ethical values of the institutions.

### **7.0 DIRECTIVES FOR PSPs**

- **Education:** PSPs have been directed to set targets to achieve annual educational plans on the use and know-how of digital payment products/services offered to the general public and players in the ecosystem (Public Awareness Campaigns).
- **Surveillance:** PSPs have been directed to build capacity to implement an enhanced surveillance process to check the activities of agents who serve customers to reduce fraud on the field or point of sales.
- **Technology Compliance:** PSPs have been directed to implement internal controls, practices and standards to ensure safe technology deployments,

## **BANK OF GHANA NOTICE NO. BG/GOV/SEC/2023/08**

i.e. Strict user access management process and password policies, user logs management and fraud management processes.

- **Strict Punitive Measures against Agent and Subscriber Culprits:** PSPs have been directed to share fraud information amongst themselves to ensure fraudulent actors are blocked across all service providers' platforms, to reduce the risk of fraud re-occurrence.

PUBLIC

## BANK OF GHANA NOTICE NO. BG/GOV/SEC/2023/08

### 8.0 APPENDIX

#### 8.1 Definition of Fraud Types

FRAUD TYPE	DEFINITION
<b>ATM/Card fraud</b>	ATM fraud refers to the fraudulent use of ATM cards or ATM personal identification numbers (PIN) to withdraw money from another person's account or stealing directly from the ATM machine by breaking into the machine. Card fraud refers to the fraudulent use of another person's debit card number and PIN to withdraw cash from the victim's account or make unauthorized purchases.
<b>Burglary</b>	Burglary refers to the illegal entry into a building with the intention of stealing.
<b>Cheque fraud</b>	Cheque Fraud refers to the unlawful use of cheques for the purpose of acquiring funds illegally
<b>Cyber-email fraud</b>	Cyber-email fraud refers to the act of tricking the email recipient into believing that the mail was sent from the actual sender
<b>E-Money fraud</b>	E-Money fraud refers to unauthorized withdrawal of electronic money from the wallet of financial institutions, mobile money operators and individuals
<b>Fraudulent withdrawals</b>	Fraudulent withdrawals refer to unauthorized access to the accounts and wallets of clients
<b>Forgery and manipulation of documents</b>	Forgery and manipulation of documents refers to the creation or altering of a document with the intent to defraud someone
<b>Impersonation</b>	Impersonation refers to the act of pretending to be another person for the purpose of fraud
<b>Lending/Credit fraud</b>	Lending/Credit fraud refers to the unauthorized use of one's personal information to obtain credit to purchase goods and services
<b>Remittance fraud</b>	Remittance fraud refers to the act of criminals manipulating the international money transfer systems to defraud others



**BANK OF GHANA NOTICE NO. BG/GOV/SEC/2023/08**

<b>Cash theft (Cash suppression of cash and deposits)</b>	Cash theft/Suppression of cash refers to the process of concealing and diverting cash deposits or cash received from a customer
---	---

**(SGD.)  
SANDRA THOMPSON (MS.)  
THE SECRETARY**

**14<sup>TH</sup> JUNE 2023**

**PUBLIC**