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CREDIT CARD SCANDAL IN BANGLADESH

Major Incidents, Impact, and Prevention Measures

Background

- Growth in credit card use in Bangladesh.
- Dual-currency cards allow international purchases.
- Growing fraud risk with increased adoption.

Major Scandals and Incidents

- Sikder Family (2021–2022): Spent \$10M+ using credit cards, National Bank fined.
- 2024: Dual-currency fraud using social media data.
- 2022: ATM ring arrested with cloned cards (Turkish national).
- 2018: POS data skimmed in Banani; City Bank reimbursed customers.
- 2018: DBBL ATM booth hacked by Ukraine nationals
- 2022: Hackers loaded funds from stolen Visa/Mastercard into bKash.

Fraud Mechanisms

- Card cloning through skimming devices at ATMs/POS.
- Exploitation of dual-currency features and data leaks.
- Weak security and insider access in banks.

Consequences & Enforcement

- National Bank fined; Sikder family banned from card usage.
- Fraud gangs arrested by CID and Detective Branch.
- Banks pushed to enhance card security and monitoring.

Impact on Consumers

- Loss of funds and unauthorized transactions.
- Increased concern over card usage safety.
- Banks faced pressure for transparency and protection.

Bank and Regulator Responses

- Bangladesh Bank mandates chip cards, 2FA, OTP.
- Banks adopted AI/ML for fraud detection.
- Faster reimbursement and customer education programs.

Lessons & Recommendations

- Phase out magnetic stripe cards completely.
- Use biometric/MFA for high-value transactions.
- Strengthen fraud awareness for customers.
- Audit internal bank systems and access control.