Rising Frauds

Customers do not follow best practices
- Physical card / cheques not maintained securely
- Saving card details on public / shared systems
- Sharing card details to other or keeping details easily accessible to others.
- Not following the guidelines for card usage at ATMs and POS

Merchants do not follow strict data sanctity checks
- Verification of the card at shops, malls and hotels
- Payment gateways / service providers not verifying the patterns
- No verification at ATM's while withdrawals

Inability to identify or take actions on fraudulent transactions

Customers do not bring fraudulent transactions to the bank's notice on time
- Identifying and reporting the fraud is not easier
- The timings when the fraud happens are not customer active time
- Sometime customers don't receive appropriate notifications

Bank not able to identify the fraudulent transactions from the pattern of transactions and not declining the payments

Banks are lagging behind in terms of the technological advancements used in the industry. They do not have a fraud detection AI/ML model set up to identify such transactions so that alerts can be sent only to specific customers
- Not spending much on AI / ML intiatives
- Not performed cost benefit analysis

Banks do not send alerts to notify customers about every transaction
- SMS Alert for every transaction is not sent
- ATMs / POS terminals do not have OTP Systems available
- Timely emails are not sent on every transaction