



CENTRAL BANK OF NIGERIA

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BANKING AND PAYMENTS SYSTEM DEPARTMENT

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TO ALL DEPOSIT MONEY BANKS, SWITCHES AND PAYMENTS SERVICE PROVIDERS

ESTABLISHMENT OF INDUSTRY FRAUD DESKS

The Central Bank of Nigeria, in furtherance of its efforts at combating fraud within the Banking Industry, established the Nigeria Electronic Fraud Forum (NeFF) to proffer solutions towards addressing frauds arising from the increased adoption of electronic payments. Following submissions to the Bank by NeFF and consultations with DMBs and electronic payments service providers, it has become imperative that an effective mechanism for receiving and responding promptly to fraud alerts be set up within the Nigerian Banking industry, towards managing and reducing successful electronic payments fraud rate in the Nigerian Banking Industry.

To this end, all DMBs, MMOs, Switches and all payments service providers are hereby directed to maintain a dedicated Fraud Desk in their respective organisations. The Fraud Desk shall be appropriately staffed with personnel that have requisite training on emerging fraud trends on various electronic payments channels. The desk shall, at a minimum, offer the following services:

1. Provide support to customers on electronic frauds with a minimum of 10 dedicated phone lines, manned and available to customers at all times;
2. Make available the option for calls to contact centre, in respect of fraud alerts or complaints, to be redirected to fraud desk;
3. Block and/or Place No Debit restrictions on accounts upon receipt of fraud complaint;
4. Receive customers' stop-transaction instructions to block their accounts through short codes service provided to customers by the banks;
5. Log all customer fraud alert and/or complain and escalate in line with internally predefined escalation path'

6. Submit reports to the Nigeria Inter-Bank Settlement System (NIBSS) Plc on fraud information logged by the fraud desk;
7. Honour "hold" instructions from NIBSS with respect to fraud matters and grant NIBSS permissions to view details on logged transactions
8. Sensitise customers on e-Fraud and Fraud Desk services;
9. Manage/Resolve all intra-bank fraud issues leveraging an enterprise fraud management system
10. Maintain a mail group mapped to members of the fraud desk team.

The Nigeria Inter-Bank Settlement System (NIBSS) Plc shall have responsibility as industry coordinator of the fraud desks across all banks, mobile money operators, switches and payments service providers and shall provide the following services:

1. Provide electronic platform for fraud desks in Banks, MMOs, Switches and Payment Service Providers to log frauds;
2. Maintain direct and dedicated phone lines and email contacts to all banks, mobile money operators, switches and payments service providers' fraud desks for the purpose of exchange of information and coordination of industry response to fraud attempts/incidents;
3. Avail DMBs with an enhanced e-fraud portal/instant payment platform, with capabilities for banks to initiate "block" or "hold funds" electronic messages from a bank's fraud desk to the other;
4. Provide operational rules for the industry coordination of fraud desks and sign Service Level Agreements with DMBs, MMOs, Switches and Payments Service Providers
5. Issue "hold" instructions to any bank with regards to fraud matters and have the account frozen accordingly.

Further to the above:

1. All interbank transactions on all e-channels shall be passed through the central anti-fraud solution in NIBSS;
2. NIBSS shall have access to each bank record of fraudulent transactions and provide monthly reports to CBN

3. Banks shall implement across all electronic channels, an enterprise fraud monitoring system, which ensures behavioural monitoring, patterns and hold/block controls on transactions suspected to be fraudulent, etc. Banks may subscribe to NIBSS' central anti-fraud solution for this purpose.

The provisions of this circular shall take effect from July 1, 2015 and failure to comply shall attract appropriate sanctions.



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