

# FRAUD PREVENTION

## *Strategies for Community Banks*

### FOR YOUR CUSTOMERS

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#### Take advantage and share fraud prevention resources.

- Use the FTC and CFPB fraud prevention guides.
- Educate customers on phishing and scams with ABA's #PracticeSafeChecks and #BanksNeverAskThat.



#### Educate on check fraud and ways to prevent it.

- Use permanent gel pens to prevent check washing.
- Avoid leaving blank spaces on checks.
- Mail checks only from locked mailboxes.



#### Provide guidance on safe debit and credit card usage.

- Encourage customers to use tap-to-pay in stores.
- Caution entering card details on untrusted websites.
- Advise checking ATMs and payment terminals for broken security seals; they could be skimming devices.



#### Discuss ways to improve security measures online.

- Teach customers how to recognize safe and unsafe websites.
- Advise customers to avoid clicking on links on text messages and emails. Tell them to contact the bank to verify the request.



#### Encourage proactive account monitoring.

- Advise customers to regularly check their accounts and set up alerts for unusual transactions.
- Recommend downloading transaction reports to review activity and balance the account.

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### FOR YOUR INSTITUTION

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#### **Strengthen authentication measures.**

- Implement multi-factor authentication for digital banking.
- Require OTPs for high-risk transactions.



#### **Enhance check and payment security.**

- Use Positive Pay to match checks against issued lists.
- Offer stop payment services for suspicious checks.
- Implement dual control measures for large transactions.



#### **Implement strong internal controls.**

- Use permission-based access to limit employee usage.
- Maintain segregation of duties to prevent internal fraud.



#### **Use tools to monitor transactions proactively.**

- Use reports for high volume and high dollar transactions for anomaly detection.
- Generate reports on high-risk customers, as well as dormant, inactive, and locked accounts.



#### **Leverage fraud detection products and services.**

- Partner with your debit card provider and leverage their fraud detection tools.
- Ask your core provider about products and software features the fight fraud.

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At IBT Apps, we tackle fraud head-on with built-in prevention tools in our core and digital banking solutions. Additionally, our partner integrations allow us to offer 360° protection, so you can stay ahead of fraud and safeguard your bank.

Interested in learning about our fraud tools?  
Let's connect at 512-616-1188.