

Focus: Protecting Canadians from Fraud

Focus Sheet

FAST FACTS

- Banks work hard to prevent billions of dollars of crime each year and protect customers from credit and debit card fraud, identity theft, and mortgage and loan fraud to name a few.
- Banks work closely with law enforcement agencies and authorities across the country to help them with their investigations into financial fraud and the prosecution of suspected criminals.
- Very often fraud is committed by highly sophisticated organized crime networks. The proceeds from these and other types of financial fraud fund other illegal activities, including drug and weapons trafficking, prostitution and money laundering.
- The banking industry has an important role to play in protecting customers from fraud and educating consumers about current scams and how they can protect themselves.

The Bottom Line

Banks take fraud very seriously and have highly sophisticated security systems and teams of fraud experts to protect their clients from a variety of financial fraud.

Payment card fraud a serious issue for all Canadians

- Canadians value the choice and the overall reliability and security of their banking and payments systems. They assume, with good reason, that their transactions will be processed efficiently, accurately and securely. That confidence is a key part of a healthy and productive Canadian economy.
- Canadians are among the highest users of debit cards in the world and an average of 12 million debit transactions are processed in Canada every day.
- As for credit cards, there are 75.8 million Visas and Mastercards in Canadian wallets that were used to make more than \$513 billion in purchases in 2018.

- When bank customers are the victims of payment card fraud, banks stand behind them with their zero liability fraud policies.
- In 2018, for example, banks reimbursed customers for more than 860 million dollars in losses as the result of credit and debit card fraud.

How banks protect customers

As major participants in the financial system, banks understand that they have a role to play in ensuring that the Canadian banking and payments systems continue to operate efficiently and securely, and that their customers can make payments and do their banking with confidence. And part of that is protecting their customers from fraudulent transactions.

Banks are constantly upgrading their security systems and procedures to stay ahead of criminals and working with other partners – including law enforcement, governments, and other payment partners – to educate customers, the public and merchants about how to prevent fraud.

Criminals search the Internet for personal information

- The Internet has made it easier than ever to conduct business and manage finances with greater speed, efficiency and convenience.
- It also allows people to communicate with friends and family through social networking sites such as Facebook or Twitter, and the growth in the use of smartphones and tablets allows Canadians to do all that from virtually anywhere.
- Unfortunately, criminals also use the Internet to try to gain access to personal information such as





passwords, personal banking and credit card details and social insurance numbers.

Identity theft is a longstanding issue

- Identity theft, where personal or financial information is stolen to commit financial fraud, is an issue that has long been on the banking industry's radar.
- In 2009, Parliament passed identity theft legislation giving law enforcement agencies the ability to charge criminals for possessing the personal information of others before it can be used for fraud or theft.
- The CBA had long advocated for such legislation and applauded the passage of the bill.

Financial abuse can take different forms

Some seniors have family members or other trusted individuals help them with their financial affairs. Unfortunately, sometimes those trusted individuals try to take control of the senior's money or property. The most common ways this is done is through abuse of powers of attorney or inappropriate use of joint bank accounts.

Financial abuse is unethical and, in many cases, it is also illegal. The CBA has more information about how consumers can protect themselves from financial abuse, including information about powers of attorney and appropriate use of joint accounts [on its website](#).

For more information

The CBA has information about various types of fraud and tips on how consumers can protect themselves at: www.cba.ca/fraud.

Canadians can sign up to receive Fraud Prevention Tips by e-mail at the following link: www.cba.ca/fraudpreventiontips.



Through the CBA's Your Money Students program, volunteer bankers provide money management seminars to local high school student and discuss how to keep their money safe and avoid scams. More information about Your Money Students can be found at www.yourmoney.cba.ca/students.



The CBA offers a free fraud prevention seminar for seniors as part of its Your Money Seniors financial literacy seminar program. More information about Your Money Seniors can be found at www.yourmoney.cba.ca/seniors.

The Canadian Bankers Association is the voice of more than 60 domestic and foreign banks that help drive Canada's economic growth and prosperity. The CBA advocates for public policies that contribute to a sound, thriving banking system to ensure Canadians can succeed in their financial goals.

Canadian Bankers Association www.cba.ca

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