

# **BANKS, SDIs & PSPs 2023 FRAUD REPORT**



**FINANCIAL STABILITY  
DEPARTMENT**

## **TRENDS & STATISTICS**

This report is a definitive overview of various attempted and/or successful fraudulent activities recorded by Ghana's Banking Institutions, Specialized Deposit-Taking Institutions and Payment Service Providers. It presents industry developments during the period 01 January – 31 December 2023.

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## EXECUTIVE SUMMARY

The publication of the annual Fraud Report by the Bank of Ghana (BOG) seeks to create awareness of fraud occurrences and trends identified within the reporting year with the view to promote the soundness and integrity of the banking system. The 2023 report presents fraud typologies observed in relation to services provided by Banks, Specialized Deposit-Taking Institutions (SDIs) and Payment Service Providers (PSPs). The report finally emphasizes measures the BOG is taking to ensure that the identified fraud trends are mitigated.

Data collated from the three sub-sectors (Banks, SDIs, and PSPs) indicated that overall, the count of fraud cases increased to 15,865 in 2023 from 15,164 in 2022, reflecting a 5% rise. These cases corresponded to total loss value of approximately GH¢88 million in 2023 as compared to GH¢82 million in 2022, indicating an increase of about 7%.

Analysis of the 2023 data showed that fraud heightened in fraudulent withdrawals from victims' accounts, cyber/email fraud, and cash theft (cash suppression). Another area of concern is SIM swap related fraud, where SIM numbers linked to banking accounts are fraudulently taken over and monies subsequently withdrawn from the accounts. This form of fraud targets individuals who have banking applications on their mobile phones and have linked their bank accounts to mobile money wallets.

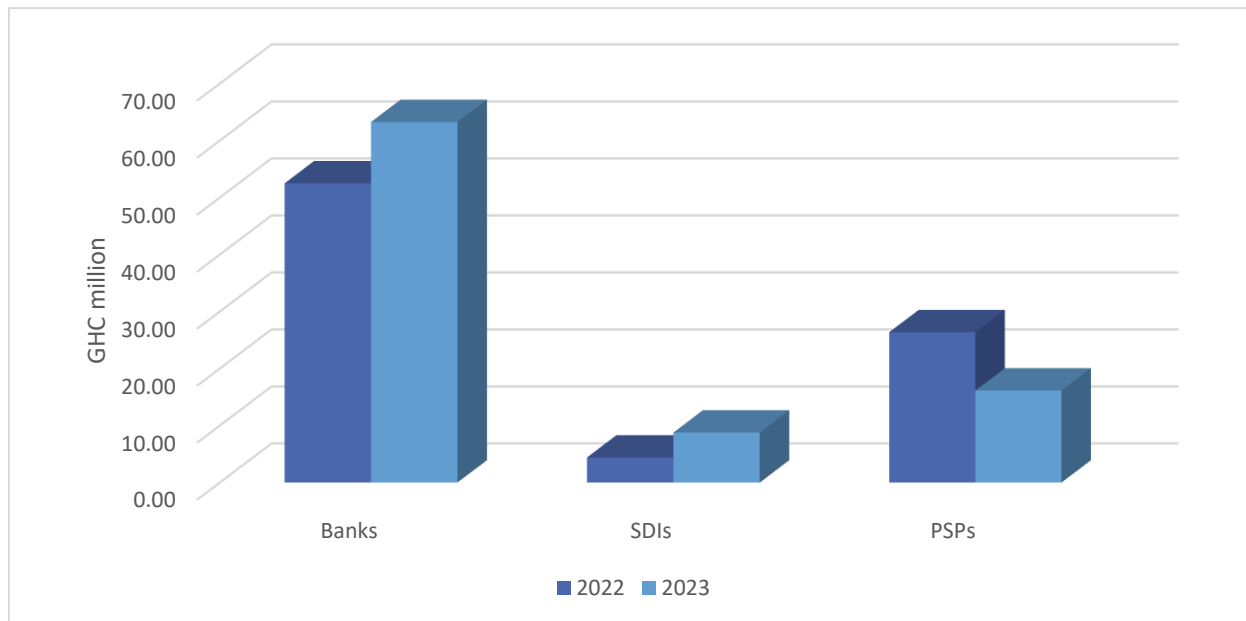
While attempted fraud cases in the banking and SDI sectors declined sharply by 59% in 2023 compared to 2022, the total loss value associated with these cases stood at approximately GH¢72 million, a 29% increase over the 2022 figure of GH¢56 million recorded. The sharp increase in the loss value was influenced by outlier fraud cases involving foreign currencies, which when converted to Cedi, ballooned the 2023 attempted fraud value at loss.

The PSP sector also recorded a loss of GH¢16 million involving 14,655 cases in 2023. Although the loss value recorded in 2023 represented a 38% decline compared

to the GH¢26 million recorded in the previous year, the incidents showed a 20% increase compared to the 12,166 cases in 2022.

The figure below shows the distribution of banks, SDIs, and PSPs fraud loss values for 2023 and 2022. Banks and SDIs recorded higher loss values whereas the PSPs recorded a decline in the loss value for the year under review.

**Figure 1: Fraud Loss Values for Banks, SDIs, and PSPs, 2022/2023**



Generally, bank and SDI sectors recorded increases in the loss values as a result of fraud, while the PSPs sector saw some decline.

The BOG continues to engage institutions with high incidences of fraud to develop action plans to address such incidences in the industry. The BOG has also strengthened its engagement with relevant stakeholders to enhance collaboration in the fight against cyber related fraud.

The report has also highlighted some directives by BOG to banks, SDIs and PSPs which, if implemented, will help reduce the incidence of fraud in the sector.

## **1.0 INTRODUCTION**

The complexity of the global financial landscape together with the ever-evolving techniques of fraudsters requires proactive and multifaceted approach in combating fraud in the banking industry. The BOG, as part of its mandate to regulate and supervise the banking and payments system sub-sectors, analyses all banking-related data on fraud activities and shares insights with stakeholders through the publication of the annual fraud report. This is done to support the continuous design of robust interventions to prevent or minimise fraud in the banking system, including PSPs, while educating the public on the need to be vigilant.

The effect of fraudulent activities stretches beyond financial loss to the institution to include reputational risk and loss of trust among its clients and stakeholders. To adequately guard against fraud, it is essential for regulated institutions to keep abreast with the continuously evolving fraud landscape and types and to strengthen their internal controls.

## **2.0 FRAUD TYPOLOGIES WITHIN BANKS/SDIs/PSPs**

Fraud constitutes an act of purposeful deception aimed at exploiting a victim. Usually, perpetrators of fraud target the most vulnerable in society and take advantage of their limited knowledge of the financial sector to deceive them or weaknesses in financial infrastructure. The main fraud types are defined in Table 1.

**Table 1: Fraud Types and Definition**

FRAUD TYPE	DEFINITION
<b>ATM/Card fraud</b>	<ul style="list-style-type: none"> <li>▪ ATM fraud refers to the fraudulent use of ATM cards or ATM personal identification numbers (PIN) to withdraw money from another person's account or steal directly from the ATM machine by breaking into the machine.</li> <li>▪ Card fraud refers to the fraudulent use of another person's debit card number and PIN to withdraw cash from the victim's account or make unauthorized purchases.</li> </ul>
<b>Burglary</b>	Burglary refers to the illegal entry into a building of a financial institution with the intention of stealing.
<b>Cheque fraud</b>	Cheque Fraud refers to the unlawful use of cheques for the purpose of acquiring funds illegally.
<b>Cyber-email fraud</b>	Cyber-email fraud refers to the act of tricking an email recipient into believing that the email was sent from the actual sender (authentic source).
<b>E-Money fraud</b>	E-Money fraud refers to unauthorized withdrawal of electronic money from the wallet of financial institutions, mobile money operators and individuals.
<b>Fraudulent withdrawals</b>	Fraudulent withdrawals refer to unauthorized access to the accounts and wallets of clients.
<b>Forgery and manipulation of documents</b>	Forgery and manipulation of documents refers to the creation or altering of a document with the intent to defraud someone.
<b>Impersonation</b>	Impersonation refers to the act of pretending to be another person for the purpose of fraud.
<b>Lending/Credit fraud</b>	Lending/Credit fraud refers to the unauthorized use of one's personal information to obtain credit.
<b>Remittance fraud</b>	Remittance fraud refers to the act of criminals manipulating the international money transfer systems to defraud others.

<b>Cash theft (Suppression of cash and deposits)</b>	Cash theft/Suppression of cash refers to the process of concealing and diverting cash deposits or cash received from a customer.
<b>SIM swap related fraud</b>	Tricking a cellular service provider into switching a victim's service to a SIM card controlled by the fraudster (essentially hijacking the victim's phone number). The main aim of SIM swapping is usually to exploit two-factor authentication to gain fraudulent access to bank accounts.

### 3.0 FRAUD STATISTICS IN BANKS

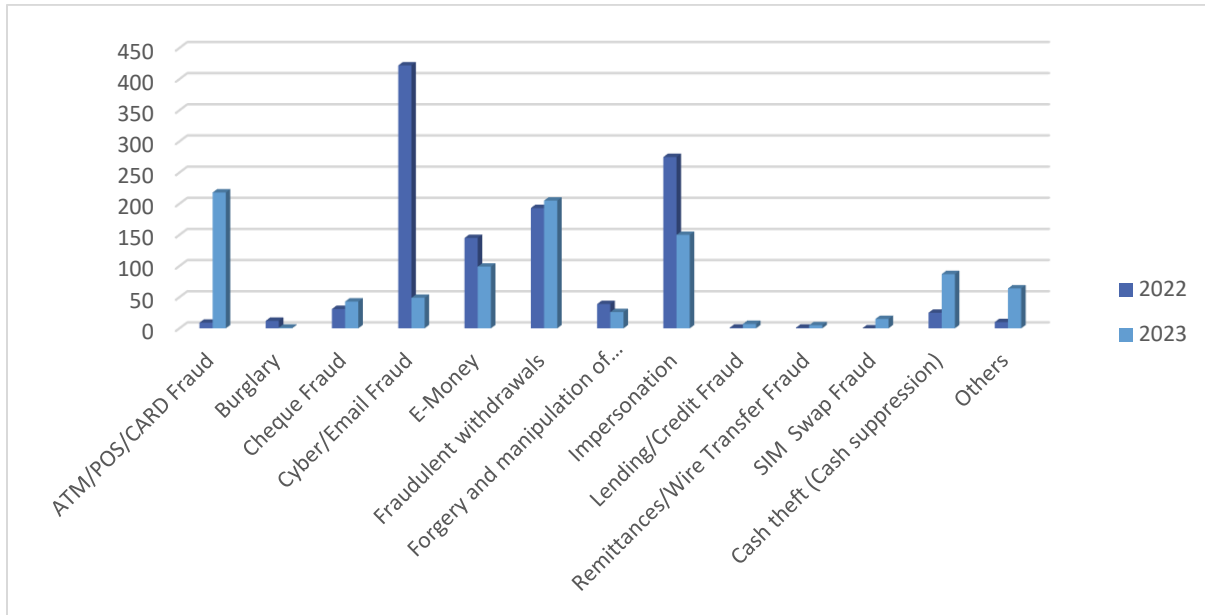
#### 3.1 Count of Reported Fraud Cases

Fraud prevention and detection are at the heart of BOG's effort to maintain financial integrity. It is mandatory for all banks, SDIs and PSPs to report fraud cases to the BOG as and when it happens. The institutions are also required to submit monthly 'Nil return' when no fraud is recorded.

In 2023, banks reported a total count of 969 fraud cases which shows a 17% drop from the count of 1,163 cases in 2022.

**Figure 2** provides a comparative account of fraud cases across the typologies reported by banks in 2022 and 2023.

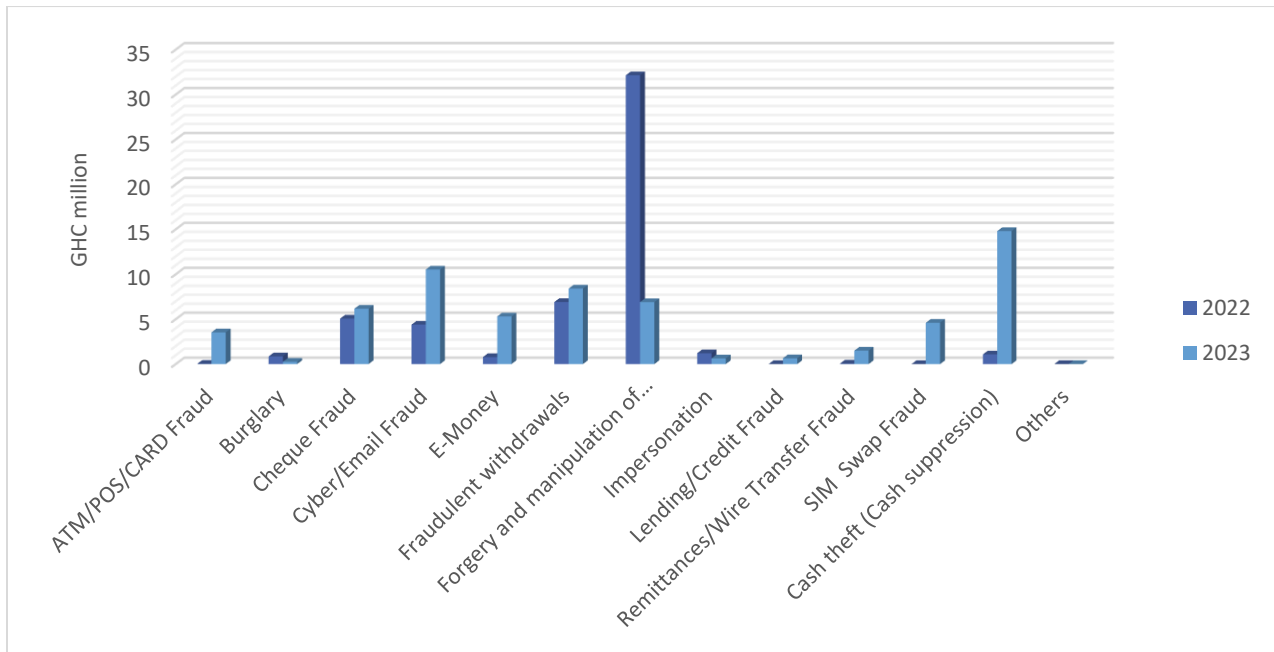


**Figure 2: Count of Fraud Cases across Typologies by Banks for 2022/2023**

The fraud type that recorded significant jump in cases was ATM/POS/Card fraud, recording 218 cases in 2023 as compared to only 9 cases recorded in 2022. The increased use of digital channels may have contributed to the rise in fraud emanating from ATM/POS/Card payment platforms. Banks are therefore required to enhance the security features of their electronic banking systems to make the systems difficult to be accessed by these fraudsters. SIM swap fraud was identified as one of the emerging fraud types recorded by the banks in 2023 with 15 recorded cases for the year.

### 3.2 Loss Value to Banks

The total loss value to banks with respect to fraud cases recorded in 2023 was approximately Gh¢63 million compared to Gh¢52 million in 2022, showing an increase of 21%. The loss value across fraud typologies are graphically presented in **Figure 3**.

**Figure 3: Fraud Loss Values 2022/2023**

Cash Theft (Cash Suppression) recorded the highest fraud loss in 2023 with a value of GH₵14.8 million, a steep rise of 14 times over the GH₵1 million recorded in 2022.

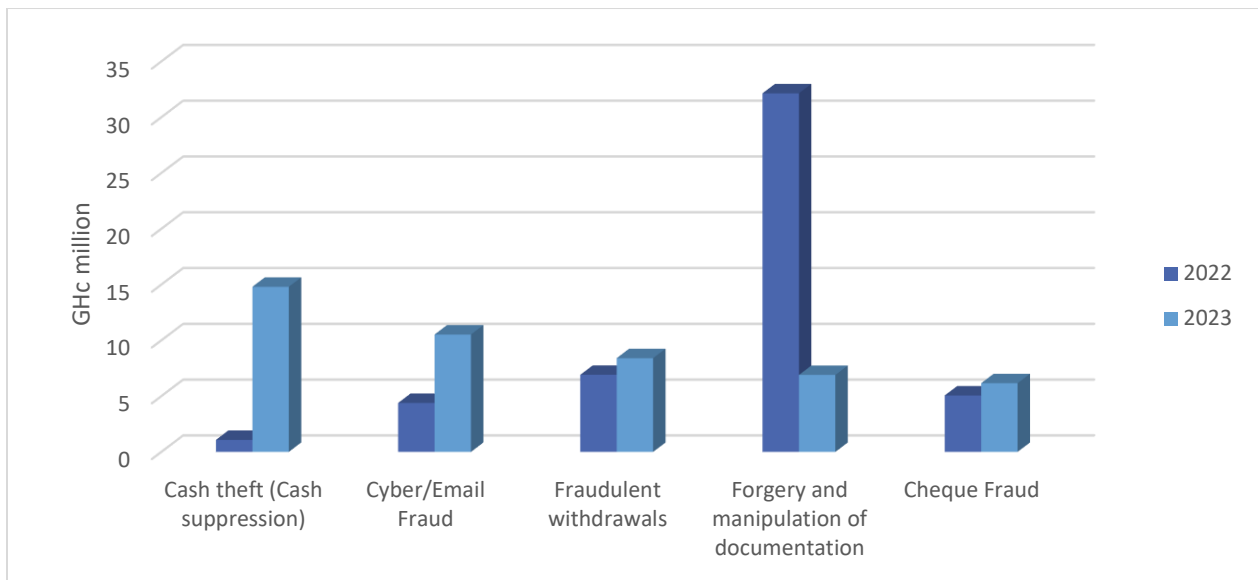
Although cash suppression fraud has largely been associated with the rural banking sub-sector, but the few cases recorded in 2023 by universal banks involved huge amounts. For instance, a cash theft of USD466,000.00 was recorded at a universal bank, which when converted to Cedis led to a significant increase in loss value within the banking sector.

For fraud involving foreign currencies, the total loss value recorded in 2023 stood at USD1.7 million and GBP 0.048 million. These fraudulent activities in foreign currencies had a huge impact on the total loss value in Ghana Cedi terms.

### 3.3 Top Five (5) Fraud Types in Banks

The top five fraud types recorded in 2023 in terms of loss value are: cash theft (cash suppression), cyber/email fraud, fraudulent withdrawals from accounts, forgery and manipulation of documents and cheque fraud as shown in **Figure 4**.

**Figure 4: Top Five (5) Fraud Types in Banks**



Cash theft emerged as the topmost fraud within the banking space as it recorded loss value of GH¢14.8 million in 2023 as compared to GH¢1 million in 2022. The spike is because of recorded cases of cash theft in foreign currency and movements in foreign exchange during the reporting year. This was closely followed by cyber/email fraud with a loss of GH¢10.5 million. Fraudulent withdrawals from accounts recorded a loss value of GH¢8.4 million. Forgery and manipulation of documents recorded loss value of GH¢6.9 million in 2023, although it represented a steep 78% decline from the GH¢32 million recorded in 2022. The last of the top five, which is cheques fraud, recorded loss value of GH¢6.1 million.

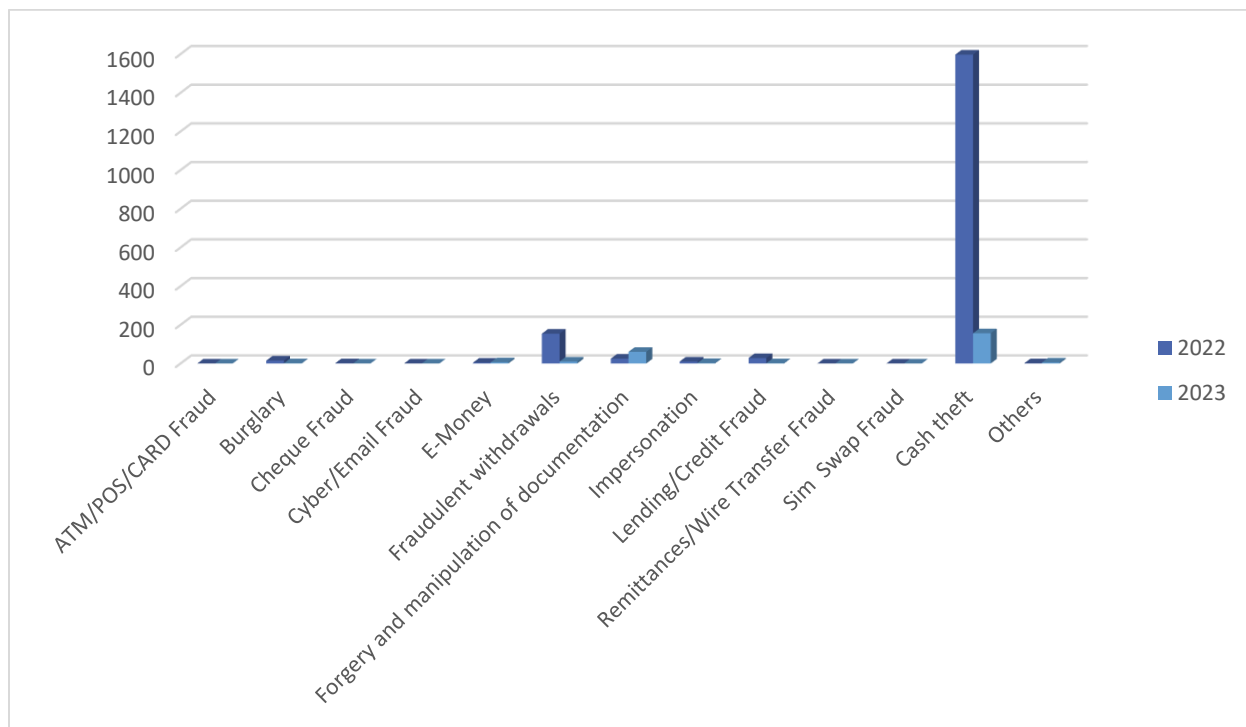
#### 4.0 FRAUD STATISTICS IN SPECIALISED DEPOSIT-TAKING INSTITUTIONS (SDIs)

##### 4.1 Count of Reported Fraud Cases

The Specialized Deposit-Taking Institutions (SDIs) are also required to report cases of fraud as and when it occurs. Similarly, the institutions are to submit a ‘Nil return’ monthly when no fraud is recorded for that month.

The SDIs reported 241 fraud cases in 2023 as compared to 1,835 cases in 2022 indicating a steep decrease of 87%. **Figure 5** provides a comparative account of fraud incidents reported by SDIs in 2022 and 2023.

**Figure 5: Count of Fraud Cases for SDIs 2022/2023**



The major fraud cases recorded in the SDI sector are cash theft, fraudulent withdrawals, and forgery and manipulation of documents.

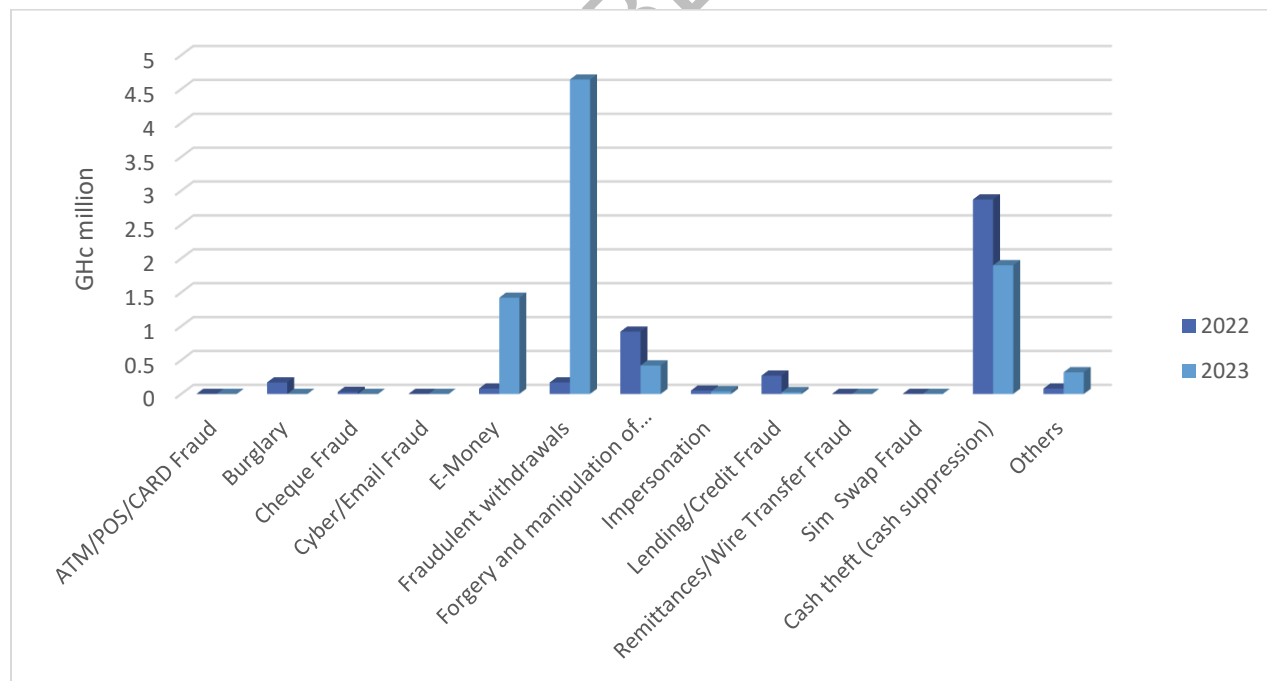
Cash suppression, which has been a fraud prone area, saw a significant decline from 1,597 cases recorded in 2022 to 156 cases in 2023, indicating a 90%

reduction. Most of the cases reported emanated from the Rural and Community Banking (RCBs) sub-sector. The BOG has engaged extensively with the Board of Directors and Management teams of RCBs in the recent past on cash suppression for the rural banks to institute mitigating measures to reduce this fraud type to the barest minimum. It is refreshing to note that the BOG's extensive engagements with the RCBs are yielding the right results as seen in the declines recorded in the year under review.

#### 4.2 Loss Values to SDIs 2022/2023

The SDIs recorded a total loss of approximately Gh¢8.7 million in value terms due to fraud in 2023 as compared to a loss of approximately Gh¢4.4 million in 2022, indicating an increase of 98% loss in value to SDIs. This is represented in **Figure 6**.

**Figure 6: Fraud Loss Values 2022/2023**



In terms of the loss value, the SDI sector recorded the following as the topmost fraud cases: fraudulent withdrawals from customers' accounts, cash theft (cash suppression), and e-money fraud.

Fraudulent withdrawals from customers' accounts recorded the highest loss value of Gh¢4.6 million significantly higher than Gh¢0.17 million in 2022.

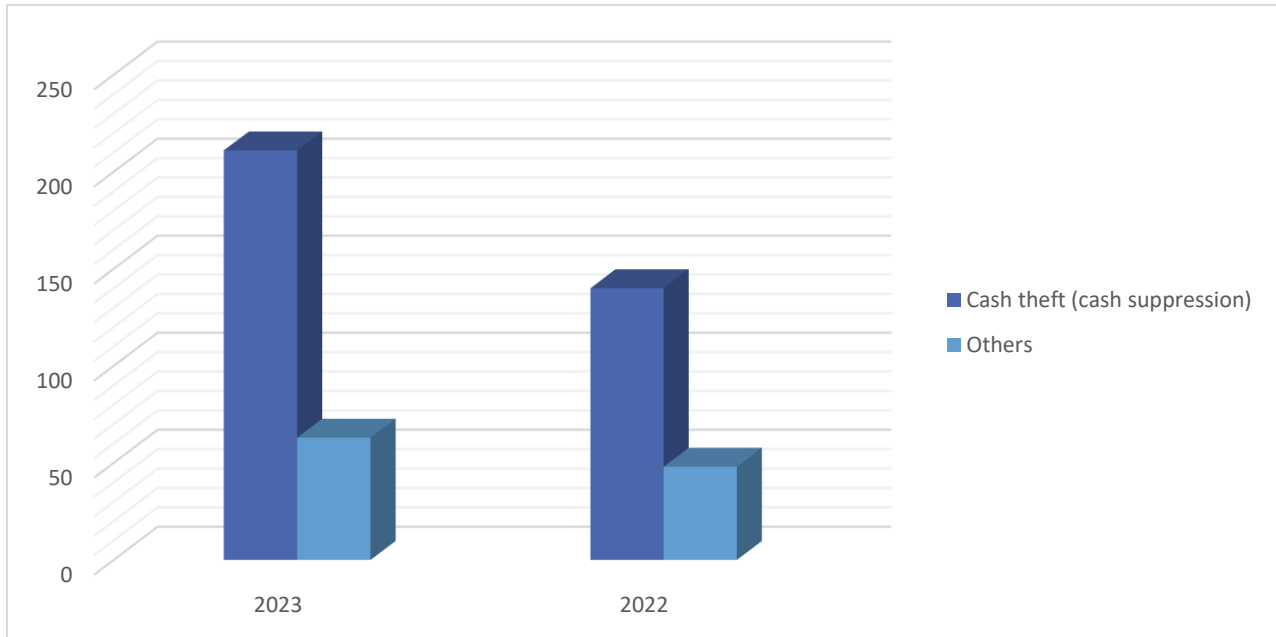
Cash theft (cash suppression) saw a dip of 32% from 2022. The loss value recorded in 2023 was Gh¢1.9 million as compared to Gh¢2.8 million in 2022.

E-money fraud also emerged as part of the topmost fraud in this sub-sector. The year 2023 recorded loss value of Gh¢1.4 million as compared to Gh¢800 in 2022, indicating a significant increase in E-money fraud.

## **5.0 STAFF INVOLVEMENT IN FRAUD ACROSS BANKS & SDIs**

The number of staff involved in fraudulent activities in Banks and SDIs rose from 188 in 2022 to 274 in 2023, representing an increase of 46%.

**Figure 7** shows the case count of staff involvement in reported frauds. Out of the 274 cases of fraud recorded involving staff in 2023, 211 (77%) were involved in cash theft (cash suppression), as compared to 140 (66%) staff involved in 2022. The BOG is concern about this statistic and requires Banks and SDIs to strengthen their internal controls and enhance staff due diligence during recruitment, as well as reinforcing continuous in-house staff training on professional conduct.

**Figure 7: Staff Involvement in Fraud**

## 6.0 PAYMENT SERVICE PROVIDERS (PSPs)

E-money usage across various networks and channels has made financial services more accessible for millions of Ghanaians and ultimately fostered financial inclusion.

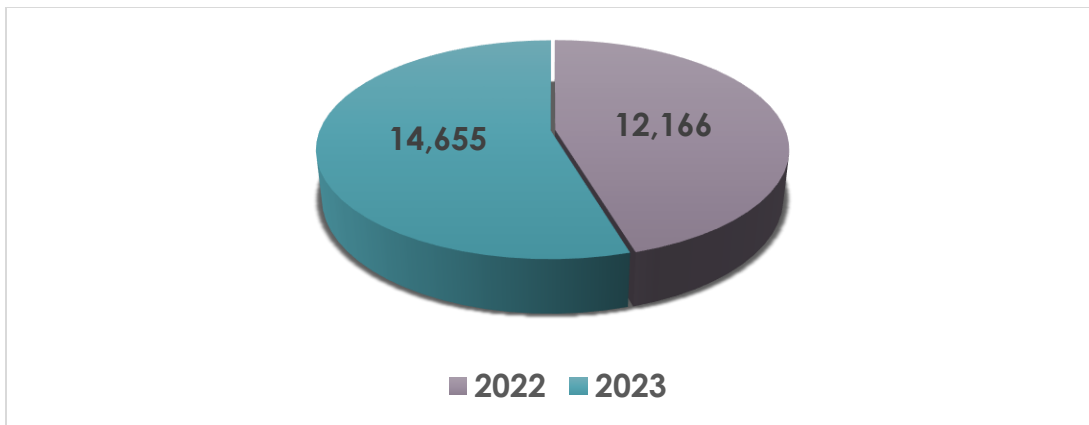
Customers of e-money platforms perform a wide range of services including payments of insurance, investments, remittances, among others. By end of the year 2023, electronic customer accounts had reached 65.6 million with 22.8 million being active users.

In terms of the volume of transactions, the year 2023 recorded 6.8 billion with a corresponding transaction value of GH¢1.9 trillion. The year 2022 however recorded a value of GH¢1.0 trillion in e-money transactions with the volume of transactions standing at 5.0 billion. This indicates a 90% increase in value of e-money transactions and an increase of 36% in volume of e-money transactions from 2022 to 2023.

### 6.1 Count of Fraud Cases Reported by PSPs, 2022/2023

The number of electronic fraud incidents reported are primarily social engineering methods deployed by the fraudsters. In 2023 the number of electronic fraud incidents recorded was 14,655, representing a 20% rise as compared to 12,166 cases recorded in 2022. **Figure 8** shows the fraud counts for 2023 and 2022.

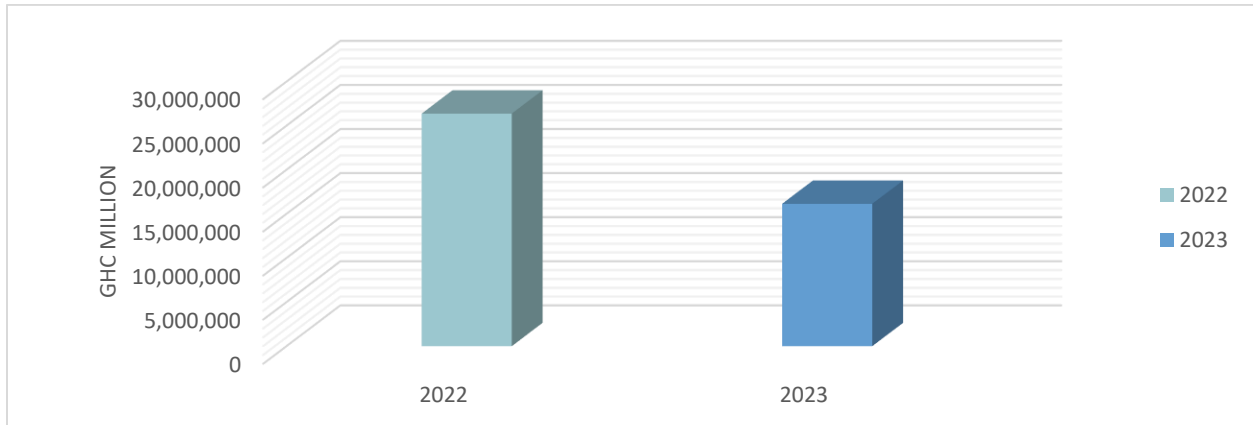
**Figure 8: Count of Electronic Fraud Cases 2022/2023**



### 6.2 PSPs Fraud Loss Value

Although there was a 20% increase in incident occurrence, the corresponding monetary loss was GH¢16 million in 2023 as compared to GH¢26 million in 2022. Thus, in percentage terms, the year 2023 recorded a decline in loss value of 38% compared to 2022 as shown in **Figure 9**.

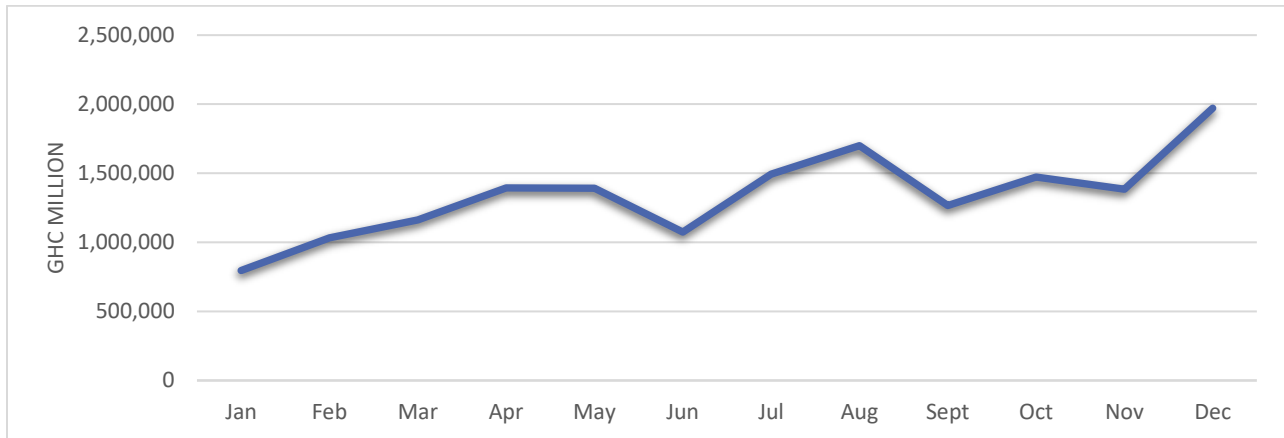


**Figure 9: PSPs Reported Fraud Loss in Value 2022/2023**

### 6.2.1 PSPs Monthly Loss Values

**Figure 10** shows the monthly loss value of electronic frauds reported by PSPs for the year 2023. The month of December 2023 saw the highest loss value for the year 2023, which may be characterized by the uptick in activities during the festive season, presenting opportunities for fraudsters to perpetuate their schemes.

Due to the increasing fraud cases recorded in the sub-sector, it has become necessary for stakeholders to increase awareness through sensitization programs, strengthening security measures and adopting proactive initiatives in dealing with fraud in the sub-sector, especially during festive seasons.

**Figure 10: PSPs Monthly Fraud Loss 2023**

## 7.0 TREND ANALYSIS OF BANKS AND SDIs FRAUD (2020-2023)

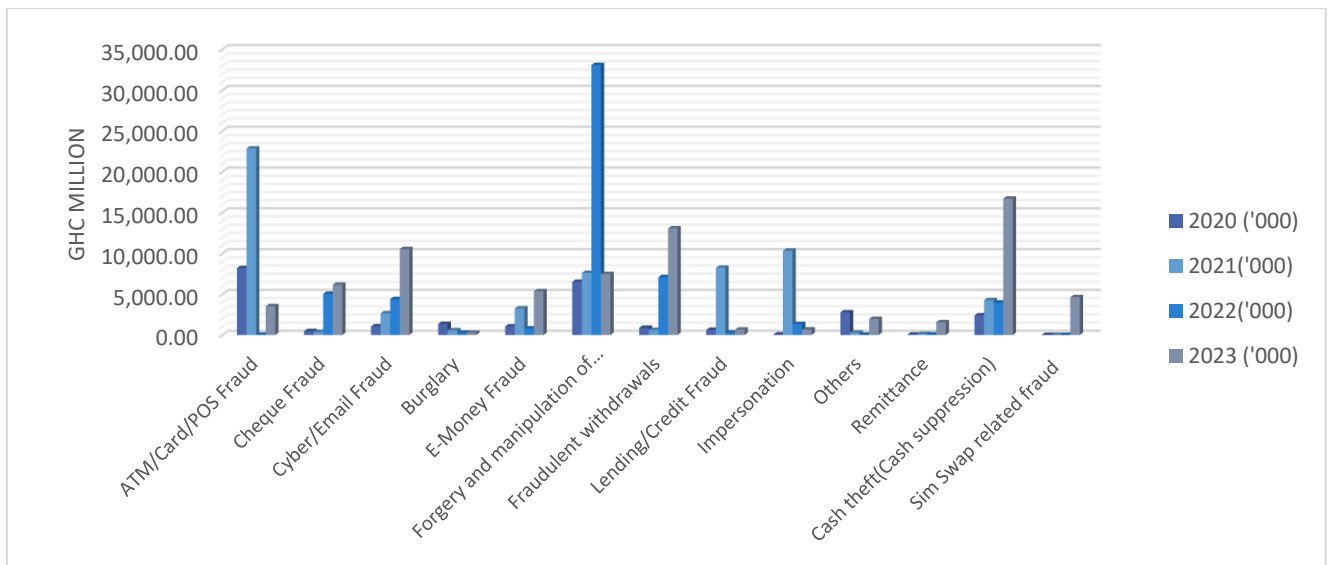
**Table 2 and Figure 11** show an overview of losses from fraud for the four-year period covering 2020 to 2023. Data analysis indicates that fraud trends keep changing year after year, suggesting fraudsters are always probing for vulnerable spots. New fraud typologies may emerge due to advancement in technology and the digitization drive of the Banks and SDIs.

**Table 2: Fraud Loss for the Period 2020-2023- Banks and SDIs**

FRAUD TYPES	2020 (GH¢'000)	2021 (GH¢'000)	2022 (GH¢'000)	2023 (GH¢'000)
<b>ATM/Card/POS Fraud</b>	8,191.37	22,850.67	34.32	3,528.83
<b>Cheque Fraud</b>	467.47	372.22	5,041.55	6,157.59
<b>Cyber/Email Fraud</b>	1,056.09	2,654.98	4,395.32	10,522.00
<b>Burglary</b>	1,354.59	573.41	261.71	269.00
<b>E-Money Fraud</b>	1,048.15	3,244.12	787.39	5,355.14
<b>Forgery and manipulation of documents</b>	6,508.71	7,603.55	33,074.89	7,466.42

<b>Fraudulent withdrawals</b>	884.69	622.04	7,085.55	13,057.13
<b>Lending/Credit Fraud</b>	626.32	8,225.81	275.14	657.00
<b>Impersonation</b>	59.55	10,322.25	1,339.18	674.50
<b>Others</b>	2,766.60	285.76	24.85	1,961.72
<b>Remittance</b>	52.10	113.73	65.60	1,555.00
<b>Cash theft (Cash suppression)</b>	2,393.96	4,267.06	3,963.36	16,702.72
<b>Sim Swap related fraud</b>	0.00	0.00	0.00	4,633.21
<b>TOTAL</b>	<b>25,409.58</b>	<b>61,135.59</b>	<b>56,348.86</b>	<b>72,540.26</b>

**Figure 11: Fraud Loss for the Period 2020-2023 for Banks & SDIs**



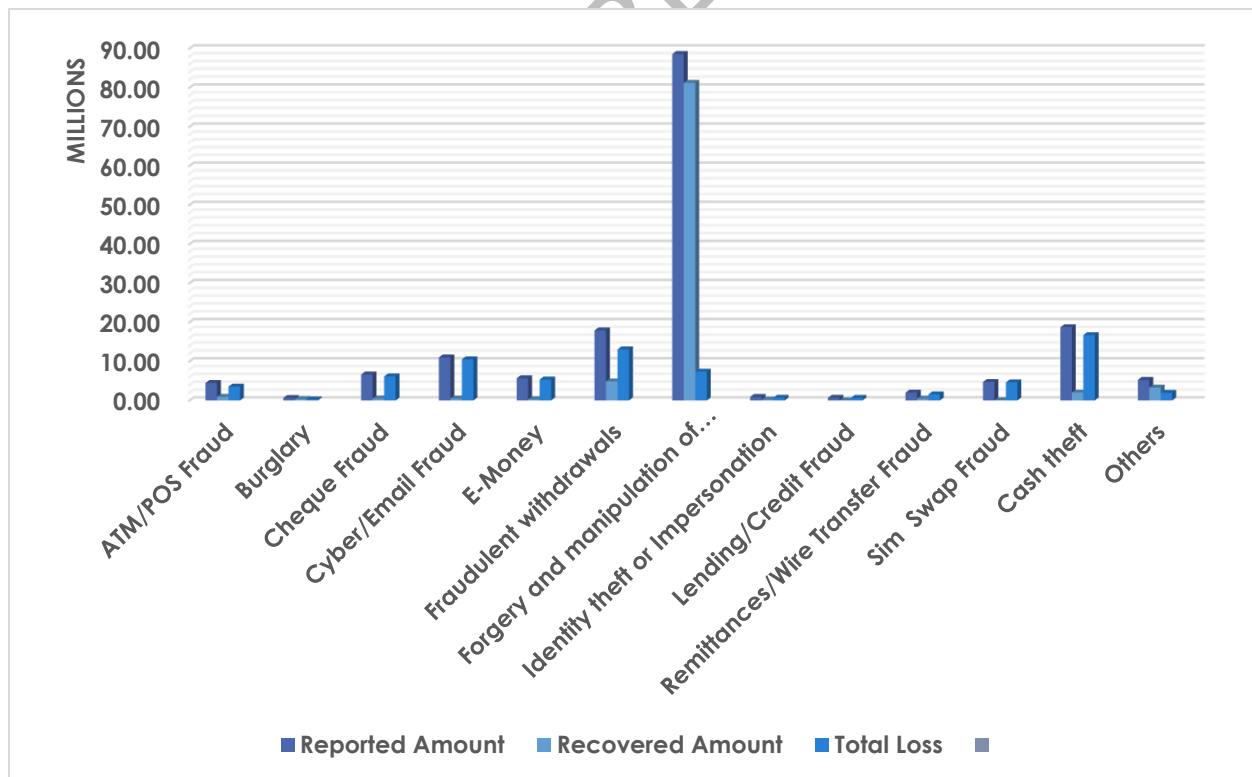
It is apparent that broadly the fraud trend is keeping pace with the evolving financial landscape. New fraud types are emerging and unfortunately some staff of banks/SDIs who are supposed to safeguard the financial systems are being compromised. Banks and SDIs are therefore mandated to bolster their internal control measures to reduce fraud in the banking sector to the barest minimum

possible and continue to promote trust and confidence in the banking system to ensure stability of the sector.

### 8.0 FRAUD REPORTED, AMOUNT RECOVERED, AND TOTAL LOSS VALUE FOR BANKS AND SDIs

Through the collaborative efforts of stakeholders and the fraud controls put in place by financial institutions, an amount of GH¢95 million was recovered from the total loss of GH¢167 million, reducing the overall loss to GH¢72 million for the period under review. **Figure 12** indicates the reported amount, recovered amount, and the total loss to Banks and SDIs

**Figure 12: Reported Fraud Amount, Recovered Amount, and Total Loss for Banks & SDIs**



## **9.0 INITIATIVES BY THE BANK OF GHANA TO ADDRESS FRAUD IN THE BANKING SECTOR**

- The BOG continues to bolster engagements with institutions, particularly cited for high incidences of fraud, and strongly demand action plans to tackle and address such incidences of fraud. The Bank also directs its regulated institutions to report fraud incidences to the investigative authorities for the appropriate course of action to be taken.
- The BOG in 2023 continued its engagement with relevant stakeholders including the National Cyber Security Authority, the National Communication Authority, the National Security Secretariat, the Economic and Organized Crime Office and the Ghana Police Service to enhance collaboration in the fight against fraud, especially cyber related fraud.
- The BOG as part its engagements, hosted the Committee for Cooperation between Law Enforcement Agencies and the Banking Community (COCLAB) workshop in April 2024 to effectively map out strategies to fight fraud in the digital financial environment. Similar stakeholder engagements are planned during the year with the aim of strengthening collaboration in the fight against fraud in the financial system.

## **10.0 DIRECTIVES TO BANKS AND SDIs**

In view of the above findings and trends, the Bank of Ghana has directed that:

- Banks and SDIs should update their technologies and tools with enhanced built-in security features to curb fraud. They are equally mandated to prioritize employee training and continued due diligence and strengthening of internal controls.
- Banks should strengthen the security protocols for account access and transactions, including multi-factor authentication as well as regular

update of mobile banking applications with biometric authentication and fix bug issues.

- Banks and SDIs should ensure that mobile applications that allow auto log-ins are deactivated and secure codes should be required each time the user opens the application.
- Banks and SDIs should ensure that Know-Your-Customer procedures during onboarding are strictly adhered to safeguard transaction verification processes.
- Banks and SDIs should intensify fraud sensitization to their customers.
- Banks and SDIs should collaborate effectively with law enforcement agencies in the event of staff fraud to ensure stiffer punishments are meted out to those found culpable to serve as deterrent.

#### **11.0 DIRECTIVES TO PSPs.**

- The PSPs should comply with the provisions of section 34 (3) (a) and (b) of the Payment Systems and Services Act 2019 (Act 987) which requires PSPs or EMLs to deactivate the electronic money account of a customer for two days when that customer swaps or replaces a Subscriber Identification card and re-activates the electronic money account after the customer presents a valid identification to mitigate the occurrences of SIM swap related fraud.
- PSPs should implement robust financial fraud programs and processes to curb SIM swap related fraud.
- PSPs should provide all points of sale and outlets with adequate information on fraud risk management to enable them to identify and deal with fraud.
- PSPs must continue to share fraud related information with the Bank of Ghana and other relevant institutions in a timely manner.

- PSPs must screen their agents thoroughly before establishing relationships with them.
- The PSPs must deploy Ghana card verification systems to all their agents to minimise SIM swap impersonation.

## **12.0 CONCLUSION**

The fight against fraud in the financial sector is a shared responsibility of all well-meaning stakeholders and continued vigilance is vital as fraudsters continuously deploy new ways of defrauding victims through increased usage of sophisticated technology.

BOG remains committed to its oversight role to minimize the occurrence of fraud in the sector and will continue to collaborate with its key stakeholders in the fight against fraud.

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