

Savers lose £1m a day to banking swindlers

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September 25 2018, 12:01am, The Times



Bank customers who are duped into authorising payments to scammers are often refused compensation ROBERT NICHOLAS/GETTY IMAGES

Up to £1 million is being lost by savers every day through fraud and consumers are shouldering the cost, with the majority of victims not reimbursed by banks.

Figures released yesterday show that bank customers have lost more than £145 million so far this year by transferring cash to scammers.

Only £31 million of the stolen money was returned to customers because if consumers unwittingly authorise the payment, they have no legal backing at present to cover them for their losses.

Fraudsters have increased their onslaught on consumers in the past few months; the figure of £145 million is about 50 per cent higher than in the same period last year, according to data from UK Finance, the banking trade body.

The true figures from what is known as “authorised push payment (APP) fraud” could be even higher because banks often refuse customers compensation.

In an APP scam the account holder is tricked into authorising a payment to be made into another account.

The most common form of these scams involves the victim paying in advance for a product or service, such as a car, electronics or a holiday rental, that is never received or does not exist. The transaction usually takes place online, through auction websites or social media.

The payments watchdog is expected to announce this week that it will change its rules so that those who have taken reasonable care should not be left out of pocket.

Wes Streeting, a Labour member of the Commons treasury committee, called on banks to compensate their victims.

He told the *Daily Mail*: “All of us must take personal responsibility for protecting ourselves against fraud but banks must also acknowledge that scams are becoming more sophisticated. There should be a compensation scheme to help victims.”

Tony Blake, head of fraud prevention at the Dedicated Card and Payment Crime Unit, said: “Criminals are after your money and they are clever at getting it, impersonating people and organisations to groom even the savviest into acting.

“If you get a call, text, email or social media message asking for your personal or financial details or to transfer money, it could be a scam so stop, think and take five. Check every request is genuine by doing some research and contact the organisation using the details from their official website, a latest bill or statement.”