

NPCI/2015-16/RMD/026

Date: 1st July, 2015

To

Service branch in-charge,
All Member Banks of CTS

Dear Sir / Madam,

Fraud Reporting to NPCI - Cheque related frauds

Every organization reports fraud internally to their respective vigilance/ risk department which are beneficial in terms of building a database of frauds and trend analysis so that control measures can be implemented to avoid / minimise such instances in future.

NPCI is sharing ATM related fraud trends and suggested mitigating controls for proactive risk management with member banks on regular basis. Also any new fraud trends identified through bank reporting or through industry sources are shared immediately in the form of advisory so that banks can take appropriate action to avoid such instances. Banks also report frauds in the specified format immediately on detection to NPCI which help in identifying any fraud trend and implementation of controls for the same.

To understand nature of frauds and emerging trends in Cheque Truncation System (CTS) similar process need to be implemented for CTS as well so that necessary controls can be put in place as mitigating measure. To facilitate this, it is essential that every member bank should report all cheque related frauds to NPCI with complete information.

NPCI request all member banks to share all cheque related frauds to 'fraudrisk@npci.org.in' in the attached fraud reporting format. This will help in building necessary controls to avoid such instances in future.

This is for your information and appropriate action.

Annexure I - Fraud type definition/ description

Annexure II - Fraud Reporting Format

Yours Sincerely,



Bharat Panchal

Head Risk Management

Annexure I - Fraud type definition/ description

Counterfeit Cheque/ Cheque Cloning -

Cloned / Counterfeit cheques are manufactured or printed on non-bank paper to look exactly like genuine cheques but never issued by the respective issuing bank. In most of such cheques the account number does not exist against which these have been issued.

Cheque Forgery / Forged Signature -

A genuine cheque that has been lost OR stolen and used by a fraudster with a forged signature.

Cheque Spot Alteration -

When alteration performed on specific locations of a cheque e.g. payee's name OR amount it is called Cheque Spot Alteration.

Cheque Washing -

When alteration is performed to erase information from entire cheque, it is called cheque Washing.

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भारतीय राष्ट्रीय भुगतान निगम
NATIONAL PAYMENTS CORPORATION OF INDIA

Annexure II - Fraud Reporting Format

NPCI भारतीय राष्ट्रीय भुगतान निगम NATIONAL PAYMENTS CORPORATION OF INDIA		CTS Fraud Reporting Form	
Presenting Bank Name & Branch details		Date of Reporting	
Reporting Person Name		Reporting Person Email ID	
Fraud transaction details			
Type of Fraud (tick which is appropriate)	<input type="checkbox"/> Counterfeit Cheque <input type="checkbox"/> Cheque Forgery <input type="checkbox"/> Forged Signature <input type="checkbox"/> Cheque Spot Alteration <input type="checkbox"/> Cheque Washing <input type="checkbox"/> Cheque Cloning <input type="checkbox"/> Others _____		
Details of the Instrument	Account Holder name - Account number - Cheque Number - Customer branch location - Amount - Payee Name - Date of instrument - TRAN code of instrument -		
Additional Details			
Payee Details	Account Holder name - Account number - ID card number - (For e.g. PAN card, Aadhar number, Driving Licence etc...) Customer since -		
Previous fraudulent cheque deposit in the account? If Yes, please provide details.			
How the Fraud identified /came to the notice of the branch?			
Is the cheque leaf issued by the bank?			
Customer confirmation taken for issuance of cheque? If yes, details of payee and amount of cheque.			
Whether the account is in dormant or inoperative stage?			
Is customer made any complaint in the bank stating lost / stolen of cheque?			
Any Additional Details			
Head of Reporting Department	Signature: Name: Email ID: Contact #		

Instructions:

Please fill up this form and send it through email to mail ID fraudrisk@npci.org.in

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