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Victory in war on bank scams! New checks and alerts for customers announced... but there's still no deal on compensation for victims

- Banks have pledged to introduce new alerts and checks to prevent fraud
- New code will require banks to flash warnings about questionable transactions
- Yet there is still no agreement over who will cover the cost of compensation

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Banks have pledged to introduce new alerts and checks to prevent customers transferring their money to fraudsters.

The new code of conduct will require banks to flash up warnings if they are worried a

customer is about to make a questionable transfer.

In a victory for the Mail's campaign for greater protections for scam victims, the guidelines will also ensure banks have to make greater checks to ensure customers are paying who they think they are.

The code also makes clear that victims should be refunded even if the bank was not at fault – but there is still no agreement on who will cover the cost of this compensation, and consumer experts said last night the guidelines did not go far enough.



The guidelines will also ensure banks have to make greater checks to ensure customers are paying who they think they are (stock image)

Under the proposed new rules announced today, banks will have to:

- Clearly warn customers they may be at risk of losing their money when making an unusually large payment online;
- Check the name customers give as a payee matches those account details – and alert them if not;
- Delay payments if they are sufficiently concerned the customer could be a fraud

victim;

- Refund victims if they are vulnerable, such as those who recently suffered a bereavement;
- Consider allowing vulnerable customers to delay payments for 72 hours to give them time to contact a loved one for advice.

The rules are the result of eight months of work by a steering group of banks and consumer groups appointed by the Payment Systems Regulator. The group was set up after consumer group Which? raised a super-complaint about the lack of protection against so-called authorised push payment scams, where customer are tricked into transferring cash to conmen posing as their bank or the police.