



DELUXE PINPOINT™

White Paper

Contact Information:

www.nebs.ca

1 800 461 7572

How to Protect Yourself and Your Business from Fraud

You Are at Risk!

Cheque fraud is one of the fastest growing financial crimes today. Projections indicate that cheque fraud will grow by 25% each year. It is estimated that commercial fraud, including cheque fraud, costs North American business in excess of \$20 billion CAD annually.

Recent industry studies show that nearly two-thirds of Canada's top businesses have been hit by fraud.

What used to be a crime targeted to large and mid-size companies is now shifting to unsuspecting small businesses.

A Fraud Survey Report of 1000 Canadian companies indicated:

- 62% of all companies in Canada have experienced fraud, this was up from 52%
- Cheque fraud alone is estimated to cost Canadian businesses between \$ 1 & 2 billion dollars each year.

Source: Nilson report

- Fraud is on the rise for Small Businesses
- 66% of Small Businesses surveyed are concerned about fraud
- 20% of Small Businesses have already experienced it
- Most small business customers surveyed said they would order from a company with a fraud protection service
- Many small business customers depend on their personal credit rating, making fraud a bigger risk for them

What Kinds of things do Criminals Look For?

- High volume bank accounts where a fraudulent cheque can easily slip through
- Cheques that are easy to reproduce using a colour copier
- Cheques that are easy to tamper with
- Easy access to a cheque book or cheque stock

How can you protect yourself from fraud for items drawn on your account?

By protection, I mean reducing the chance of someone counterfeiting or altering your cheques, as well as reducing your liability when it occurs.

Be aware that it is impossible to prevent fraud. But you can significantly minimize the risk using a two step approach. First, it is critical that good procedures related to your cheque processing process are in place, and that it is difficult to counterfeit or alter your cheques.

1. Prompt account reconciliation – reconcile your statements as soon as they are received.
2. Restrict access to your cheques. Split responsibilities so that no one person is responsible for cheque issuance and reconciliation.
3. Audit your cheques.
4. Ensure that your cheque includes comprehensive security features.
5. Keep cheque stock in a secure location.
6. Destroy unused cheques from closed accounts immediately.
7. When re-ordering your cheques use a continuous set of consecutive numbers.
8. Order only one set of cheques per account.
9. Report any old outstanding cheques and suspected fraud on your account immediately.
10. Refrain from making the signature of company officials common knowledge.
11. Use non-window or window envelopes that are specifically designed to be compatible with your cheque, properly sized with a printed art lining to ensure confidentiality
12. When conducting a reconciliation review of cancelled cheques verify that the payees have not been tampered with.
13. Never leave cheques unattended in your computer printer.
14. When you do a cheque run, account for all cheques since the last run.
15. Review your insurance policy to determine if it provides protection in the event of a loss.

Bottom line – Do not take unnecessary chances. The more security you have through procedures and choice of cheque, the less likely that someone will tamper with your cheques.

NEBS is the only company in Canada with Fraudblocker™ service which validates that a cheque order is coming from a legitimate, authorized business representative, not someone trying to misrepresent themselves to defraud a business. Fraud Blocker's goal is to proactively decrease the incidence of cheque fraud and identity theft.

This is an industry leading protection service! And available for the first time in Canada!

This cutting-edge service helps protect our customers against fraudulent cheque orders.