

12 February 2015



Dear Valued Client

We are aware that a few of our clients have fallen victim to a banking scam that has been doing the rounds and thought it pertinent to bring this to your attention.

In essence the criminals assume the identity of a supplier. In some instances they precede any documentation with an actual call, introducing themselves as the new account executives on an existing contract. A very convincing letter (on the supplier's letterhead) arrives shortly thereafter either by post or by email, advising of a change in banking details. The most recent evidence of the scam shows that the fraudsters also include an official looking letter from the bank, confirming the details.

Obviously the new bank account is under the control of the criminals and any funds deposited or transferred into the account will soon be moved to another account, making recovery difficult.

The scam is actually not new although the fraudulent documents used by the criminals appear to be more convincing with each passing year.

The Banking Association of South Africa has made the following suggestions to manage the risk of fraud:

- Verify all notices of changes to bank account details.
- Beware of false confirmation e-mails from almost identical e-mail addresses, such as .com instead of co.za, or slight variations from genuine addresses that can be easily missed.
- It is essential that identity of the person your business is dealing with is confirmed at all times.
- Ensure you always shred and never throw away your business (and suppliers) invoices or any communication material that contains letterheads.
- Verify any request for or changes to information with the supplier over the telephone, ideally with someone you know and have known for some time.
- Use your database contact details to confirm notifications for any changes of banking details via official correspondence with your suppliers (such as a letter), preferably before processing the next payment.
- Do not publish your bank account details on the internet. This private information can be used fraudulently to trick genuine customers into making payments to alternative accounts.
- Ensure that your company's private information is not disclosed to third parties who are not entitled to receive it, or third parties whose identities cannot be suitably verified.

Note that it is extremely important to be vigilant. If you fall victim to such a crime, it is likely that you will have no recourse against the supplier or the bank and any amounts owing to the genuine creditors will still be due after the event.

Please do not hesitate to call us if you require any assistance.

Kind regards,

CG NAIN  
DIRECTOR

**If you would like to OPT out of communications please mail [info@mfactors.co.za](mailto:info@mfactors.co.za)**

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