

## **Member Inquiry Re: Online Fraud**

### **What do I do if I suspect online banking fraud?**

If fraud is suspected, you need to act quickly. Report the matter to your credit union and contact the RCMP.

### **How can I prevent online banking fraud?**

The first line of protection against fraud is to ensure you are exercising safe computing practices and maintaining password confidentiality.

Here are some security measures you should apply to reduce your vulnerability:

- Choose unique passwords, safeguard them and change them frequently.
- Maintain up-to-date anti-virus, anti-spyware and firewall protection software.
- Be sure to log off, disconnect and close the internet browser after each session where online banking services have been accessed.

*[For more information, you can provide the member with the article, "Simple steps to keep your computer secure" available on CUniverse.]*

### **What happened with that online banking fraud case reported in the media?**

I am sorry but I can't comment on the personal, business and financial details of a specific case due to privacy requirements.

### **How do credit unions protect the personal and financial security of their members?**

Internet fraud is a concern for all financial institutions. Credit unions take many precautions to protect online banking services and ensure member information is safe.

We offer the best security currently available in a commercial environment to protect our members. We apply industry standards such as encryption, which makes personal and financial information unreadable while in transit.

### **If this happens to me, will I be reimbursed for unauthorized online banking transactions?**

The short answer is, "it depends."

Reports of suspected fraud made by credit union members are treated on a case-by-case basis. If there are concerns about fraudulent activity, you need to act quickly. The matter should be reported to the credit union as well as the police or RCMP. An investigation will be opened. Your report is checked into thoroughly and is assessed based on your situation. The credit union will inform you of the outcome of the investigation. The decision to reimburse you is based on the findings of the investigation.

If you are dissatisfied with the outcome of the investigation, further recourse is available by contacting the SaskCentral Office of the Ombudsman.

Credit unions take many precautions to ensure online banking services are safe. Certainly, the first line of protection against online banking fraud is for you to ensure you are exercising safe computing practices and maintaining password confidentiality. This includes applying security measures such as:

- selecting unique passwords, safeguarding them and changing them frequently
- maintaining up-to-date anti-virus, anti-spyware and firewall protection software
- ensuring online banking users disconnect and close the internet browser after each session after accessing these services

The security of our credit union members' personal information and financial transactions is one of our most important priorities. We wish to maintain the goodwill of our members, as well as their confidence and trust in Saskatchewan credit unions. As always, our intention is to ensure members are dealt with fairly and any wrong-doing is stopped.

**Credit unions say that deposits held in Saskatchewan credit unions are fully guaranteed by the Credit Union Deposit Guarantee Corporation. Can the guarantee reimburse members impacted by online banking fraud?**

No. The role of the deposit guarantee and reimbursing members for online banking fraud are two very different things.

The deposit guarantee is provided by the Credit Union Deposit Guarantee Corporation, the regulator for Saskatchewan credit unions.

The deposit guarantee protects credit union members by ensuring their deposits can be fully repaid, in the unlikely event their credit union faces insolvency. The deposit guarantee is not designed to address losses such as online banking fraud.

Online banking fraud involves the agreement between the credit union and the impacted credit union member. Reimbursement for the impacted credit union member is determined by the outcome of the unauthorized transaction investigation.

**How does the Credit Union Deposit Guarantee Corporation ensure credit unions remain solvent?**

The Credit Union Deposit Guarantee Corporation promotes responsible management by credit unions and ensures credit unions operate in a safe and sound manner. The Corporation has the authority to direct credit unions to take immediate action on any issue that may put depositors' funds at risk.

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If you have further questions, please contact Myrna Hewitt (306.566.7474) or Keri Schwebius (306.566.1314) in SaskCentral Marketing and Communications.