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*From the Desk of the Editor*

## Move to regulate e-commerce: Better late than never

The Evaly fraud incident that dwindled nearly Tk 2100 crore from people's pockets has finally awakened all of us. The good news is that the lynchpins of some of the rackets involved in Evaly fraud have been taken into custody with proceedings drawn against them. The government is going to create of a separate regulatory commission for the e-commerce sector, framing a law to try the errant e-commerce operators and form a high level committee to find ways to resolve disputes and handle other relevant issues. This committee will function until a complete legal framework is put in place to run this promising e-business sector. In the interim period, as it could be further learnt, the prevailing laws on digital security and money laundering will be used to deal with the offence, if any, committed by the e-business platforms.

The government decision to regulate e-business has been a long time coming, for this new mode of doing business started more than a decade ago. Seeing that there was a regulatory lacuna, it provided a fertile ground for some fraudsters to take advantage of the situation. There was, however, a National Digital Commerce Policy, 2018, but that was not enough to deal with the instances of irregularities surfacing. Hopefully, the move will send a clear message to the dishonest online operators. The process that has now got underway will help infuse order and sanctity into this emerging business sector sooner rather than later.

However, better late than never.

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## Message from CHAIRMAN

# BB should be fully autonomous to protect depositors, investors

The recent fraud incidents in the country' digital finance landscape has raised the question about the watch-dog role of Bangladesh Bank and its supervisory efficiency. Nearly Tk 21000 crore have been drained out from thousands of people's pockets through Evaly, a e-commerce firm and government's aid and allowance disbursement to thousands of poor people through Nagad, a mobile financial service (MFS) operator was disrupted for frauds, which led the victims to demonstrate in front of government offices in northern districts of the country. Industry experts blamed the BB's weak supervisory role is one of the main reasons for such mismatches in digital financial market noting that the government's intervention in its policy decision keeps BB a bay from playing its due role.

The initial policies of BB in relation to MFS has led to flourishing and growth of the gamut of e-commerce as a whole in Bangladesh. But now, conversely, this growth now faces uncertainty and unreliability as a whole from the lagging regulatory actions of BB. For government's intervention, the BB had to allow Nagad as a MFS operator under the existing bank-led model ignoring rules.

So, the demand for allowing Bangladesh Bank to act as an independent regulatory body has been raised by industry experts. The government should stop its interference to BB's policy actions and keep Bangladesh Bank free from all influences. Thus, the BB should be fully autonomous in all its functional and decisional activities. And it is urgent to protect depositors, investors, the general public and the real economy (real goods and services) as a whole.

**Faruk Ahmed**

Bangladesh Journalists' Foundation For Consumers & Investors (BJFCI) is the largest platform of senior journalists working in leading dailies of Bangladesh. It's members are working as Editors, Executive Editors, Economic Editors, Business Editors, News Editors, Chief Reporters, Special Correspondents and Senior Reporters/Sub Editors and committed to protect the rights of consumers and interest of inclusive investors through media interventions. BJFCI raises voice for the rights of consumers and promotes growth finance sector, digital innovations and mobile financial services in line with its vision to build a fair financial society for a better Bangladesh with inclusive growth.



# Govt mulls tougher penalty for e-commerce frauds



## DF Report

The government is going to amend the Money Laundering Act and the Digital Security Act to ensure tough punishment to e-commerce owners who have swindled crores of taka out of customers with unreal offers on products.

Among the companies, Evaly, Eorange, Dhamaka Shopping have come under the regulatory scanner, a central bank official said.

"Under the existing laws, we have a limited scope to punish the fraud accused like Evaly's Mohammad Rassel. So, the government is going to formulate tougher rules to ensure fraudsters proper punishment," Commerce Minister Tipu Munshi said.

Earlier, Law Minister Anisul Huq, Home Minister Md Asaduzzaman Khan, Commerce Minister Tipu Munshi, Information Minister Hasan Mahmud, Inspector General of Police Benazir Ahmed and other top government officials at meeting decided to amend the existing laws to punish e-commerce companies that defrauded customers.

Evaly's Rassel and his wife Shamima Nasrin and Eorange's owners have been arrested for their failure to pay off their respective liabilities to customers and merchants.

A money laundering case has been filed against Dhamaka Shopping and all involved with it are now traceless, Tipu Munshi said, adding, "Alesha Mart is still running its activities, which is under our observation."

"If the accused companies, including Evaly, have assets elsewhere and they inform us of their plan to sell those assets to meet their debts, we will consider," the commerce minister said.

The minister also said the government will not take the responsibility of the deceived customers who paid the e-commerce companies in advance out of greed and avarice to get products on very high discounts.

The government neither has any stake on their profits, nor on their losses, he added.

"Evaly, Destiny and Jubok - neither of them has assets to pay off their liabilities.





Evaly have splurged on promotions and sponsorships. Alesha Mart is still doing so. We will try our best to ensure that customers are not deceived by it."

Everyone has to avail a unique identification number from the commerce ministry, Tipu Munshi said.

The government has now no plan to shut any e-commerce company only because of irregularities by 10 to 12 errant companies, the commerce minister said.

At the meeting, Home Minister Asaduzzaman Khan said a law needs to be enacted to discipline the e-commerce sector. It is important to take steps so that no one in the country is deceived by any e-commerce platforms.

Law Minister Anisul Huq said there should be a rule of keeping security money for running e-commerce businesses. The bigger the company will be, the higher the amount will be.

Information Minister Hasan Mahmud suggested forming a strong regulatory authority to strengthen e-commerce monitoring.

After a meeting of the cabinet committee on public purchase, Finance Minister AHM Mustafa Kamal told reporters that the commerce ministry will have to take the primary responsibility to support the customers conned by some rogue e-commerce firms who secured clearances from it.

Regarding the finance minister's comment on the commerce ministry's responsibility for frauds committed

by e-commerce platforms, Tipu Munshi said, "We have arranged the meeting because we have obligations. We [commerce ministry] do not want to escape those obligations."

According to the minister, transactions worth Tk6,000 crore took place in the e-commerce sector before the introduction of the escrow service on 4 June.

Following its introduction, products worth Tk400 crore have been ordered through the service and Tk200 crore has been transacted.

Earlier, Tipu Munshi requested people to control their urge of buying products at low prices from e-commerce platforms to prevent fraudulent incidents like those by Evaly and Eorange.

Evaly received advance payments by luring people with heavy discounts on products on its site and promising delivery within 7-45 days. Many buyers, however, are yet to receive the items they ordered.

The Rapid Action Battalion recently arrested the CEO and chairman of Evaly following a case filed by a customer on allegation of money embezzlement. Later, two more cases were filed against the couple.

Besides, another e-commerce platform, Eorange, followed the same business model. They were not delivering products to customers or not returning the money paid against the orders over the past few weeks. Top officials of the controversial online merchants are already in jail.



## Editor's Pick



# NO JOY For BB

Online Shopping Mall  
**evaly**

**নগদ**  
৩৯৪ বিআরসি বিল্ডিংস লিমিটেড

People are nervous, MFS customers are frustrated

**FARUK AHMED**

**W**hen Rome was burning, Nero was playing flute. When Evaly was draining out nearly Tk 21000 crore money from people's pockets and Nagad suspended 3000 accounts of poor customers, what was the role of Bangladesh Bank (BB)?

This crucial question has awfully agitated people and become the talk of the town. Speakers at a recent webinar discussion said the government must intervene in Ponzi schemes, being run in the guise of e-commerce initiatives.



*When Rome was burning, Nero was playing flute.....*





The webinar titled 'Regulating the e-commerce industry: Prerequisite for ensuring sustainability', organised by The Financial Express also focused on the role of central bank in such a situation noting that holding Tk 40 to 50 billion by some eight e-commerce platforms was not only a crisis for the business but also for a financial regulator.

"No business entity except banks can hold the money of clients for an uncertain period of time, but some e-commerce platforms were doing so in the name of business", speakers said finger-pointing to the Bangladesh Bank.

There's no reliable evidence that Nero played anything during the Great Fire. Nero was blamed for ignoring a serious matter, and neglecting his people while they suffered. In Evaly and Nagad cases, the question is: Should we blame Bangladesh Bank?

The issue is now being discussed in financial hubs. Clearly, the BB is now at the bitter receiving end of harsh criticisms for bamboozling with policy regulations that were so badly needed in recent years to nurse and safeguard the growing mobile financial services (MFS) industry.

The initial policies of BB in relation to MFS led to flourishing and growth of the gamut of e-commerce as a whole in Bangladesh. But now, conversely, this growth now faces uncertainty and unreliability as a



*Eorange customers stage protests. Police use batons to break up a protest*



*Bangladesh Bank governor Fazle Kabir explaining the journalists how the central heist was committed.*

whole from the lagging regulatory actions of BB.

MFS customers are nervous. Nearly 12000 fraud incidents of Nagad accounts were reported to the Education Ministry in March, which exploited poor parents of students and maligned the image of the government's good initiative to help students as well as promote mobile banking in Bangladesh.

People are nervous, MFS customers are frustrated. So, no joy for Bangladesh



Bank which has achieved many international recognitions as a prudent policy maker, best central banker with human face and a role model for promoting digital financial inclusion.

**BB faces tough time to keep reputation**

After the incidents of Evaly and Nagad, Bangladesh Bank (BB) made several headlines. Some leading dailies reported that the central bank is under pressure to keep its reputation as a pro-people central bank as well as a prudent policy maker to increase access to appropriate financial services to the poor.

Some banking experts and former BB officials made this comment following the recent Evaly's fraud incidents in e-commerce sector and embezzlement of stipend money and government's allowances from Nagad accounts.

Bangladesh Bank, the central bank of the country, achieved many international awards for its outstanding performance. Dr Atiur Rahman, the former governor of Bangladesh Bank was awarded as the Best Central Bank Governor Asia and Pacific, 2015' by the Banker (of the Financial Times), 'The Central Bank Governor of the Year for Asia 2015', by the Emerging Markets





(of the Euromoney) and Indira Ghandhi Gold Plaque 2011 for his outstanding contribution towards human progress.

For its outstanding contribution in pioneering policy making

for mobile banking, Bangladesh Bank was selected for the Alliance for Financial Inclusion (AFI) Policy Award. The award was declared in 2014 at AFI Global Policy Forum in Trinidad and Tobago's capital Port of Spain. AFI is a global network of financial policymakers from developing and emerging countries working together to increase access to appropriate financial services to the poor.

The BB achieved Ba3 (Moody's) and BB- (Standard and Poor's) with stable outlook for the 11th consecutive years. Fitch Ratings affirmed BB- with stable outlook for the 8th time. It became the Member of the Advisory Board of the UNEP Inquiry on Designing 'Global Sustainable Finance'.

But the recent fraud incidents in e-commerce landscape, large loan scams in credit markets and frequent rule breaking incidents in mobile payment services industry by a particular operator- Nagad- has raised the question about regulatory independence and supervisory capability of Bangladesh Bank. The question has been raised: Where is the glory and glamour that BB acquired in 2014 for the AFI award, today ?

The government's frequent intervention in BB's policy operation has kept the central bank at bay from playing its due roles, they said adding that the BB's supervisory reputation is being maligned by the recent frauds, scams and rule breaking incidents in digital financial landscape.

"But the image of Bangladesh Bank as pioneering policy maker has been tarnished as well as its role as a watch-dog body," said a senior BB official on conditions of anonymity.

"Bangladesh Bank is now unable to make its policy independently as the government frequently intervene in its operations resulting in such unwanted incidents in the country's financial markets", he said.

The Banking Company Act, 1991 empowered the Bangladesh Bank to regulate the country's banking sector as an autonomous body. However, the central bank has lost its independence after the Ministry of Finance



established its own banking division.

In 2017, the central bank turned down proposals for setting up two new private commercial banks. In response, the government instructed them to prepare primary courses that would allow parties to get licences to set up private banks.

How does such an action leave any room for BB to operate independently?" said a supernumerary professor of BIBM, requesting not to be named. "In our research on banking industries around the world, we have not found any example of a robust banking sector without a strong central bank system.

**The government's frequent intervention in BB's policy operation has kept the central bank at bay from playing its due roles.**

Citing the recent incident of account suspension of 3000 Nagad customers without central bank's notice to public, a former BB official said Bangladesh Bank remained silent when Nagad, a mobile financial service provider opened millions of accounts without KYC protocol. Nagad

is operated by a third party in the name of Bangladesh Post Office (BPO) of the government with a temporary license from Bangladesh Bank.

"Why Bangladesh Bank allowed Nagad under the existing bank-led model to operate MFS business since it was not a subsidiary of any scheduled bank or even the BPO had no stake in it", asked a CEO of a leading commercial bank.

"The suspension of Nagad accounts caused havoc among millions of customers who remained unbanked," he said.

As a regulator, he continued, the BB must follow same rule for all operators and should not allow any operator that does not meet regulatory requirement to avoid any distortions like this.

More than 12000 fraud incidents had been committed with Nagad accounts while disbursing government's stipend to parents of students mostly who are poor and living in remote villages.





Thousands of poor people also demonstrated in front of offices of deputy commissioners as their allowances sent through Nagad were embezzled.

"It's the outcome of bad regulation and weak supervision", said Prof Amzad Hossain of Finance Department of Rajshahi University. "If you ignore rules, nature will punish you. In banking, good regulations and strong supervision are vital to build a sound and efficient financial system", he said.

Bangladesh Bank has also come under discussion several times after the large loan scams like Hall mark, Bismillah Group, People's leasing and the latest Evaly fraud in e-commerce landscape that pick pocketed nearly Tk 21,000 crore from pockets of millions of people across the country.

The central bank found that Evaly had over Tk 400 crore liabilities against current asset of Tk 65 crore as

of March 14 this year - a gap that prompted the commerce ministry to ask Evaly to explain the whereabouts of around Tk 338 crore that the platform owed to customers and merchants.

The Evaly's owners are now facing trials, but frustrated consumers are losing trust on digital banking operations as well as BB's supervisory performance in mobile payments, which ultimately will hit the country's financial inclusion-led growth vision.

Following the Evaly incident, e-commerce business is facing trouble time. Customers became cautious after a Bangladesh Bank inspection report on Evaly found that the e-commerce platform had huge asset liabilities mismatch.

In July, customers spent Tk 740 crore on products and

NAGAD VERSUS OTHER MFS OPERATORS				
NAGAD		TRANSACTION PATTERN	OTHER OPERATORS	
Daily limit	Monthly limit		Daily limit	Monthly limit
Tk 250,000	Tk 500,000	Cash in	Tk 15,000	Tk 100,000
Tk 250,000	Tk 500,000	Cash out	Tk 10,000	Tk 50,000
Tk 250,000	Tk 500,000	Send money	Tk 10,000	Tk 25,000



services, which is the lowest in five months and 42 per cent less than June's Tk 1,277 crore, according to data by Bangladesh Bank. This was the first time since September last year purchases through online marketplaces declined as reports of anomalies of some e-commerce platform come to the public.

E-commerce had been growing over the last decade and the growth accelerated after the rising infections of coronavirus disease forced people to stay home and place orders online to buy goods and services.

### No Joy for BB

Despite several recognitions, Bangladesh Bank has no joy for those awards as billions of taka have been siphoned by miscreants through banks and FIs regulated and supervised by it. Frauds by Evaly and frauds in fund disbursement through Nagad is the latest example.

One the main reasons is BB has a very little independence. There is great deal of influence of the government over its activities. So, it cannot play its due roles in creating a sound and effective financial system.

For example, Nagad, a MFS entity has been doing business without BB's license as the operators entered





into the MFS market with a tag line of Bangladesh Post Office (BPO) of the Ministry of Post and Telecommunications. BB has nothing to supervise Nagad operations, which is distorting the fast-growing MFS industry of Bangladesh.

In case of Evaly, the role of Bangladesh Bank was initially praiseworthy as it asked the banks not to deal with the company. BB ordered freezing the accounts of Evaly and others at the outset as public expression of indignation seemed so intense.

But it was too late. No sooner this order was issued that it was withdrawn just as fast showing that 'politics' fed by advocacy for the fraudsters from behind the wings and not independent policy execution of the BB was at the back of the unblocking.

"When the mad buying through Evaly was draining out money, BB could prevent and identify any transaction under the powers given in Anti-Terrorism Act, 2009", said Md Sarwar, a service holder who lost nearly five lakh taka in this e-commerce scam.

Under the Section 49, Bangladesh Bank may caution or prohibit entering into any particular transaction or class of transactions, order some actions or order to refrain from taking some action in relation to banking business.

But in case of Nagad, the BB's role is mysterious and shows its weakness to regulate a government's patronised company. Since its inception, Nagad made several headlines violating rules and regulations. The operator opened millions of accounts without complying KYC protocol under Anti Terrorism Act resulting in thousands of fraud incidents found in its fund disbursement to poor customers.

BB had nothing to control Nagad as it is patronised by a government organisation.

Banking experts say Bangladesh Bank has enough power to ensure sustainable financial development may help the government to be more concerned about new e-commerce field or in the situation like money flow from Middle Eastern countries for non-productive NGO sector etc. But it needs complete interdependency.

" The independence of a central bank is directly related to its efficacy in ensuring independence in relation to the affiliated banks and financial institutions under its control. The matter boils down to governance issues", said Dr Salehuddin Ahmed, former Governor of Bangladesh Bank.

**Leadership is a key element in the effective functioning of the central bank.**

To achieve the objectives of the central bank, such as inflation control and economic stability, better financial management etc., it is necessary for the central bank to be free from all influences. Thus, it should be fully autonomous in all its functional and decisional activities.

### **The Bottom Line**

To achieve the objectives of the central bank, such as inflation control and economic stability, better financial management etc., it is necessary for the central bank to be free from all influences. Thus, the BB should be fully autonomous in all its functional and decisional activities.

However, the autonomy largely depends on the governor and the deputy governors' capability to handle both outside and inside interference. Leadership is a key element in the effective functioning of the central bank.

# Contactless cards gains momentum amid Covid, digital push

## DF Report

Contactless credit cards are gaining popularity in Bangladesh in these pandemic days as this tap-and-pay payment technology allows users to make payments without close contact with the staff of stores during in-person purchases.

The transactions through contactless cards provided by over half a dozen banks increased nearly 70 per cent on an average annually, Syed Mohammad Kamal, country manager of Mastercard told the press recently adding that about 42,000 point-of-sale (POS) terminals process contactless transactions.

Contactless payment method works by tapping a card near a POS terminal equipped with contactless payment technology. It allows users to avoid touching the terminal compared to swiping or inserting a card.

While it is often referred to as tap to pay, no tapping actually takes place.



City Bank is one of the first lenders that has brought contactless cards to Bangladesh. Its current contactless products include American Express Platinum Card, American Express CityAlo card, American Express Biman Card, American Express Agora Card, and Visa Platinum card.

The bank is investing heavily in building infrastructure and has so far deployed 27,000 POS machines that have the contactless capability to cater to the market.

## CONTACTLESS CARDS AT A GLANCE

BB gave the green light in July 2018 only for credit card

UCB becomes the first bank to roll out it that month

Initially maximum PIN-less transaction limit was Tk 3,000

BB raised the ceiling to Tk 5,000 at the beginning of pandemic

Over half a dozen banks and NBFIs launched the service

About 4.5 lakh contactless credit cards are now in circulation

About 42,000 POS terminals accept contactless cards

Over 70pc year-on-year transaction growth since inception





Dhaka Bank launched contactless credit cards in 2018. All of its Visa and Mastercard credit cards are contactless.

"Contactless payment system has paved the way for a cash-less society, and it is overtaking traditional card payment. It is widely used globally as a secure mode of payment," said HM Mostafizur Rahman, head of retail business at Dhaka Bank.

"Covid-19 has created an opportunity to migrate to cards from cash."

Between January and August, the domestic contactless transactions of Dhaka Bank grew 162 per cent year-on-year. International contactless transactions were up 103 per cent.



In Bangladesh, only credit cards are allowed contactless transactions. However, industry people say it is important to enable debit and prepaid cards to offer the facility so that more people can experience such payments.

In 2020, Bangladesh Bank raised the spending limit on each use of contactless credit cards to Tk 5,000 from Tk 3,000 to popularise it.

As the first state-owned lender, BASIC Bank launched a dual-currency contactless credit card in December.

Eastern Bank Ltd (EBL) has rolled out Visa and Mastercard-branded contactless credit cards. It has about 1.9 lakh credit cards, out of which 20 per cent are contactless. The bank's all 5,000 POS terminals offer the facility.

"We have not launched all products as contactless

because all of our POS devices are not equipped with the solution," said Ahsan Ullah Chowdhury, head of digital financial service at EBL.



The bank is issuing new credit cards with contactless features. The price of a contactless card is 1.5 times traditional cards.

In the developed countries, contactless cards are used to buy the tickets for bus and train services as it has an easy tap-and-pay feature. "This type of card can be used after the launch of metro rails in Dhaka as well," Chowdhury said.

Industry people say many merchants don't know how to use contactless cards as no banks have run a comprehensive campaign to encourage it so far. The lack of POS equipped with contactless solutions poses another challenge.

Standard Chartered Bangladesh introduced contactless credit cards in August last year at the height of the pandemic as it looked to give a boost to the tap-and-pay feature for small transactions, like paying bills at coffee shops and fuel stations or buying tickets.



About 30 per cent of the bank's 1.25 lakh credit cards have the facility. Its new issuances are also contactless, including debit cards. But, the contactless feature in the debit cards has been kept disabled as the regulator is yet to approve yet.

"As the needs of our clients evolve and grow, we stand steadfast in our commitment to providing them with innovative and technologically advanced, world-class solutions," said Sabbir Ahmed, head of the consumer, private and business banking of the multinational bank. In July 2018, United Commercial Bank became the first lender in Bangladesh to roll out contactless cards. It has witnessed 50 per cent average year-on-year growth in transactions since then.

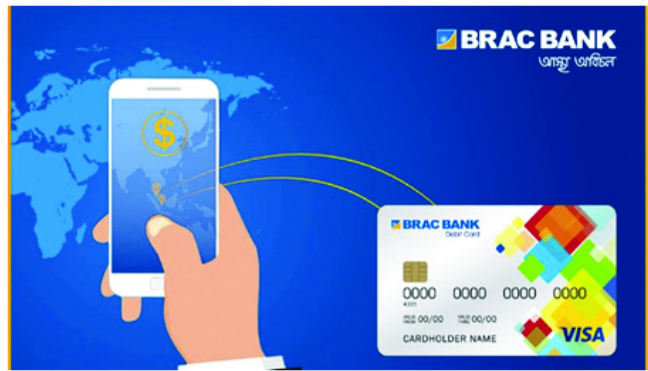
"It's a new concept, and customers are not familiar with the process, which is the main challenge facing contactless payments," said Nehal A Huda, head of cards of UCB.



The bank has around 35,000 contactless cards, which account for 60 per cent of all of its credit cards in circulation. It has deployed around 12,000 POS machines at merchant points, and all accept contactless cards.

If the central bank makes it compulsory for every credit card transaction to go through the tap-and-pay process, the contactless payment will receive a boost, bankers say.

Brac Bank launched Visa contactless credit cards in the middle of last year. It has more than 9,000 POS terminals, and the bank is gradually converting them into



contactless ones, said Mahiul Islam, head of retail banking of the bank.

Mutual Trust Bank has issued 40,000 contactless cards since its rollout in December 2018. It has about 3,500 POS terminals, and 1,300 of them process contactless transactions, according to Shafaquat Hossain, head of SME and retail banking of MTB.



Contactless transactions, as a share of in-person transactions, were up at least 50 per cent in more than 100 markets in 2021, according to Mastercard.



LankaBangla was the first non-bank financial institution to have launched contactless credit cards in partnership with Mastercard in September last year. It rolled out Visa-branded credit card the following month. It has 1.45 lakh credit cards, and 85 per cent of them are contactless, said Khurshed Alam, head of retail business at the firm.



# Monthly MFS transaction limit of Tk 2 lakh remains unchanged

## DF Report

The highest monthly transaction limit of Tk 2 lakh from person to person through mobile financial services (MFS) remains unchanged according to the latest circular issued recently by Bangladesh Bank. The government has recently reopened the economy, which is why the BB has taken the decision, a BB official said. The monthly transaction limit was increased from Tk 75,000 on April 4 soon after the government declared strict restrictions on movement to contain the second wave of the coronavirus pandemic. From now on, MFS providers can impose the charge as per their business policy.

The central bank, however, withdrew the facility of MFS transactions that allowed clients to settle Tk



40,000 without any charge through MFS. The central bank also said that credit cardholders would have to face interest on the overdue amount of their cards.

In April, banks were asked to impose interest on the only principal amount of credit cardholders. But, the latest notice has withdrawn the rules as well.

# Banks asked to scrutinise risks of e-commerce transactions



## DF Report

Bangladesh Bank has instructed scheduled banks to scrutinise the risks to conducting transactions made in e-commerce company bank accounts.

e-commerce companies may not receive any advance payment for products or services to their bank accounts directly from customers, said the Bangladesh Bank in a letter issued to the banks recently.

The directive sent to the managing directors and CEOs of banks, said it has been noticed recently that a number of digital commerce companies are accepting advance payments for goods and services directly from

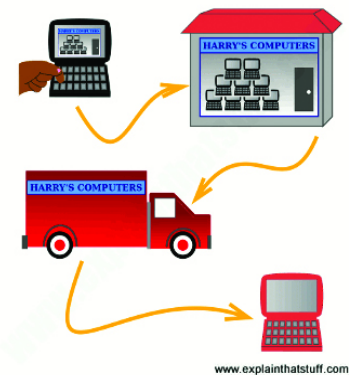
customers to their own bank accounts in order to avoid the "Digital Commerce Operation Guideline 2021" issued by the government and the guidelines issued by Bangladesh Bank.

In this context, the central bank has issued a new directive for transactions in e-commerce organisation accounts.

In order to manage an e-commerce organisation's account, banks have to verify the rationale of the transaction profiles.

The Bangladesh Bank also instructed scheduled banks to analyse the characteristics of the transaction and ensure proper supervision taking the overall risk into account.

The central bank said the directives would take effect immediately.



# Digital banking platforms market worth \$13.9 billion by 2026

## DF Report

The world digital banking platforms market size is expected to grow USD 8.2 billion in 2021 to USD 13.9 billion by 2026, at a compound annual growth rate (CAGR) of 11.3%, According to a new market research report published recently.

The Digital Banking Platforms Market is gaining traction due to the increasing adoption of smartphones. Countries such as India, Indonesia, South Africa, and China have seen high growth in smartphone sales in the last few years.

According to the GSM Association (GSMA) Mobile Economy 2020 report, there will be 7.1 billion smartphone connections by 2025 from 5.2 billion in 2019. The adoption rate would increase from 65% to 80% by 2025.

Mobile banking segment is expected to grow at a higher CAGR during the forecast period, the report said noting that mobile banking platforms offer an intuitive and secure mobile banking experience to retail and corporate banks.

Banks are increasingly adopting the mobile banking platform due to the changing customer preference toward mobile banking across all seg-

ments. This helps drive the business growth of the mobile banking segment.

This is substantiated by the 2018 Mobile Banking Study from Citi Bank. The study revealed that 46% of US consumers have increased their use of mobile banking in the past year.

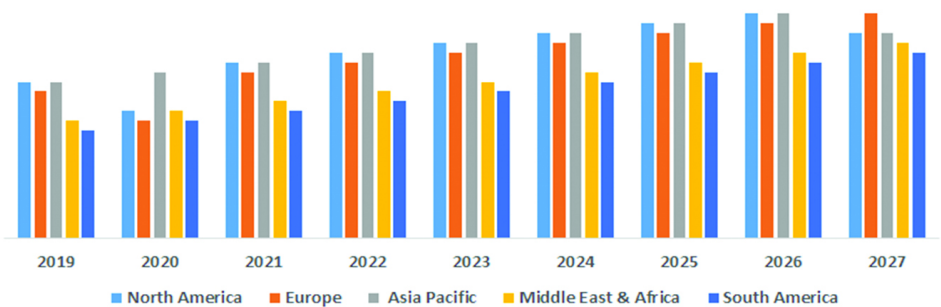
Furthermore, 91% preferred using apps over going to a branch, whereas 68% of millennials said they could see their smartphones replacing their physical wallets.

Asia Pacific (APAC) region to record the highest growing region in the digital banking platforms market, the report says adding that there is a huge untapped market for the banking industry in India, China, Bangladesh, and several other countries of APAC.

However, to keep up with this rapid pace of advancements, traditional banking firms are undertaking digital transformation projects, the report said.



Global Digital Banking Platforms Market, by Region 2020-2027



## Community Bank transactions enabled through bKash app

### DF Report

Mobile financial service provider bKash has recently launched an integrated transaction service with Community Bank Bangladesh Limited.

The bank customers will now be able to deposit money, pay instalments of deposit pension schemes and loans along with conducting money trans-



Introducing the new bKash App

actions round the clock through the bKash app.

Besides, bKash customers will also be able to avail cash from the bank's 165 ATM booths around the country at a 1.49 per cent service charge.

Benazir Ahmed, inspector general of police and the bank's chairman, inaugurated the service at a hotel in the capital.



# First MFS-based digital savings scheme launched



## DF Report

A 'Digital Savings Scheme' has been launched to enable people including the ones previously living outside financial inclusion to enjoy term-deposit services of IDLC Finance by using their bKash accounts.

Leading non-banking financial institution IDLC Finance has introduced the scheme at a launching event held at the corporate head office of IDLC Finance recently in Gulshan, Dhaka.

Thanks to this initiative, the first of its kind in Bangladesh, bKash customers can now open monthly savings anytime from anywhere, following a few simple steps, according to a news release.

It said users can deposit savings instalments from the bKash app on the scheduled date of each month and once the savings scheme is matured, customers will receive the money including profits in their bKash account.

"This collaboration between IDLC Finance and bKash to connect customers with traditional financial services through mobile financial services (MFS) will serve as an example for the industry," said M Jamal Uddin, MD and CEO of IDLC Finance.

He expressed hope that access to services like the monthly savings scheme would also contribute to the

improvement of people's living standards and economic development.

Kamal Quadir, CEO of bKash, added, "bKash, which has become a part of the lives of millions across the country, has once again utilised technological innovations to make it easier for customers to get access to savings service of financial institutions."

"To further encourage the savings trend, IDLC's savings service has been brought to the doorsteps of marginalized people to enhance their efficiency and independence in financial management."

This new service, the partners believe, will inspire people from all walks of life to save money and it will make the savings process "easier, safer, more profitable and affordable".

To open savings account in IDLC, customers need to click on 'Savings (in bank and financial institution)' icon from the home screen of bKash app and follow some easy steps, said the news release. Customers also need to provide their personal information and details of nominee.

Customers will be able to see all the important information 'Live' from the bKash app, including total savings amount, savings period, and profits, the release mentioned.

# HSBC introduces cash flow forecasting service

## DF Report

HSBC Bangladesh has recently introduced an HSBC Cash Flow Forecasting tool that allows businesses to generate a more accurate view of their future finances and liquidity position.

The tool is accessed via the bank's digital banking platform, HSBCnet, providing clients with a single point of access for all their cash management needs, says a press release.

It is fully integrated, automatically loading data from a client's account, and can also work cohesively with the client's own systems.

This allows details of pending invoices or future-dated events to be added automatically, reducing manual intervention and significantly cutting the time taken to prepare a forecast.



The tool reduces engagement of resources in manual spreadsheet administration which is generally involved in cash flow forecasting to allow businesses to focus on higher-value generating activities.

It produces sophisticated cash forecasts covering a three-year horizon.

The modelling and scenario testing capability allow clients to create customised forecasts with ease.

Detailed variance analysis will highlight differences between forecasts and actual performance - meaning clients can

spot cash surplus or deficits and further refine their forecasting accuracy.

"...it is more important than ever for Treasurers to have an accurate and timely forecast of their liquidity position," said Kevin Green, country head of wholesale banking at HSBC Bangladesh.

# 15,000 locals in Cox's Bazar receive UNHCR's financial aid through bKash

The pandemic-hit, distressed and ultra-poor people received BDT 2,500 each

## DF Report

The United Nations High Commissioner for Refugees (UNHCR) has distributed financial aid of BDT 2,500 through bKash to 15,000 locals in Cox's Bazar.

UNHCR distributed the financial aid through bKash to the pandemic-hit most vulnerable individuals and people living in extreme poverty in Cox's Bazar. Especially, people who have lost their jobs during the pandemic, people with disability, the elderly, widows, hawkers, transgender, hotel staff received the financial aid. Bangladesh Red Crescent Society carried out the project as local implementation partner of UNHCR.

Md. Kamrul Hasan, Divisional Commissioner of Chattogram formally inaugurated the financial aid disbursement through bKash at Cox's Bazar DC Office recently.

Among others, Md Mamunur Rashid, Deputy Commissioner of Cox's Bazar; Ita Schuette, Head of



Office for UNHCR in Cox's Bazar; Imam Zafar Sikder, Disaster Response Director of Bangladesh Red Crescent Society and Mehmud Ashique Iqbal, Vice President and Md. Somel Reza Khan, Deputy General Manager from Commercial division of bKash, were present on the occasion.



# Globe Group to use bKash Payroll Solution

## DF Report

Globe Group, one of the renowned industrial groups of the country, has decided to use bKash payroll solution to disburse salaries and other allowances to their employees.

In the initial stage, employees of its two concerns—Globe Edible Oil and Globe AST Beverage will receive their salaries and allowances directly to their bKash accounts. The employees of other subsidiaries of the group will also be brought under this service in phases, states a press release.

Globe Group has recently signed an agreement with bKash at its head office in the capital. Md. Harunur Rashid, Chairman and Samir Al Rashid, Group Director of Globe Group; Ali Ahmmmed, Chief Commercial Officer and A.T.M Mahbub Alam, Head of Payroll Business of bKash and other senior officials of both the organizations were present at the signing ceremony.

Disbursement of salaries and allowances to employees through bKash Payroll Solution has gained popularity. Currently, around 1000 companies including 800 RMG



factories are disbursing salaries and allowances to their employees through bKash.

The payroll agreement with bKash will facilitate uninterrupted salary disbursement service which will reduce cash handling. It will make salary management easier and affordable as well. After receiving salary in bKash account, employees can avail wide range of services like send money, mobile recharge, utility bill payment, payment at the shops and many more. They can also avail Cash Out service from 3 lakh agent points and 1500 booths of 13 banks spread across the country.

# StanChart strikes deal to launch Singapore digital-only bank

## DF Report

Standard Chartered has agreed a three way partnership deal to launch a digital-only bank in Singapore with the nation's National Trades Union Congress (NTUC).

A Standard Chartered car will take a 60 percent stake within the enterprise, price 144 million Singapore {dollars} (\$107.28 million), with the NTUC's enterprise arm taking the remaining 40 percent stake, price S\$96 million, the London-listed bank mentioned on Monday.

The deliberate enterprise comes after StanChart launched its digital-only Mox Bank model in Hong Kong final 12 months and amid a growth in fintech investments in Southeast Asia.

A call on the Singaporean enterprise's branding has but to be determined, a Standard

Chartered spokesperson mentioned.

The Standard Chartered car concerned within the transaction obtained a full Singaporean banking licence in December final 12 months.



# MetLife and Citibank, N.A. launch host-to-host electronic payment processing platform

## DF Report

MetLife Bangladesh and Citibank, N.A. Bangladesh have together launched the country's first ever Host-to-Host (H2H) payment processing platform using Bangladesh Bank's Electronic Fund Transfer (EFT) Debit network.

As more consumers across Bangladesh choose to pay insurance premiums directly from their bank accounts via EFT, this platform will enable MetLife Bangladesh to more efficiently collect payments from customers who wish to use this channel.

The platform has been delivered through a sophisticated technology integration between MetLife Bangladesh and Citi's award-winning online banking

platform CitiDirect BE.

"More and more customers now prefer electronic channels for premium payment, and it's a priority for us to collaborate on strengthening the diverse range of premium payment channels for our over 1 million customers," said Ala Ahmad, FCA, Chief Executive Officer of MetLife Bangladesh during a virtual event to inaugurate the new platform.

N. Rajashekar (Shekar), Citi Country Officer, Bangladesh said, "One of our core missions in Bangladesh is to bring innovation and new products which benefit the local industry. We are delighted to launch this Direct Debit H2H Solution in partnership with our valued client, MetLife Bangladesh".



# Prime Bank joins NBR's Integrated VAT Administration System

## DF Report

Prime Bank has partnered with The National Board of Revenue (NBR) to develop Single & Multiple BIN Validations for enhanced VAT payment experience.

Prime Bank's corporate clients have been enjoying the e-VAT service through the bank's Omni Digital Platform, PrimePay since December 2020. The latest integration will bring VDS (VAT Deduction at Source) payment as an additional feature of the e-VAT service for the Banks's corporate clients.

By using IVAS system, the enlisted corporate users can easily and securely pay their e-VAT and supplementary duty directly from the user's bank account to the national exchequer from PrimePay.

An inauguration ceremony was held

at the bank's head office and to grace this partnership, Kazi Mostafizur Rahman, VAT Online Project Director and Commissioner, NBR, was present along with Faisal Rahman, Additional Managing Director of Prime Bank.





# bKash distributes 15,000 books to underprivileged children

## DF Report

bKash has distributed 15,000 books to 27 organizations including schools, voluntary organizations working for underprivileged and disadvantaged children.

bKash made the announcement via a press release issued in this regard on Wednesday.

According to the release, books have been distributed to cultivate the habit of reading various books alongside textbooks among underprivileged children. This initiative also brings an opportunity to read more books for the readers of privately-run libraries.

bKash collected these books from visitors, writers and readers at Bangla Academy Book Fair, also donated from its own fund, and distributed through non-profitable organization Obhizatrik Foundation, the release said.

These books have been distributed in various non-profitable organizations and libraries such as Spreeha,



APON Foundation, Shishu Polli Plus, Switch Tahmina Banu Bidyaniketan, Whistle Bangladesh, Isha Lalbagh Pathagar, Diganta Foundation, Aparajeyo Bangladesh, Friday School, Ignite Foundation, Tokkhoshila School,

Mojar School, Born to Smile, Prochesta and Obhizatrik Foundation's schools.

Mir Nawbut Ali, Chief Marketing Officer of bKash said, "bKash will remain engaged with such initiatives of nurturing reading habit among children in future."

Ahmed Imtiaz Jami, Founder of Obhizatrik Foundation, said, "This initiative of bKash has been

praised by all for cultivating reading habit among the children. An integrated effort like this by corporate and non-profit organizations has set a good example."

In a similar initiative in the 2020 Book Fair, bKash collected books from visitors, readers and writers, donated from its own fund and distributed 7,500 books among the underprivileged children under the book distribution program.

# bKash organises workshop to prevent misuse of MFS

## DF Report

Popular Mobile Financial Service (MFS) bKash has organised an awareness building workshop with police officers of Chattogram on 13 September.

The workshop, attended by 250 investigation officers of CMP and bKash officials, took place at Dampara Police Lines of the port city in co-operation with Chattogram Metropolitan Police (CMP), said a press release.

The fundamental purpose of the workshop was aimed at ensuring proper use of MFS in compliance and to



prevent the use of the service in criminal activities.

There are a variety of ways to develop information assistance, while identifying and preventing criminal cycles which were discussed in detail at the workshop.

Furthermore, how a person can help local law enforcement agencies with information was also discussed.

At the event, CMP Commissioner Saleh Mohammad Tanvir was present as the chief guest, along with EVP and bKash Head of Development of External Affairs AKM Monirul Karim.

# 15% cashback on bKash payment at Daraz marking its 7th anniversary

## DF Report

Customers can now enjoy 15% up to BDT 200 cashback on shopping from Daraz through bKash payment. They can avail the offer till 8 September on the occasion of the online shopping platform Daraz's 7th anniversary, states a press release from bkash.

Customers are getting instant cashback on all products starting from fashion, lifestyle, electronics, groceries, digital products, beauty products, and so on. A customer can get a maximum cashback of BDT 200 in a single or through multiple orders during the campaign period.

For shopping from Daraz, customers need to select bKash from the payment option after selecting a product. With entering the bKash number and verification code, bKash will be added to the payment method.

Once bKash is added to the payment system, customers can do shopping whenever they want from Daraz, using PIN only.

Now, customers can do shopping through bKash payment at more than 250,000

small and large online/offline merchants including Daraz across the country. Payment at the merchant points through QR code scanning of the bKash app has brought additional convenience to the customers.



# HSC, equivalent exam form fill-up fees can be paid through bKash from 'Sonali eSheba' app

## DF Report

Students of HSC, Alim and equivalent examinations will be able to pay their form fill-up fees through bKash from the 'Sonali eSheba' app.

The service aims to facilitate the payment procedure for parents and students who can now pay from anywhere without going to educational institutions.

Students need to click on 'bKash' icon from the app's 'Mobile Banking' option and enter bKash account number, bKash PIN and click on the 'confirm' option.

To complete the payment process, students have to enter the verification code received through SMS. Once payment is completed, users will get a confirmation message and can download the payment slip from Sonali eSheba app.

Not just academic fees, bKash can also be used for paying other fees as well.

At present, it is providing fee payment services to more than 600 public and private educational institutions across the country.







# Technology Is Revolutionizing Healthcare Payments



## Don Apgar

Healthcare is one of the fastest growing segments for both technology and payments, as Bhagvan Kommadi points out in this Forbes article. What's driving the demand for both is a fundamental shift in how we consume healthcare services here in the US. Most of the technology built to manage patient records and payments came to market at a time when the healthcare landscape was dominated by HMOs with nominal patient co-pays. Enterprise systems with hospitals and physician practice groups were designed to exchange billing details with insurance companies, since they paid the entire bill except for the nominal co-pay provided by the patient.

Today's healthcare has evolved into high-deductible healthcare plans (HDHP), where the patient is now responsible for the first \$5k or more of their annual healthcare expenses. This has injected a new variable into the service-to-payment revenue cycle for physicians and hospitals, since a significant share of their revenue is now coming directly from patients, not just from healthcare insurers. This increase in patient billing brought new challenges, as patients now wanted to see billing details to understand what they are paying for.

For many patients, healthcare expenses are sudden and unbudgeted, leaving them unable to pay the entire bill in a timely fashion. Revenue cycle companies are learning that platforms that offer installment payment plans as options yield a higher revenue recovery than ones that simply send everything to collections after 90 days.

Solving these issues for both patients and providers has brought a technology focus to transparency, where more of the billing detail is available to consumers, and connectivity, the ability to easily share data throughout the healthcare ecosystem. Patient privacy is paramount in handling treatment details, as set forth by the Healthcare Information Privacy and Portability Act (HIPPA), so access control to patient data requires both robust data security to guard against data theft, as well as user authentication to control who has access to what.

Most of the start-ups in the healthcare space are integration-layer companies focused on building flexible and extensible API platforms that can connect disparate systems. The platforms enable more comprehensive workflows to be constructed that start with patient onboarding at the provider's office and flow all the way through the procedure cycle to billing and payments.



# 6 Common Types of Ecommerce Fraud and How to Fight Them

Ecommerce fraud takes many forms, including account takeover fraud, friendly fraud, card testing fraud, and more. To reduce the impact ecommerce fraud has on your store, you need to understand the specific fraud type and source.

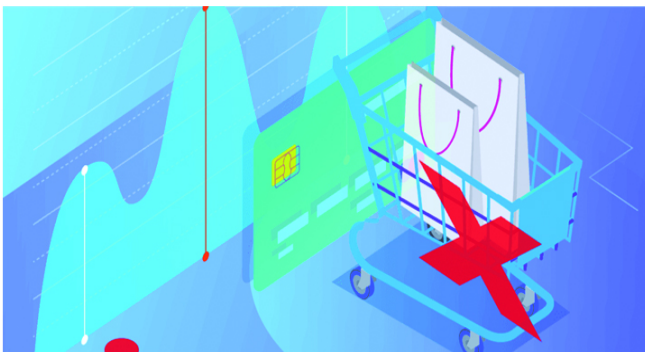
If you run an ecommerce store, you should be protecting your customers - and your business - against potential ecommerce fraud. Recently, ecommerce fraud has risen nearly twice as fast as ecommerce sales. More than ever, ecommerce stores need to use fraud management systems that detect and protect against fraud while helping you manage chargeback disputes.

It's important to take these threats seriously by developing strategies to combat and reduce the impact of fraud on your online store. To help, we've compiled a list of the most common types of ecommerce fraud and tactics that you can leverage to protect your ecommerce store from fraud. For convenience, we've broken this article into the following sections. Feel free to jump to the one that's most useful to you:

- \* **What is ecommerce fraud?**
- \* **6 common types of ecommerce fraud**
- \* **How to fight back against ecommerce fraud**
- \* **Some future trends in ecommerce fraud**

With these fundamentals in mind, you can better identify and combat different types of fraud that may affect your ecommerce business. Let's get started.

## What is ecommerce fraud?

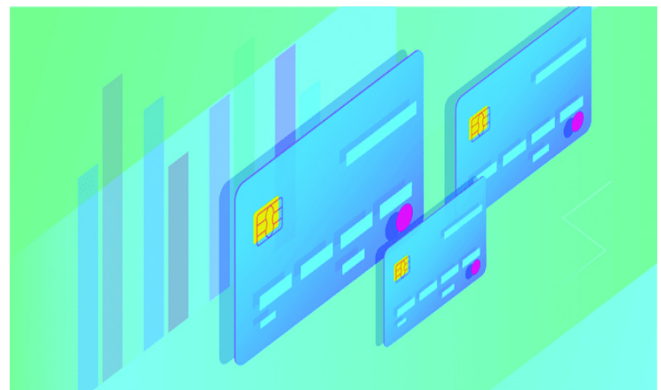


Ecommerce fraud is any type of fraud that occurs on an ecommerce platform. Using a stolen or fake credit card, using a false identity, and affiliate fraud advertising are all forms of ecommerce fraud. When a customer engages in fraud on your online store, you as a retailer absorb this cost, negatively affecting your revenue.

As opposed to fraud in a brick-and-mortar location, online fraud can be conducted with personal and credit card information and the card doesn't need to be present for the transaction. In some cases, hackers steal personal and financial information and sell it on the black market. This type of criminal fraud is more severe, but there are other types of customer fraud, such as friendly fraud, where the customer intentionally files a chargeback to gain a free product and avoid payment.

Part of why ecommerce fraud is so prevalent today is because prosecutions are rare, due to time and resource constraints, the burdens of gathering evidence, and more. This means ecommerce fraud prosecutions are rare, and it is best to integrate a high-quality fraud detection and prevention management system to eliminate fraud on your platform and reduce its impact on your revenue.

Ecommerce fraud is sophisticated and ever-evolving, as fraudsters leverage more advanced tactics with every passing year. Malicious actors only need to be right once, whereas you need to be right every time. Before we look at strategies to combat fraud, let's look at the most common types of fraud on an online store.



## 6 Common Types of Ecommerce Fraud

The best way to combat fraud is to identify why fraud is occurring in the first place, and then develop strategies to prevent and protect against these attacks, in order to secure your ecommerce site. To start, you'll want to identify the type of fraud that is occurring on your platform, and then address it directly.

While there are countless schemes that fraudsters can use, we want to highlight some of the most common types of ecommerce fraud. These strategies have been used successfully against both small and large ecommerce websites. Recognizing them now can help you avoid becoming a victim.

### 1. Card Testing Fraud

Card testing fraud (also known as card cracking) is a widespread tactic used to defraud ecommerce businesses. In 2017, for instance, card testing fraud jumped by more than 200 percent, accounting for 16 percent of all ecommerce fraud and 7 percent for larger ecommerce merchants.

Card testing fraud is when someone gains access to one or more stolen credit card numbers, through theft or by purchasing card data on the dark web. Even though they have the credit card numbers, they do not know (1) whether the card numbers can be used to successfully complete a transaction or (2) the limit associated with that credit card.

Fraudsters visit an ecommerce website, making small test purchases, often using scripts or bots to test multiple credit card numbers quickly. These initial purchases are extremely small, as the entire purpose is to see whether the credit card can be used to complete transactions. Once they know that a credit card number works, they will begin making much more expensive purchases.

Ultimately, the initial small purchase testing tactic often goes undiscovered. Merchants and impacted customers tend to realize that they have been victims of card testing fraud when larger purchases are made. By that point, they may have been able to make several significant purchases using stolen credit card information.

### 2. Friendly Fraud

Friendly fraud (also called chargeback fraud) is when someone purchases an item or service online and then requests a chargeback from the payment processor, claiming the transaction was invalid. The credit card companies or bank returns the transaction value to the customer, which must still be paid by the retailer.

In a chargeback fraud, an individual makes claims that appear to be believable and honest, and in some cases, that individual may be right (hence, "friendly fraud"). That said, friendly fraud can be used to receive items for free. For instance, the fraudster may purchase an item from your online store and argue that the item was never delivered, they may tell their credit card issuer that they returned the item to the merchant, but that a refund was never processed, or they can even say that they canceled the order, but it was still sent to them.

Whatever the case may be, chargeback fraud occurs when they contact their credit card issuer to dispute a

charge that they actually intended to make. Use a chargeback management software tool that will reduce fraud loss and help you manage disputes.

### 3. Refund Fraud

Refund fraud is when someone uses a stolen credit card to make a purchase on an ecommerce website. The fraudster then contacts the ecommerce business and requests a reimbursement due to an accidental overpayment. They request a refund of the excess amount, but then state that the money will need to be sent via an alternative method since their credit card is closed. Ultimately, this means that the original credit card charge is not refunded and the ecommerce business is responsible to the card owner for the full amount.

With refund fraud, the ecommerce merchant is stuck in the middle. The fraudster may appear to be making a legitimate claim on the surface, but in reality, they are trying to steal money from your business.

### 4. Account Takeover Fraud

Account takeover fraud occurs when someone gains access to a user's account on an ecommerce store or website. This can be achieved through a variety of methods, including purchasing stolen password, security codes, or personal information on the dark web or successfully implementing a phishing scheme against a particular customer.

Once they have gained access to a user's account, they can engage in fraudulent activity. For instance, they can change the details of a user's account, make purchases on ecommerce stores, can withdraw funds, and can even gain access to other accounts for this user.

Account takeover fraud is a serious form of identity theft, costing victims and your reputation as a retailer. Customers that feel that their data may be vulnerable on your website or ecommerce store are less likely to checkout and will consider competitors that offer stronger security measures.

### 5. Interception Fraud

Interception fraud is when fraudsters place orders on your ecommerce website where the billing address and shipping address match the information linked to a stolen credit card. Once the order is placed, their goal is to intercept the package and take the goods for themselves.

This can be done in several ways. First, they may ask a customer service representative at your company to change the address on the order before it is shipped. By doing this, they aim to receive the goods while the actual payment is made by the victim. They may also contact the shipper (whether it is FedEx, UPS, or another courier) to reroute the package to an address of their choosing. If they live close to the victim, they may even wait for the physical delivery of the package,

sign for the package, and take it for themselves.

### 6. Triangulation Fraud

Triangulation fraud requires three different types of actors: the person doing the fraud, a shopper, and an ecommerce store. The fraudster sets up a storefront (on Amazon, Shopify or another platform) that sells high-demand goods at competitive prices.

Setting up this storefront brings in a number of legitimate customers who are looking to take advantage of an incredible bargain. Once these customers place orders on the fraudster's website, the fraudster uses stolen credit card numbers to purchase legitimate goods from your ecommerce website, and then send those goods to their customers.

While the customers of the fraudster's store may be receiving real goods for an unbelievable price, the victims are (1) those whose credit cards have been stolen and (2) your ecommerce website. Your ecommerce store ships real items to the fraudster after they use stolen credit card information to place these orders.

### How to Fight Back Against Ecommerce Fraud

Regardless of how much credit card fraud is occurring on your platform, it affects your revenue and bottom line. While it may seem like an uphill battle to defend your ecommerce company from growing threats, here are some quick steps that you can take to fight back against ecommerce fraud and reduce fraud risk.

#### 1. Take Advantage of Fraud Detection Solutions

This is one of the most effective ways to fight back against all types of ecommerce fraud. A fraud detection solution is essentially a third-party solution that specializes in identifying red flag transactions and protecting ecommerce merchants from card testing fraud, friendly fraud, and chargeback fraud.

A fraud detection solution is helpful for ecommerce organizations of all sizes, and is one of the best forms of fraud protection for ecommerce businesses. That said, it can be especially valuable for smaller companies who do not have the time, resources, or talent to implement their own fraud solutions. While you will

want to do your due diligence to find the best vendor, a fraud detection solution can be a great way to fight back against fraudsters.

#### 2. Maintain PCI Compliance

The Payment Card Industry Data Security Standard (PCI DDS) is a widely-respected set of requirements ensuring companies storing and processing credit card information and cardholder information-like ecommerce companies-maintain a secure environment. PCI compliance results in basic security precautions, including things like creating a firewall between your internet connection and any system storing credit card numbers. Ultimately, PCI compliance is mandatory, so you must ensure that you are abiding by relevant PCI guidelines to avoid any sanctions or penalties.

#### 3. Be Extra Vigilant During the Holidays

The holiday months can be some of the most critical months for your business, as more people buy using ecommerce stores for Black Friday, Cyber Monday, and various December holidays. Customers are also preoccupied and busy during these times, and often adhere to fewer safety precautions.

The simple fact is that many fraudsters rely on merchants being too busy or preoccupied to spot potential fraud during these months. During the holiday months, be extra careful when receiving a significant number of foreign orders, rush orders, or many small-dollar purchases. These behaviors can be evidence of fraudsters testing out schemes like card testing fraud.

#### 4. Create Blacklists

If you pay for a fraud detection solution (or do it yourself), you may start to notice that particular customers have tested credit cards with your ecommerce business. Once you find these customers, put them on an internal blacklist.

By putting a customer on a blacklist, you ban them from future purchases on your website. A blacklist isn't a complete solution, since fraudsters can keep using new stolen customer identities. However, a blacklist can help you flag potential fraudulent transactions before they occur based on past behavior.

