

5 Ways for banks to detect risks introduced by social media activity

Does your financial institution have customers whose funds originate from social media activity? Sophisticated fraudsters have devised ways to exploit social networks to commit fraud and further illicit activity through elaborate schemes. Pay attention to these factors to detect potentially illicit activity:

Social media activity

Assess whether your customer's activity coincides with their stated line of business and source of funds.



Transaction originators

Is your customer receiving numerous payments from individuals as opposed to a sponsor or brand? Does it seem reasonable for the customer to be receiving funds from various originators (a "multiple originators to one beneficiary" relationship)?



Volume and value of transactions

Is the customer receiving a large volume of transactions? Are they below the reporting threshold?



Strength of web presence

Is the customer's profile and transactional activity commensurate with the customer's online profile, duration of on-line presence and size of following?



Contracts or compensation clause

Can the customer provide sufficient documentation to demonstrate a contractual agreement to support their purported line of business? If so, is the contract in agreement with the transactional activity?

