

The Oasis Centre - Cornwall

Registered Charity Number 1139355, founded to serve the communities in the parishes of St Columb Major, St Mawgan-in-Pydar, St Eval and St Ervan



Looking Out for Cheques

Number 22 in a series of notes on important issues.

Banking and payment systems are evolving all the time. More and more payments are being made by credit and debit cards. So called 'contactless' payments are becoming more common in our dealings with shops, restaurants and other businesses. If someone wants to pay us money, they can do it by bank transfer and we have the money in our bank account instantly. We are not so familiar with (and do not use) old-fashioned cheques as much as we used to. This means that we tend to forget how they can be used by criminals for fraud.

The National Fraud Intelligence Bureau has disclosed that businesses are being contacted by fraudsters, who ask to pay by cheque for goods or services. A cheque with a higher value than the amount expected is sent by the fraudster, who then requests the business to repay the difference. Repayment is requested by bank transfer or through a money transfer service, such as Western Union or PaySafe. Of course, after the 'refund' has been provided, it is discovered that the cheque has 'bounced' and was fraudulent.

There has been an 84% increase in the number of counterfeit cheque frauds reported to Action Fraud since November 2015. Criminals are targeting a wide range of services including businesses dealing in paintings and other artwork, photography and lessons. The 'refunds' claimed vary but the average amount is £1,818. The highest sum requested was over £80,000.

As is common with many types of fraud, the criminals use high pressure tactics to persuade their victims to pay such 'refunds' immediately. The criminals know (but want their victims to overlook) that cheques take several days to be paid through the clearing system. Even though the victim's bank statement may show that the cheque has been paid in, it may be a week before a debit entry will appear to show that payment has been declined by the paying bank. A foreign cheque will take longer, sometimes much longer.

It is not unknown for fraudsters to forge a letter, purporting to be from a bank, and confirming that a counterfeit cheque of this nature has been paid through the clearance system. The police advise that the bank in question should be contacted on a trusted number to check that such a letter is authentic. Better still, prospective victims should decline to provide goods or services until a cheque for the correct amount has been provided and clearance confirmed by their own bank.

By the way, the cheque books we get from our bank show two numbers – the bank's 'sort code' (six digits) and our account number (eight digits). Those are the only numbers we should give to someone who wants to pay money to us by bank transfer.

Jeremy Simmonds, Chair, The Oasis Centre - Cornwall