

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 Cloned Cheques

Number 39 in a series of notes on important issues.

Technology moves on, seemingly at a faster pace as each year passes by. What may have been a familiar aspect of our social or working lives for a long time can change overnight.

For instance, we have no option but to adjust to new ways in which to conduct our financial activities as the banks and other organisations with whom we have dealings constantly adapt their businesses and procedures.

The good, old-fashioned, cheque has been with us for over three hundred and fifty years. We know and understand how it works. A cheque must be 'cleared' before you get your money and we all know that a dodgy cheque can 'bounce', meaning that you will not get your money after all. You have to wait six working days to be sure.

The process that the world of banking has developed for the clearance of cheques is a tried and tested one. It is highly sophisticated. It has to be. Although the indications are that the use of cheques is dwindling, we are told by the Cheque and Credit Clearing Company that, in 2018, "346 million cheques were used ..., totalling a value of £442 billion".

Clearance has one significant disadvantage. Each cheque has to be examined to ensure that it is authentic. Human scrutiny is labour intensive and has a significant price attached to it.

However, technology now provides a way to trim that overhead cost. A cheque can be scanned and deposited via a mobile banking app. Banks then use artificial intelligence software to pass that cheque for presentation. Thus, bank staff no longer physically see the cheque itself. The banks carry the risk if they clear it.

As you will guess, criminals have been quick to turn this into an opportunity to profit from. A cheque from a business or an individual can easily be copied so as to look authentic. It can be offered to meet a payment due. The 'target' (ie the originator of the cheque) may be a professional firm such as solicitors, who are known handle substantial sums for their clients.

The message? Two simple ones, and not new. Even if a cheque offered to you seems to come from a business or person of the highest repute, it may still be dodgy. Wait six working days after paying it in to be sure it is genuine. The good news is that this waiting period may reduce in coming years. That is the benefit of technology.

Secondly, if your bank asks if a cheque drawn on your account is genuine, they are doing so because their software has thrown up a query. Is a criminal issuing cheques in your name?

Jeremy Simmonds, Chair, The Oasis Centre - Cornwall