

Don't Become Another Fraud Loss Statistic

Each year, the Association for Financial Professionals (AFP) publishes the Payments Fraud and Controls report, a resource used to track payment fraud. In 2017, 78% of financial professionals said their companies experienced payment fraud, an 18% increase in just five years. This is the highest percentage to date.

Both check fraud and ACH fraud are continually on the rise, affecting all sizes and types of businesses. And it's not just in big cities – businesses right here in SE WI are suffering five-figure losses due to fraud. But what can a business do to protect itself? First Bank Financial Centre is proud to offer two different types of fraud prevention: Positive Pay, to protect against check fraud, and ACH Filtering, to protect against ACH (electronic) fraud.

How do they work?

Positive Pay

This service is designed to protect a business customer against fraudulent or altered checks clearing the business' checking account. The business simply uploads a file into the bank's positive pay system whenever checks are issued by the business. The uploaded file includes the date, check number and amount of each check issued. Thereafter, each day when checks are presented against the customer's account for payment, any item where the check number and amount don't match the information uploaded by the business, it will result in an exception. The bank then sends an email to the customer alerting them of the exception no later than 1:30am the day after the check posts. The business customer must then go into Business Online Banking before 11am that same day, review a copy of the item and then make a pay or return decision. If the customer does not contact the bank by the 11am cut-off, the default setting previously chosen by the customer to either pay or return will take effect.

ACH Filtering (or Blocking)

This service is designed to protect a business customer against fraudulent or unauthorized electronic transactions from clearing the business' checking account. The most common type of ACH Filtering begins with the business customer providing FBFC with a list of companies authorized to debit their accounts including individual dollar limits, if desired. FBFC's ACH Filtering software then compares any incoming ACH debits to the customer's authorized list. Any ACH debits that are not on the list are considered exceptions. Additionally, any ACH debits that are on the authorized list but exceed the maximum dollar amount allowed are also considered exceptions. The bank then sends an email to the customer alerting them of the exception no later than 1:30am the day after the ACH debit posts. The business customer must then go into Business Online Banking before

11am that same day, review the details of the ACH debit and then make a pay or return decision. If the customer does not contact the bank by the 11am cut-off, the default setting previously chosen by the customer to either pay or return will take effect.

To learn more about these products, discounts available and how to protect your business from fraud, please contact a member of our Cash Management team.