

Coronavirus impact on fraud, conduct & reputational risk

16 April 2020



Impact on fraud

With lockdowns and branches closed, physical fraud is expected to decrease. However, fraud will probably increase through cyber methods, such as social engineering and malware attacks.

Vulnerable customers and staff working from home are expected to be targeted with phishing attacks. And, the move to remote working could raise the risk of internal fraud.

How to combat this...

- Increase monitoring
- Adapt controls for home-working
- Regular check-ins
- Record phone calls
- Ban unsecure channels



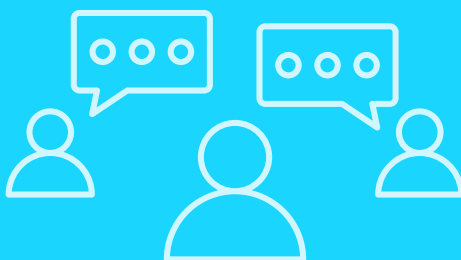
Impact on conduct

Governments announcing new measures to alleviate the economic impacts of coronavirus is forcing firms to launch new products quickly. This makes implementing appropriate controls and monitoring and carrying out training a challenge. Especially as staff are working remotely.

All of this increases the potential for misinterpreting policies or giving out the wrong advice.

How to combat this...

- Increase communications
- Produce best practice guides
- Information security reminders
- Increased diligence



How could coronavirus affect reputation?

How firms respond to the pandemic could cause lasting reputational damage. Customer service and communication are now more important than ever. There is increased media scrutiny of how financial organisations are implementing government measures, so firms need to clearly communicate any temporary changes to products and how government relief packages work. Remote working and increasing numbers of queries are creating challenges for customer service, and long waiting times at call centres have already been the subject of negative press.

How is the industry responding to coronavirus?

Each week, we're hosting calls with our member organisations based around the world to talk about their current priorities, challenges and ideas for managing the coronavirus situation. Find out more at:

www.orx.org