



Digital transactions can become weak points for fraud. The cost of fraud? Every dollar lost to fraud costs \$4.00 in remediation. Without strong strategies and tools for protecting transactions, your financial institution risks surmounting fraud losses.

Respond to the following questions to better understand areas of potential risk exposure related to ACH, card, wire, and payment app transactions.



POLICY & COMPLIANCE OVERSIGHT

Focus: Regulatory adherence and audit expectations

Does your financial institution...

Review the NACHA Operating Rules & Guidelines for third-party providers?	Yes	No	Unsure
Review NCUA and FFIEC guidance for third-party service providers and remote deposit capture (RDC)?	Yes	No	Unsure
Notify the NCUA within 72 hours of a qualifying cyber incident per the September 2023 rule?	Yes	No	Unsure

TRANSACTIONAL PROCESS CONTROLS

Focus: Fraud prevention controls across all transaction channels

Does your financial institution...

ACH Transactions

Set daily dollar and transaction limits for P2P and A2A ACH?	Yes	No	Unsure
Flag large or clustered ACH payments for manual review?	Yes	No	Unsure
Monitor daily ACH returns on settlement accounts?	Yes	No	Unsure
Review:			
• Credit card kiting reports?	Yes	No	Unsure
• Over-limit and excessive activity reports?	Yes	No	Unsure
• Cash advance MCCs (6011, 6012)?	Yes	No	Unsure
• ACH return/payment/large-dollar reports?	Yes	No	Unsure



TRANSACTIONAL PROCESS CONTROLS *cont.*

Focus: Fraud prevention controls across all transaction channels

Does your financial institution...

Wire Transfers

Refuse or limit wires when the account holder is not present?	Yes	No	Unsure
Monitor for abnormal wire behavior; escalate to senior management?	Yes	No	Unsure
Treat international wires as high-risk with extra verification?	Yes	No	Unsure
Confirm authentication steps for both institution and account holder?	Yes	No	Unsure
Avoid posting wire procedures publicly?	Yes	No	Unsure
Monitor HELOC-originated wires for fraud risk?	Yes	No	Unsure

Credit Card Transactions

Discontinue ACH payments to credit card accounts?	Yes	No	Unsure
Limit contactless transaction amounts and apply 24-hour exposure limits?	Yes	No	Unsure
Monitor chip transactions for fallback fraud ?	Yes	No	Unsure
Use chip-and-PIN authentication; avoid magnetic stripe reliance?	Yes	No	Unsure
Scan processor authorization reports for unresolved fallback issues?	Yes	No	Unsure
Enforce:			
• Strong authorization controls at ATMs and POS devices?	Yes	No	Unsure
• End-to-end encryption?	Yes	No	Unsure
• Accurate CVV/CVC, expiration date, and name matching rules?	Yes	No	Unsure
• Address Verification Service (AVS)?	Yes	No	Unsure
• Daily transaction limits for both card-present and CNP?	Yes	No	Unsure
• Secure card activation methods (no last-4 SSN)?	Yes	No	Unsure
• PIN activation via secure online/phone processes?	Yes	No	Unsure
• Verified by Visa / MasterCard SecureCode enrollment standards?	Yes	No	Unsure



TRANSACTIONAL PROCESS CONTROLS *cont.*

Focus: Fraud prevention controls across all transaction channels

Does your financial institution...

Remote Deposit Capture (RDC)

Establish hold periods and max dollar thresholds for remote deposits?	Yes	No	Unsure
Review flagged images and audit for rescanned/edited/deleted/duplicate checks?	Yes	No	Unsure
Acknowledge receipt of deposit with the accountholder?	Yes	No	Unsure
Require check endorsement to include "remote deposit?"	Yes	No	Unsure

TECHNOLOGY & DIGITAL TRANSACTION SECURITY

Focus: System-level controls and technical safeguards

Does your financial institution...

Restrict IP addresses for FI access?	Yes	No	Unsure
Use RDC tech capable of flagging duplicate deposits?	Yes	No	Unsure
Require PINs for chip fallback transactions?	Yes	No	Unsure
Block:			
• Fallback authorizations at POS?	Yes	No	Unsure
• All key-entered fallback authorizations?	Yes	No	Unsure
• Set transaction limits on fallback behavior?	Yes	No	Unsure
• Switch ATMs/ITMs offline when shut down?	Yes	No	Unsure





VENDOR & PAYMENT NETWORK OVERSIGHT

Focus: Controls, agreements, and risk prevention strategies with third parties

Does your financial institution...

Validate that fraud detection strategies (rules-based + behavior-based) are in place.?	Yes	No	Unsure
Have a fraud prevention expert review wire procedures for weaknesses?	Yes	No	Unsure
Ensure vendors:			
• Allow remote deposit image access?	Yes	No	Unsure
• Block fallback transactions?	Yes	No	Unsure
• Support strong chip security?	Yes	No	Unsure
Confirm payment app agreements include authentication safeguards.	Yes	No	Unsure
Work with processors to:			
• Block fallback transactions (reduce liability shift)?	Yes	No	Unsure
• Identify pinless fraud patterns?	Yes	No	Unsure
• Confirm chargeback rights against fallback-prone merchants?	Yes	No	Unsure

Review your responses to identify areas of confidence and those needing further investigation.

For more risk education, visit: alliedsolutions.net/resources

