



PAYMENTS INSIDER

The inside scoop on payments for businesses of all sizes

Not Reviewing Online Account Activity Daily? That's SPOOKY!

by Trevor Witchey, AAP, APRP, NCP, Senior Director, Payments Education, EPCOR

“Check your online statement at least once per day; it may help keep fraud away.”
Checking your online statement once a day could be your best defense against



fraud's tricks! Financial institutions spend six to seven figures annually to offer you real-time statements that you can access through your internet browser or smartphone app. By reviewing these statements regularly, you can quickly spot any spooky irregularities and alert your financial institution before they turn into real nightmares!

The key to most payment systems is timing, whether it be timing to return payments or shut down an access device to prevent future fraudulent payments. Fraud happens

quickly, which is why it's imperative that your organization looks at real-time account activity once per day.

Let's run through a few examples:

Unauthorized Checks—Per Reg CC and UCC 4, financial institutions may return checks within 24 hours of being presented to the paying institution. During this timeframe, your financial institution can file a breach of warranty or an indemnity request while waiting for the response of said requests.

Unauthorized Debit Card Activity—If a cardholder notices fraud on their account and contacts their financial institution immediately, the institution may close the card immediately to prevent future fraudulent payments.

Unauthorized ACH Debits—Per the *ACH Rules*, corporate debits posted to your organization's account may only be returned by your financial institution within 24 hours of the settlement date. While some ACH transaction types may have an extended return window, it's still best to review online statements daily and notify your financial institution of unauthorized transactions immediately. After realizing your organization

has received a fraudulent transaction, you can also consider obtaining a new account.

Unauthorized ACH Credit/Wire Transfer Received in Error—Your organization could have tax issues if a credit that isn't yours is accepted and is spent as income. By checking accounts daily, your organization can request any credits be returned promptly.

To help catch fraud in real time, here are a few additional tips:

- Utilize the alerts component from your online platform.
- Use check or ACH positive pay (“Payee Match” is a plus for checks).
- Fraud scores from your card processor may assist with detecting unusual debit card patterns.
- Turn on wire transfer notifications for incoming wires.
- Check on FedPayments® reporting (or reporting services similar to it) for next-day ACH payment reporting.

This spooky season, keep the fraudsters in check by looking at online statements daily and receiving alerts in a timely manner! Your financial institution, and your organization's bottom line, will thank you. 🍷



Electronic Payments Core of Knowledge

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www.epcor.org

2345 Grand Blvd., Ste. 1700, Kansas City, MO 64108

800.500.0100 | 816.474.5630 | fax: 816.471.7665