



OMBUDSMAN FOR FINANCIAL SERVICES
OMBUDSMAN PERKHIDMATAN KEWANGAN



SPOT THE SCAMMER: *Be Aware, Stay Vigilant*

Ms Marina Baharuddin
*Chief Executive Officer
Ombudsman for Financial Services*

We Listen. We Mediate. We Resolve.

SCAM VICTIMS EVERYWHERE!



NEWS

KL Woman Loses RM18,000 After Hacker Transfers Money From Her Bank Account Without OTP

Published 1 year ago May 14, 2021
By Sheralyn



For illustration purpose only

Wednesday, 14 Apr • 15:54

RM0 FROM [REDACTED]
Instant Transfer . RM
9,500.00 is denied .
Status can be viewed
at [REDACTED] Call
[REDACTED] if you
DID NOT perform this
transaction.

PEOPLE

M'sian Gets SMS from "GOV" Offering Subsidy, Proceeds To Tap On Link & Loses RM4,600

When part-time maids are just a decoy

Beware of 'cash aid' scam targeting elderly women, public advised

NATION 6 Oct 2022 | 07:00 AM

RM2.5 bil lost to phone scams in 79,559 cases

SOME RM2.51bil was lost to phone scammers from January 2018 to Sept 15 this year, says Home Minister Datuk Seri Hamzah Zainudin.

Lebih 12,000 kes penipuan kewangan dalam talian dilaporkan pada Januari-Julai

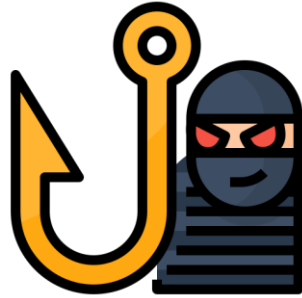
September 26, 2022

Scammer Di Malaysia Mengakibatkan Kerugian RM5.2 Bilion Dalam Tempoh Dua Tahun

September 2022



WHAT ARE FINANCIAL SCAMS?



Financial or Banking Scam occurs when scammers steal people's sensitive financial information such as **username, password, PIN, TAC, or OTP** to carry out unauthorised fund transactions



Fraudsters usually reach out to their potential victims via **phone calls, SMS, WhatsApp, Telegram, emails, social media advertisements**

TYPES OF FINANCIAL SCAMS



PHONE SCAMS

Commonly known as the *Macau Scam*. The caller impersonates a police officer or customs/bank officer.

Threatens or pressures victims into revealing their banking details or transferring money to **mule** accounts.



PHISHING

Victims are tricked into revealing their personal /banking credentials [username, password/PIN] via email or bogus websites/social media.

When victims click the link, they will be redirected to a fraudulent banking site that looks legitimate, which will give the scammer access to victims' internet banking accounts.



ONLINE PURCHASE

Victims are tempted by offers of products/services at unbelievably low prices or flash deals.

The seller will demand that victims pay via a third-party platform, a link or a mobile app.

The apps come with malware & steal consumers' banking data.

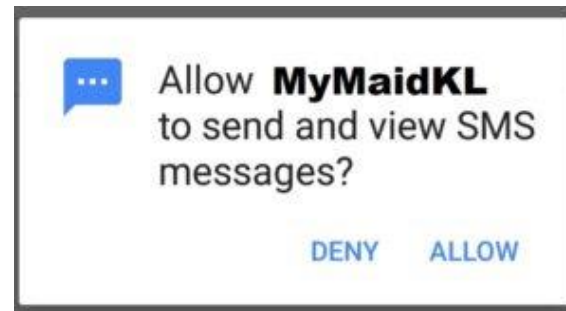
COMMON SCAM TACTICS



**Cleaning Services/
Maid Scam**

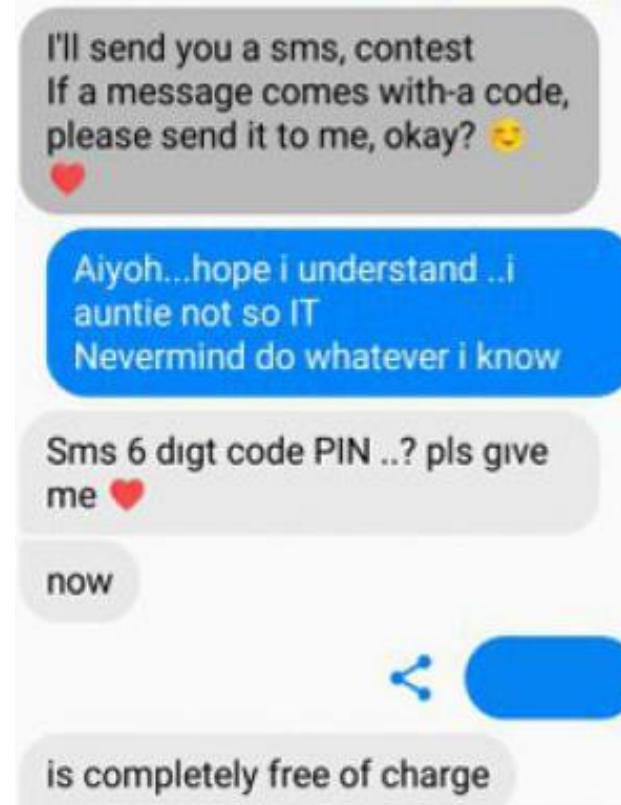


**Durian, Fresh Seafood
& gadget promotions/ flash
sales**



Malware/hacking

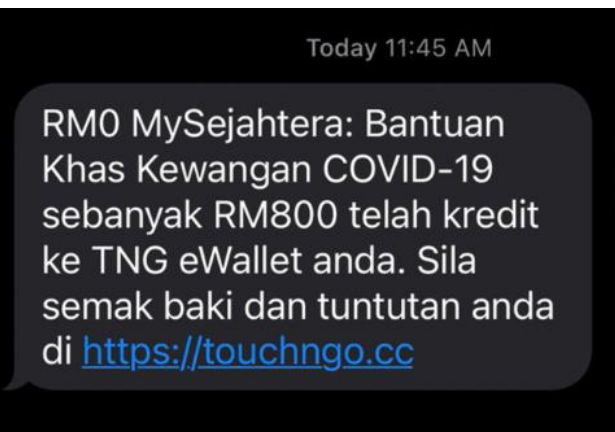
Facebook Messenger



**SMS/WHATSAPP/
TELEGRAM**

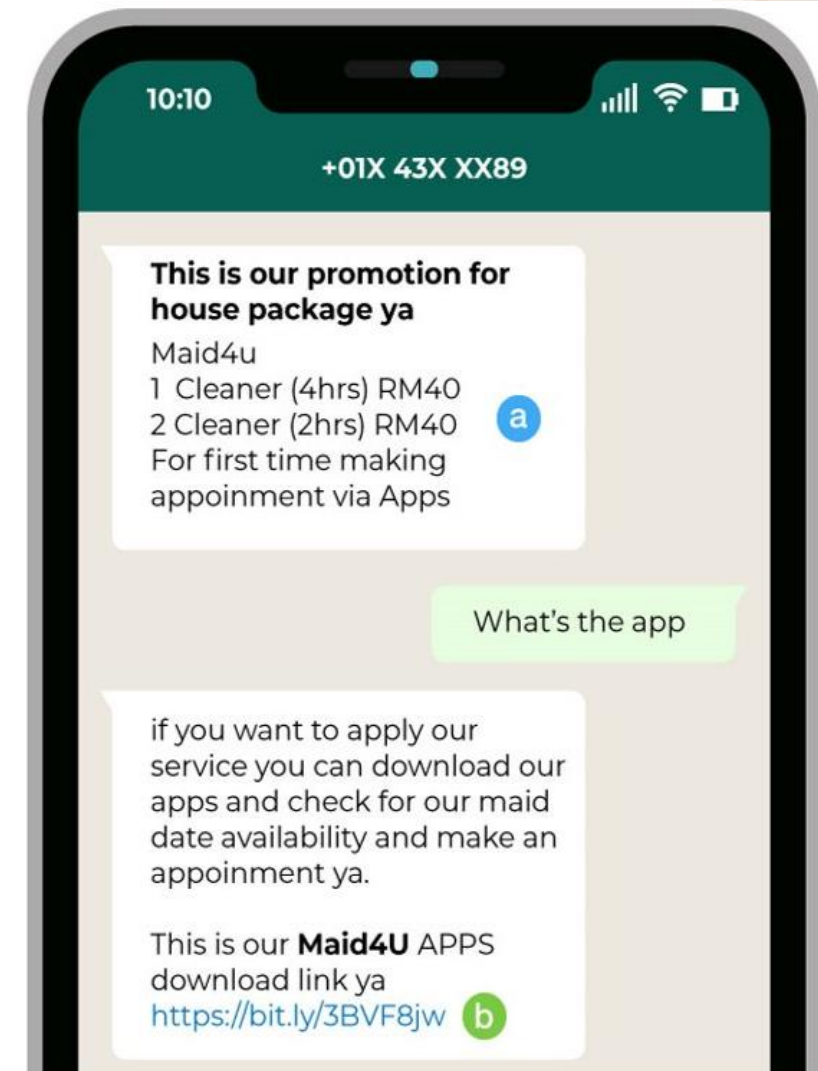


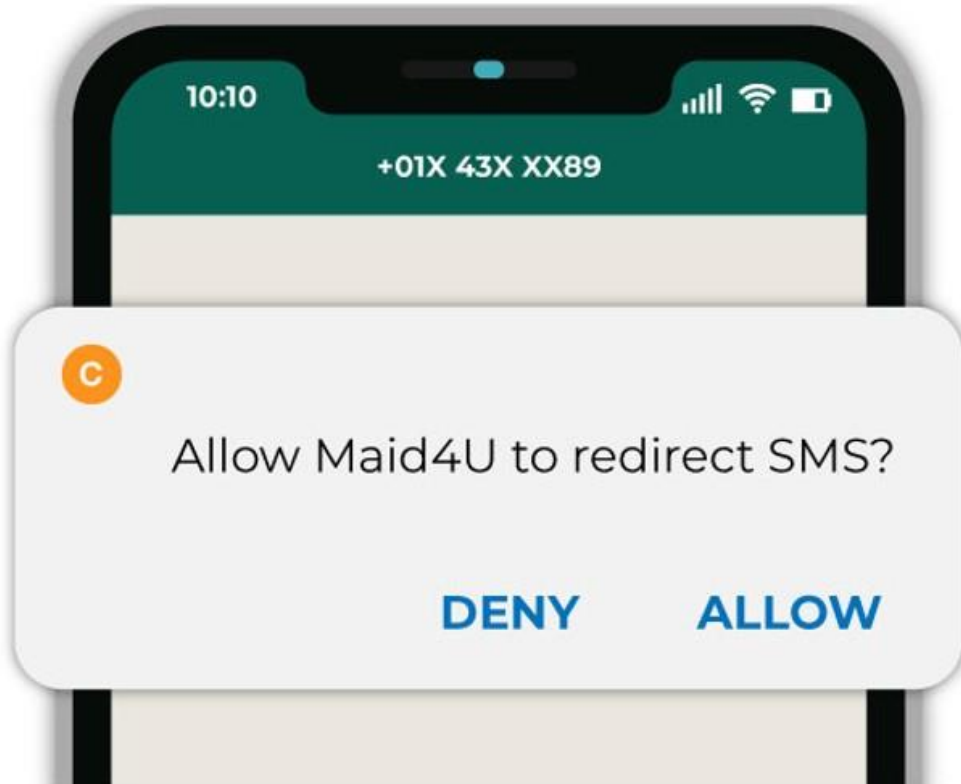
Fake Contest/Gift



'Bantuan Rakyat'

SCAM TACTIC EXAMPLE 1





ABCBANK.COM Cancel

English | Bahasa Malaysia

Welcome

Log in to **ABCBANK.COM**
online banking

Note:

- You are in a secured site.

Username:

Password:

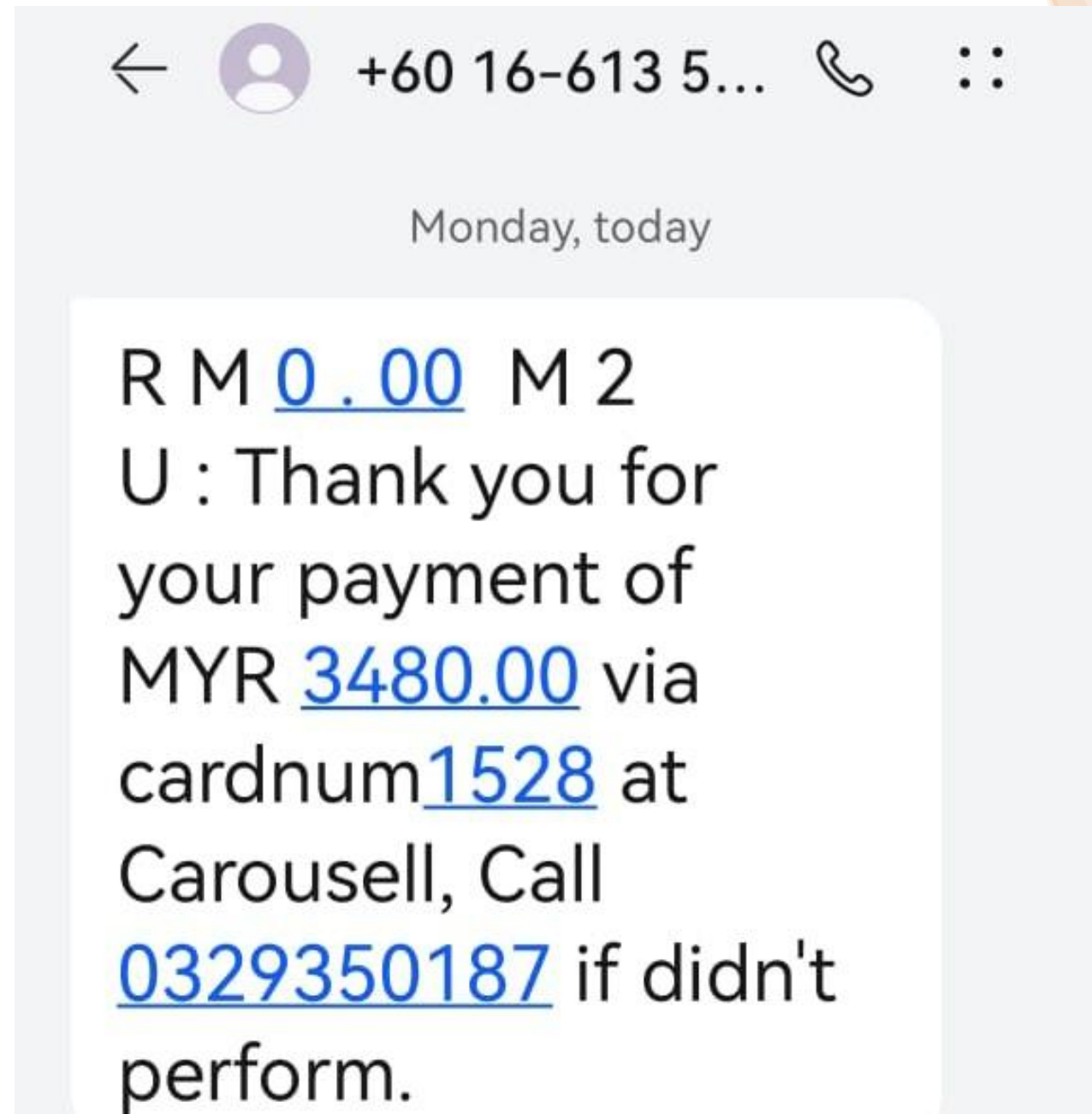
NEXT

Don't have a **ABCBANK.COM** account?
[Click here for information on opening an account](#)

DID YOU NOTICE?

*Accountholder's
SECURITY PHRASE
is not displayed*

SCAM TACTIC EXAMPLE 2



WHY DO WE EASILY FALL FOR **SCAMS**?



Lack of awareness



***Vulnerability
[senior citizens]***



***The fear instilled
by fraudsters' psychological/
scare tactics***



***Latest technologies
& evolving scam tactics***



BEWARE OF SCAMMERS



- **DON'T SHARE** your personal/ banking credentials with anyone.
- **DON'T REVEAL** your TAC/OTP



- Use **STRONG PASSWORDS**
- Change your username/ password periodically



DON'T CLICK ME

- **DON'T DOWNLOAD** dubious apps/ APK files to your device.
- **DON'T CLICK** odd, suspicious emails/website links



End call



- **HANG UP** on calls from unknown numbers claiming to be authorities, government agencies/banks

BEWARE OF MULE SCAM

**How to Protect
Yourself Against a
Money Mule
Scam**

#DontBeAMule



Do not rent out your bank account to anyone



Do not accept suspicious job offers that ask for your banking details



Do not be deceived by scammers pretending to be your loved ones



Do not help anyone receive or transfer funds using your bank account



Enforcement will be taken against you if you are found to be a money mule.

WHAT TO DO IF YOU FALL FOR A **SCAM**?



CALL your bank immediately & **BLOCK** your bank account/card to prevent further losses



OR call the National Scam Response Centre - **997** to report the scam



Make a **POLICE REPORT**



Keep all relevant details & **EVIDENCE**

IF THERE IS A FINANCIAL **LOSS**



*Firstly, you must make a **formal complaint** to your bank about your financial loss*



*Submit your documents /**evidence** for the bank to investigate your claim*



*If you are **NOT SATISFIED** with the complaint outcome?*

Refer to:



OMBUDSMAN FOR FINANCIAL SERVICES
OMBUDSMAN PERKHIDMATAN KEWANGAN

ABOUT OFS



Ombudsman for Financial Services (OFS) is a non-profit organisation that serves as an **ALTERNATIVE DISPUTE RESOLUTION avenue**



OFS resolves disputes between financial consumers and financial service providers (FSPs), licensed/approved by Bank Negara Malaysia (BNM)



OFS accepts disputes related to direct financial losses of up to RM250,000

OFS' JURISDICTION

OFS can only handle **Direct Financial Losses** disputes within the following scope/amount:



Banking/Islamic banking products & services

[max:RM250k]



Insurance & Takaful Claims

[max:RM250k]



Unauthorised transactions via credit/debit card, internet/mobile banking, ATM, cheque & e-wallet

[max: RM25k]



Motor third-party property damage insurance/ Takaful claims

[max: RM10k]

NATURE OF COMPLAINTS/CLAIMS



Unauthorised
online transactions



Non-conformance
with policy terms

Breach of terms &
conditions:



- *Late notification of
claim*



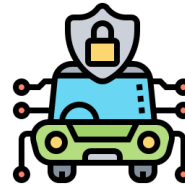
- *Non-possession or
expired driving
licence*



Issues with chargeback
& lost or stolen credit
| debit cards



Non-disclosure or
misrepresentation in
the proposal form



Failure to take
reasonable precautions
in safeguarding vehicles



Non or short dispensation
of cash from ATMs and
shortage of cash accepted
by CDM/CRM



Compensation for
travel cancellation
and curtailment



Mis-selling
insurance products
as savings



Loss of use
compensation of
vehicles while
being repaired

DISPUTES OUTSIDE OFS SCOPE

OFS shall not consider the following disputes:



**Service/
Product
Features**



**Credit
Decision &
Underwriting**



**Third-party
bodily
injury/
death claim**



**Disputes
referred to
Court/
Arbitration**



**Time barred
disputes**
[Peninsular: 6 years
Sabah/Sarawak: 3 years]

WHO CAN FILE A COMPLAINT?

An eligible complainant is a financial consumer who uses any financial services or products provided by a financial service provider.



INDIVIDUALS

for personal, domestic, or household purposes



SMALL AND MEDIUM ENTERPRISES (SME)

in connection with a small business



**OFS' service
is *free* for
consumers**



***No lawyers
required when
filing disputes***

WHEN CAN CONSUMERS REFER TO OFS?

Before referring to OFS, consumers must submit a formal complaint to their Financial Service Provider. If not satisfied with the complaint outcome:



*File a dispute with OFS within **6 months** after receiving the final complaint outcome from the FSP.*



*If there is no response from the FSP **60 days** after filing a formal complaint.*

HOW OFS RESOLVES DISPUTES

OFS adopts a two-stage dispute resolution process:



SCREENING



**CASE
MANAGEMENT**
[FIRST STAGE]



ADJUDICATION
[SECOND STAGE]

HOW OFS RESOLVES DISPUTES

CASE MANAGEMENT

OFS' Case Manager works towards a **mutual settlement** between the parties through **mediation**.

If a settlement is not reached, a **recommendation** will be issued within **30 days**.

If both parties accept the recommendation, the dispute is resolved. If either party rejects the recommendation, they may refer to the **Ombudsman** within **30 days**.



ADJUDICATION

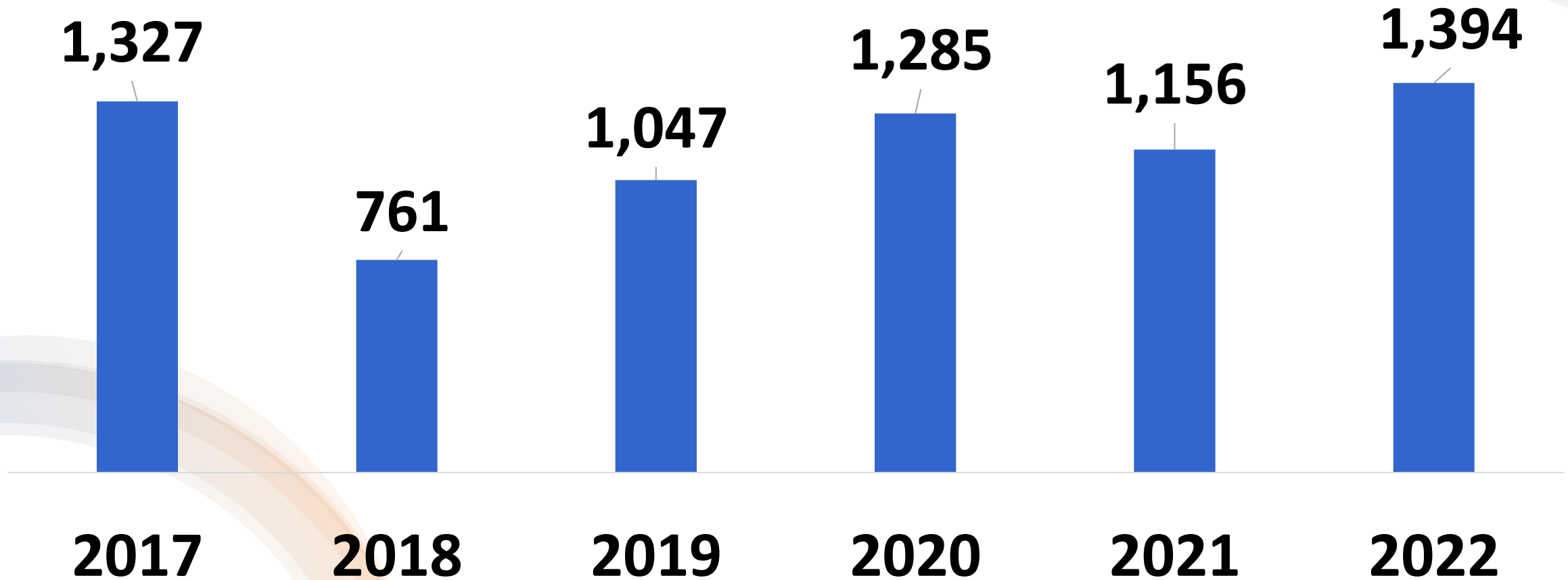
The Ombudsman will review the dispute independently and issue a final decision within **14 days** of receiving full documents.

If the complainant accepts the Decision, it will be **binding** on the FSP.

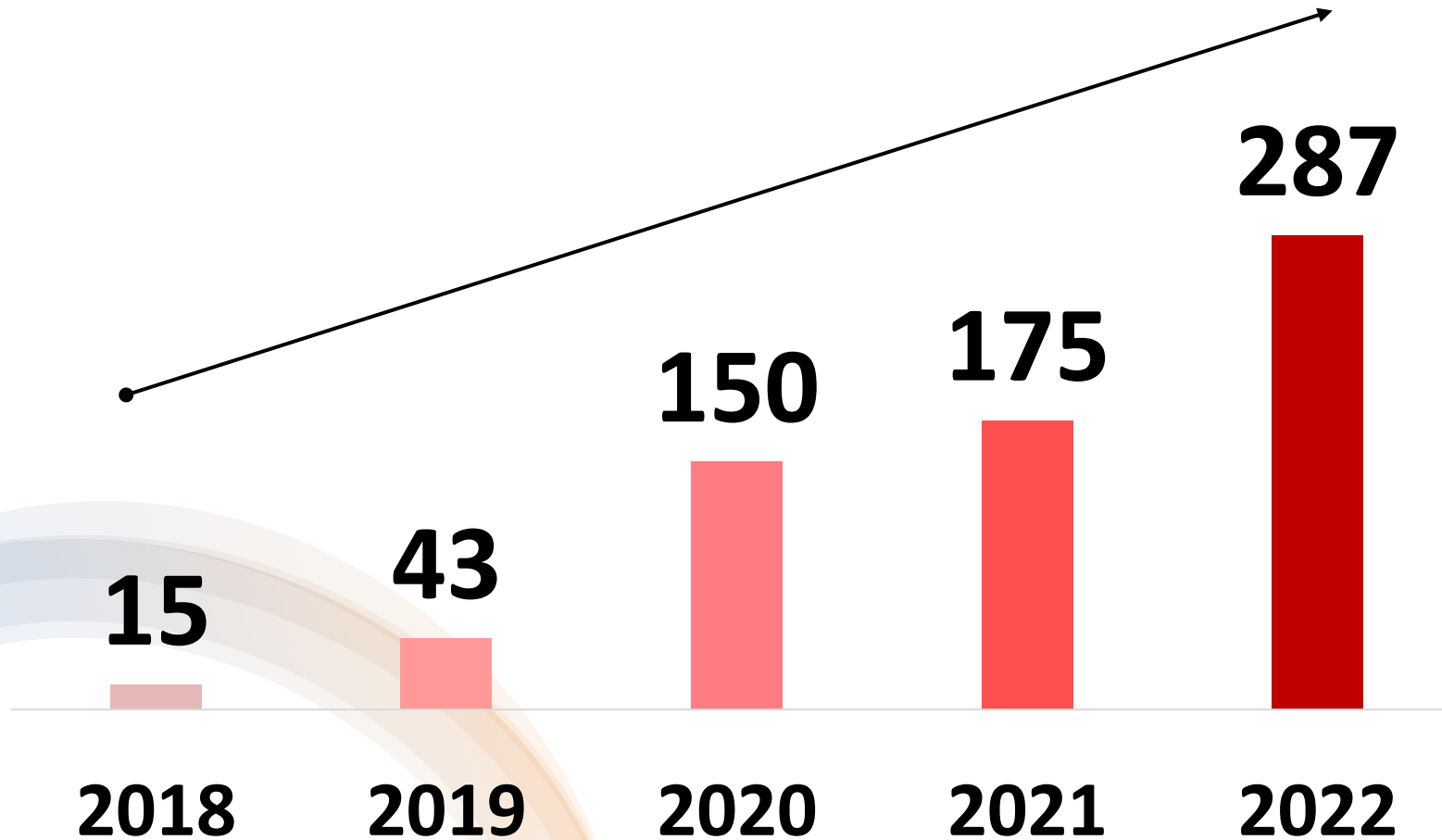
A complainant who rejects the Decision is free to pursue other means.

Visit ofs.org.my to learn more!

OFS DISPUTES TREND



OFS SCAM CASES TREND



YEAR	CASES	DISPUTED AMT
2019	43	RM 564,000
2020	150	RM 2.2 Million
2021	175	RM 3.7 Million
2022	287	RM 5.9 Million



OFS CASE STUDIES

Lack of Prompt Recovery



Joe clicked a link to a gambling ad on Facebook. It directed him to a payment page.

He entered his username, password & PIN but was unable to pay.



Joe received an OTP for an RM4K transfer to an unknown party. He reported it to his bank @6pm.

The funds were only withdrawn from recipient's account @10am next day.



The bank stated that the transfer was done with a valid username, password & OTP. Joe denied it.

He was unhappy and **filed a dispute with OFS.**



OFS finds that the bank did not make an immediate recovery effort.

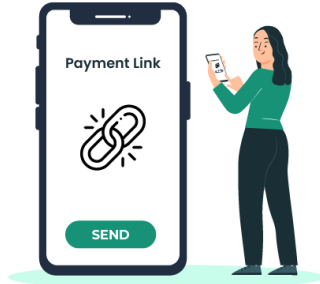
The bank agreed to refund Joe 70% of the loss, and he accepted it.

Facebook Maid Ad Scam



Bob saw a cheap cleaning service ad on Facebook.

He messaged the sales rep on *WhatsApp*



Bob got a link to a payment gateway.

He entered his internet banking ID & password but was unable to pay.

He then received several TACs & post-transaction alerts from his bank.



Bob's bank told him that RM20k was transferred to an unknown account through multiple transfers.

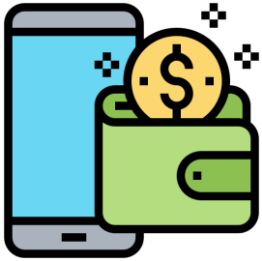
Joe denied them. He was unhappy and **filed a dispute with OFS.**



Bob's bank credentials were compromised via phishing malware.

The ombudsman felt that the bank must monitor unusual online transactions & that Bob should have been more cautious. Thus, the loss is equally apportioned between them.

E-wallet: Unauthorised Transactions



Alex found several unauthorised transactions in his mobile app store which were charged to his ABC e-wallet account without any OTP/SMS.

He complained to ABC.

ABC denied his refund.

Alex was unhappy and **filed a dispute with OFS.**

We found that Alex linked his ABC e-wallet as a payment method for his phone before the alleged charges.

They were for weekly subscription renewals, which Alex failed to cancel at the end of the free trial period.

Alex should have diligently checked his e-wallet transactions. Plus, he only filed a complaint to ABC after four months.

Thus, the case manager made a recommendation in favour of the ABC e-wallet services.



***REMEMBER to
Stay Vigilant and
Actively Protect
your personal and financial
details to prevent scams!***



OMBUDSMAN FOR FINANCIAL SERVICES
OMBUDSMAN PERKHIDMATAN KEWANGAN



We Listen. We Mediate. We Resolve.

THANK YOU

Connect with OFS via:



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<https://www.ofs.org.my/>



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