History Look Up Request - Questions and Answers - April, 2017

CO-OP Shared Branching acquirers have been experiencing a surge in fraudulent transaction activity recently. In an effort to reduce these occurrences of fraud, and in the cooperative spirit of credit unions helping one another, we are asking all acquirers to exercise increased caution when conducting withdrawals. Specifically, we are requesting that any shared branch withdrawal transaction over $850 trigger a history lookup and additional scrutiny.

Q.   Is this a rule change?

A.   **No. This request is designed to help reduce the impact of recent fraudulent activities that include withdrawing large sums of cash, checks, or money orders from a variety of shared branching locations within a short period of time—typically same day. We are requesting this remain in effect until further notice.**

Q.   What types of withdrawals are of concern?

A.   **Any shared branching cash or check withdrawals on the same day or day prior. Recent fraudulent activity suggests that perpetrators will withdrawal cash, checks, money orders or any combination of these types.**

Q.   Why was $850.00 chosen as a threshold?

A.   **We chose the "over $850.00" threshold, since the majority of recent fraudulent withdrawals have been just above this amount. Also to assist with transaction durations and avoid long waiting periods, we determined that nearly 79 percent of all valid withdrawals would fall below this amount. The dollar limit is strictly a target to catch the attention of tellers. If tellers have a suspicion on any amount, they are advised to conduct further research.**

Q.   What are some suspicious factors that may trigger the need for a history review?

A.   If the guest member is not a regular visitor to the branch; holds an out-of-state driver's license; requests unusual transaction breakdowns—such as multiple money orders, cash and checks.

Q.   What if the teller system is only able to look up history on shared branch members by printing out a mini statement, is the teller requested to pull a printed history?

A.   **No. If the teller system only allows for a printed statement, a history should not be pulled. If this is the case with your teller platform, we request that you report this to the Network Services team.**

Q.   When researching a history, is the concern all withdrawals or just those through a shared branching location?

A.   **The recent fraud has been strictly through shared branching locations. Please take caution if there are any cash or check withdrawal performed within the past 24 hours for large amounts.**

Q. Is the Teller expected to check all sub accounts when pulling a history?

A. **The teller is not expected to pull a history on all accounts. If there is concern for the transaction, then we request that a history be pulled on the sub-account that the transaction request is made on.**

Q. Should the teller check previous business days, when researching a history?

A. **If the teller pulls a history, it is always a good idea to observe any frequent or unusual activity. The recent fraudulent activity is related to numerous shared branching cash or check withdrawals within a 24 hour period. It should be noted that the history will be subject to the limits of the core processor's look up capabilities.**

Q. What if the teller notices one withdrawal today and one yesterday?

A. **If the member has not visited the branch in the past, is out of state, and the transactions are large dollar values, the teller should take extra care in identifying the member. Additional steps include checking the ID against the ID Checking guide, answering additional questions, etc. If the teller is pressed for time, they may refer the member to their host credit union for service.**

   If a member is referred to their host credit union, we ask that you send a message to the Network Services team at networkservices@co-opfs.org.

Q. What if we see two withdrawals yesterday, but none yet today?

A. **Depending on suspicious factors: i.e. out-of-state Driver's License, large dollar amount withdrawals requests, a non-routine guest member, etc., the teller should take additional precautions.**

Q. Should the amount of the two prior cash or check withdrawals make a difference as to whether or not we deny the transaction?

A. **Depending on other circumstances mentioned above, we suggest that the teller proceed with caution.**

Q. Should the teller deny any request where they are unable to determine if the withdrawal is from shared branching, i.e. if the history only shows "WTH" or "Withdrawal" without indicating ATM, Shared Branching or Debit card, etc.?

A. **No. If there is not sufficent information or time to determine the source of the previous withdrawal the transaction may be conducted.**

Q. If a history is pulled and multiple withdrawal transactions exist, but the guest member states that they have called their credit union and they've been authorized by the credit union to conduct the transactions, should the teller go forward with the activity?

A. **If the teller has time available, they are more than welcome to call the host credit union to authorize the transaction. However, we recommend that the shared branch teller call the credit union directly and not rely on the guest member's phone call. There has been at least one instance of an impostor posing as the host credit union.**

Q. Is there any way for an issuer credit union to establish member visit limits (velocity) and dollar limits?

A. **Shared Branching Specifications do lay out limits and velocity checks. Each issuer credit union is encouraged to talk with their core processor regarding their ability to set shared branching transaction limits.**