

## INTERNATIONAL

### Tuesday Newspaper Review - Irish Business News and International Stories

By Finfacts Team  
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**The Irish Independent reports that consumers who were victims of an online banking swindle have been compensated quietly by Bank of Ireland.**

Financial experts warned last night, however, that the move could prompt a new upsurge in online banking fraud.

At least nine Bank of Ireland customers had been conned out of a total of €160,000 after being duped into giving bank details to internet fraudsters.

The bank's bosses had been refusing to refund the victims, but it has dramatically changed its mind following an *Irish Independent* campaign. The bank is understood to have paid up because it is anxious to ensure people are not frightened away from online banking, which helps to maximise efficiencies.



Banks have been encouraging customers to get comfortable with internet banking, thereby avoiding use of bank branches. Banking sources said last night this was the first time an Irish bank compensated a group of customers who lost money in this way. Some bankers fear the move will set a precedent, exposing banks to millions of euro in compensation claims. They fear fraudsters will be encouraged to redouble their efforts. The bank customers who were compensated were asked not to disclose details of the refunds.

The nine customers, who lost a total of €160,000, had contacted this newspaper in recent weeks detailing how their bank accounts were cleaned out in the "phishing" scam.

The bank has agreed to pay back either all, or most of, the cash. It is understood that dozens of bank customers have fallen for the scam.

Phishing occurs where fraudsters send emails purporting to be from their bank, directing recipients to a false bank website where they are asked to provide bank details and access codes for online accounts. Fraudsters use the information to withdraw money from the victim's accounts.

In recent weeks a golf professional in North Dublin lost €16,900; a Dublin environmental consultant lost €5,000, and a Galway small farmer lost €6,700.

A midlands-based sales manager lost €49,100 which he had planned to use as a house deposit after returning to Ireland.

All the customers who contacted the *Irish Independent* said Bank of Ireland had been refusing to compensate them. Through this newspaper the victims formed a group to take on the bank, claiming the online banking security was lax.

The victims made contact with each other through The Irish Independent. Yesterday, Bank of Ireland refused to comment on what it called "individual cases".

It warned that if a customer gave personal security information "to fraudsters, even unknown to them, it is their responsibility and that is why the bank has communicated extensively with customers to educate them about phishing".

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Security expert Peter Oakes of Compliance Ireland said the bank's u-turn would encourage phishing. "Put it this way, it won't discourage them. Fraudsters will turn around with the attitude that it is only stealing from the bank and not the customers."