



Fighting ATM Skimming

🔒 risk management ATM

Summary: ATM skimming is still rampant. We bring you some new ideas and good reminders how to fight it.

The Daily Mail reports the list of things guests notice when visiting your home include: how clean, organized and tidy it is; whether your walls are bright or neutral; how your furniture is arranged (people will often mentally rearrange it); and whether you have natural light (good) or artificial (bad).

No matter what you notice, know that it is important for your security team to notice that ATM skimming is rampant. We point this out because some bankers have shifted and are now taking a more collaborative approach to this frustrating issue.

In TX, there is a group of bankers that regularly meet with law enforcement to share the latest skimming incidents. It started when security officers from community banks and credit unions invited local, state and federal law enforcement officials to form a fraud prevention group. They meet regularly and send email alerts, sharing criminal incidents that have impacted them, along with best practices to minimize further occurrences.

The group was also successful in getting anti-skimming state legislation passed. One law now requires gas station merchants to be more diligent in monitoring their pumps, as well as alerting law enforcement when skimmers are detected. Merchants now face civil penalties up to \$5k if they willfully fail to report and disable a dispenser that has an attached skimmer.

Two additional new laws make it easier for officials in TX to prosecute skimmer fraud, and it's now a felony to fraudulently use or even possess card information obtained via a skimmer.

Other community financial institutions continue to make efforts to minimize fraud too. Not only are they maintaining and monitoring their own ATM machines, but they are also communicating widely with their customers on new skimming activities. Some are even posting tips on how to detect a tampered ATM on their websites. Some other things to think about to thwart ATM skimmers:

- If possible, add security cameras around your ATMs to deter criminals from tampering with them.
- Revisit and re-communicate the protocol when ATM tampering is found, so that your team can immediately stem the damage.
- Update your ATM software as often as possible, since newer software has likely addressed some of the older skimming practices.

While this is an area that we know you are on top of, we thought it may help to hear what other banks are doing and add a few reminders. Stay vigilant out there.

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