

Remote Deposit Capture Fraud Prevention

Remote deposit capture offers a fast, convenient depositing solution for your accountholders. However, some institutions have refrained from adopting this tool out of fear of increased check fraud.

Adopting the following security measures can help manage risk for mobile check deposit fraud.

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- Establish a hold period before processing remote deposits.
- Implement a maximum dollar limit per check and/or within a timeframe for remote deposits.
- Provide detailed information to your accountholder that would include, among others, the following:
 - When funds will become available to accountholders after deposit.
 - What types of checks are eligible for remote deposit services.
 - Recommendations on how accountholders safeguard their original checks and protect them from being stolen or copied, and for how long original checks should be held.
- Underwrite your accountholders and corporate accounts prior to offering the service.
- Acknowledge receipt of the remote deposit with the accountholder.
- Review remote deposit images that exceed a certain dollar amount.
- Ensure your remote deposit capture technology can detect and prevent duplicate deposits.
- Develop a procedure to require the accountholder to endorse their checks with the phrase “remote deposit.”
- Implement Magnetic Ink Character Recognition (MICR) detection technology that flags:
 - Checks missing MICR ink on the MICR line.
 - Checks with invalid routing numbers on the MICR line.
- Disallow remote deposit capture end users (i.e. employees or check vendors) from modifying any information contained on the MICR line of the check.

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- Adopt an internal audit procedure that identifies rescanned, edited, deleted, or duplicated checks.
- Confirm your vendor provides you with access to view all remote deposit images.
- Review the “Risk Management of Remote Deposit Capture” document released by the Federal Financial Institutions Examination Council (FFIEC).

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