



LLOYDS BANK

PRESS RELEASE

Millions of Brits at greater risk of fraud after ignoring vital bank payment warnings

- **One in 10 admit they've ignored crucial warnings that bank account details don't match when making a transfer**
- **Less than half of people say they are familiar with the Confirmation of Payee (CoP) service and how it works**
- **Transfers made to firms not using CoP up to 100 times more likely to be fraudulent**

Millions of UK bank account holders are putting themselves at a much greater risk of fraud by ignoring crucial warnings provided by the Confirmation of Payee (CoP) service, according to new research by Lloyds Bank.

When sending money online to someone that hasn't been paid before, Confirmation of Payee (which was launched in 2019) confirms whether the details entered match the account of the person or organisation being paid. These checks are designed to help consumers stop payments going to the wrong account by spotting possible mistakes, and adding extra security steps to prevent fraud.

However, almost one in 10 (8%) UK adults who hold a bank account admit to proceeding with a payment **without** making any further checks when Confirmation of Payee tells them the details aren't an exact match.

And only around half of people (47%) say they would carry out further checks before proceeding with a transaction when presented with a 'Confirmation of Payee unavailable' message, which usually means the recipient bank or payment services provider isn't signed up to the service, so the account details can't be automatically checked.

Worryingly, less than half (41%) of people say they are familiar with Confirmation of Payee and understand how it works, and under a quarter (24%) would recognise that a 'No match' message means they could be getting scammed.

Partial adoption of Confirmation of Payee increasing the fraud risk to consumers

Payments to new beneficiaries are at the heart of fraudsters' tactics, which makes the Confirmation of Payee service an important tool in the fight against scams.

All major UK banks now use Confirmation of Payee, however many smaller payment service providers are yet to sign up. While it can't prevent fraud entirely, it is one of a range of measures used by the industry to help combat scams and the organised criminal groups responsible.



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Based on Lloyds Bank's own analysis of outbound transfers made to all major banks and payment service providers last year¹, transactions involving firms **not** using Confirmation of Payee were up to 100 times more likely to be reported as fraudulent by customers at a later date.

While this difference in fraud rates can't be attributed solely to Confirmation of Payee – as larger financial institutions such as major banks will likely invest more in other fraud prevention and detection measures – it reinforces the importance of making Confirmation of Payee a minimum requirement for all payment service providers operating within the UK payments system.

Liz Ziegler, Fraud Prevention Director at Lloyds Bank, said: “Fraudsters are trying to steal people's money all the time, they never stop. We're talking about organised crime gangs, constantly inventing new scams to dupe victims out of their hard earned cash.

“So when you're making a bank transfer and a warning flashes up to say that the account details don't match, or can't be checked at all, that should set alarm bells ringing straight away. Stop, take notice and think about why that could possibly be the case. There's a big chance it's because you're being scammed.

“We urge all payment providers to introduce Confirmation of Payee as quickly as possible. We can see it deters criminals now, and if more people take notice of the warnings, it can help stop fraudsters in their tracks.”

Ends

Notes to editors

Useful links:

Customer guidance on Confirmation of Payee: [Helping you Make Safer Payments | Online Banking | Lloyds Bank](#)

Lloyds Bank data:

- 1) Based on analysis of all outbound bank transfers made by Lloyds Banking Group customers to other banks and payment service providers during 2021.

Consumer research methodology:

All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2,014 UK adults, of which 1,776 had a bank account. Fieldwork was undertaken between 26th – 27th January 2022. The survey was carried out online. The figures have been weighted and are representative of all UK adults (aged 18+).

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