



Reports on Fraud and Forgeries in Nigerian Banks

Q U A R T E R - T H R E E 2 0 2 5

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Reports on Fraud and Forgeries in Nigerian Banks

T H I R D Q U A R T E R , 2 0 2 5

Overview

During the third quarter of 2025 (July–September), FITC received 83 fraud and forgery reports from 29 deposit money institutions. Examining the monthly breakdown, July accounted for 27 submissions, while both August and September each recorded 28 reports, reflecting a relatively stable reporting trend over the quarter.

Volume and Value of Fraud Cases

In the third quarter of 2025, a total of 14,697 fraud cases were reported, reflecting a substantial 38.8% increase from the 10,589 cases recorded in Q2.

An analysis by transaction channel shows that the majority of incidents occurred on Computer/Web platforms (9,601 cases), followed by Mobile transactions (2,699 cases) and POS terminals (1,597 cases) – a pattern consistent with trends observed in earlier quarters of 2025 and in Q3–Q4 2024. For detailed information, see Appendices I and II, which outline the full spectrum of reported fraudulent activities.

Financially, the total amount involved in fraud rose by 7.4%, from 4.89 billion in Q2 to 5.22 billion in Q3. Interestingly, despite the higher sums involved, total losses decreased by 13.7%, dropping from roughly 899.5 million to 776.3 million over the same period. A visual representation of this trend is provided in Appendix I (A).

Outsider-driven fraud saw a marked increase in Q3 2025, rising by 39.2%, from 10,512 cases in Q2 to 14,628 cases. In contrast, staff-related fraud declined from 76 cases in Q2 to 54 cases, a 29% reduction. Similarly, staff terminations related to fraud decreased from 32 to 25, representing a 22% decline.

By financial impact, Computer/Web-based fraud accounted for 2 billion (39.5%) of the total amount involved, followed by Mobile fraud at 1.23 billion (23.5%) and POS fraud at 595 million (11.3%). Together, these three channels represented 74.3% of total fraud amounts in Q3. Details are presented in Appendix II (A).

A closer look at losses shows that Computer/Web and Mobile fraud were the primary contributors, accounting for approximately 77% of total losses (574 million) – with Mobile fraud contributing 297.8 million (38.4%) and Computer/Web fraud 277 million (35.7%). Other categories, including miscellaneous incidents, collectively accounted for 68.3 million (8.8%) of losses. Visual summaries of these distributions can be found in Appendices II (B)–II (F).

Channels, Instruments and Personalities Involved in Perpetrating Fraud

Fraud in Q3 2025 was recorded across multiple channels, including ATMs,

online platforms (web and mobile banking), bank branches, and POS terminals. Notably, card-based fraud surged by 40%, rising from 10,207 cases in Q2 to 14,293 in Q3, while cash-related fraud increased by 15%, from 266 to 306 cases. In contrast, cheque-related fraud declined by 37.2%, falling from 156 to 98 cases.

A comparative overview of incidents across these channels can be found in Appendix III (A).

Channel-specific trends indicate a general rise in fraudulent activity, with the exception of mobile-related fraud:

ATM fraud more than doubled, climbing 103.1% from 195 cases in Q2 to 396 in Q3.

- Computer/Web fraud increased by 68.5%, from 5,699 to 9,601 cases.
- Bank branch incidents (including OTC, miscellaneous, and fraudulent withdrawals) rose by roughly 35%, from 226 to 306 cases.
- POS fraud grew 20.7%, from 1,323 to 1,597 cases.
- Mobile fraud declined 9.7%, from 2,990 to 2,699 cases.

Monetary analysis across channels highlights significant changes from Q2 2025:

- Bank branch-related fraud decreased by 50.1%, from 1.5 billion to 766 million.
- POS fraud saw the largest increase, surging 59.7%, from 372 million to 595 million.
- ATM fraud rose approximately 44%, from 32 million to 47 million.
- Computer/Web fraud increased 56.6%, from 1.3 billion to 2 billion.
- Mobile fraud recorded a modest 8.3% increase, from 1.1 billion to 1.2 billion.

Analysis of fraud losses by channel reveals marked shifts:

- Losses from bank branch-related fraud dropped 84.3%, from 739.6 million to 116 million. Computer/Web fraud losses surged
- Card-related losses rose 281.5%, from 170 million to 652 million.
- Cheque-related losses totaled 7.8 million, up from near-zero in Q2.

Finally, Deposit Money Institutions reported staff terminations due to involvement in fraud decreased by 22%, from 32 in Q2 to 25 in Q3 2025.

Summary and Conclusion

The third quarter of 2025 saw a total of 14,697 reported fraud cases, representing a 38.8% increase over the 10,589 cases recorded in Q2. The total

amount involved in fraudulent activities also rose by 7.4%, from approximately 4.89 billion in Q2 to 5.22 billion in Q3. Despite the increase in fraud incidents and amounts involved, total losses declined by 13.7%, decreasing from around 899.5 million in Q2 to 776.3 million in Q3 2025.

Recommendations

1. Strengthen Channel-Specific Monitoring

Given the surge in Computer/Web and card-based fraud, financial institutions should enhance real-time monitoring and anomaly detection on digital and card payment channels. Deploying advanced fraud analytics and AI-driven monitoring tools can help identify suspicious activity promptly, reducing both the frequency and financial impact of fraud.

2. Targeted Employee Awareness and Training

Although staff-related incidents decreased, continued vigilance is essential. Institutions should implement regular fraud awareness and ethics training for employees, focusing on detecting internal collusion and minimizing insider risks. This will help sustain the downward trend in staff-related fraud.

3. Strengthen ATM, POS, and Mobile Security

The data shows significant increases in ATM and POS fraud, while mobile fraud remains high despite a slight decline. Banks should:

- Upgrade ATM and POS terminal security features.
- Enforce stricter authentication protocols for mobile banking.
- Conduct periodic audits and penetration testing to identify vulnerabilities.

4. Instrument-Specific Risk Mitigation

With card fraud accounting for the largest increase in both cases and financial losses, institutions should:

- Promote the adoption of EMV chip cards and tokenized transactions.
- Educate customers on safe card usage and phishing avoidance.
- Enhance monitoring of high-value card transactions.

Meanwhile, cheque and cash-related fraud have declined, but institutions should maintain robust controls to prevent a resurgence.

5. Data-Driven Reporting and Collaboration

The consistent quarterly reporting allows identification of patterns across channels and instruments. Institutions should leverage data analytics to forecast emerging fraud trends, share insights with industry stakeholders, and collaborate with regulatory bodies to strengthen sector-wide resilience.

6. Review and Update Fraud Response Protocols

Given the rising total fraud amounts despite declining losses, banks should review incident response and recovery protocols, ensuring rapid containment, customer protection, and timely reporting to minimize exposure and reputational risk.

Appendix I(A)

A Comparison of Fraud Activities between Second Quarter 2025 and Third Quarter 2025

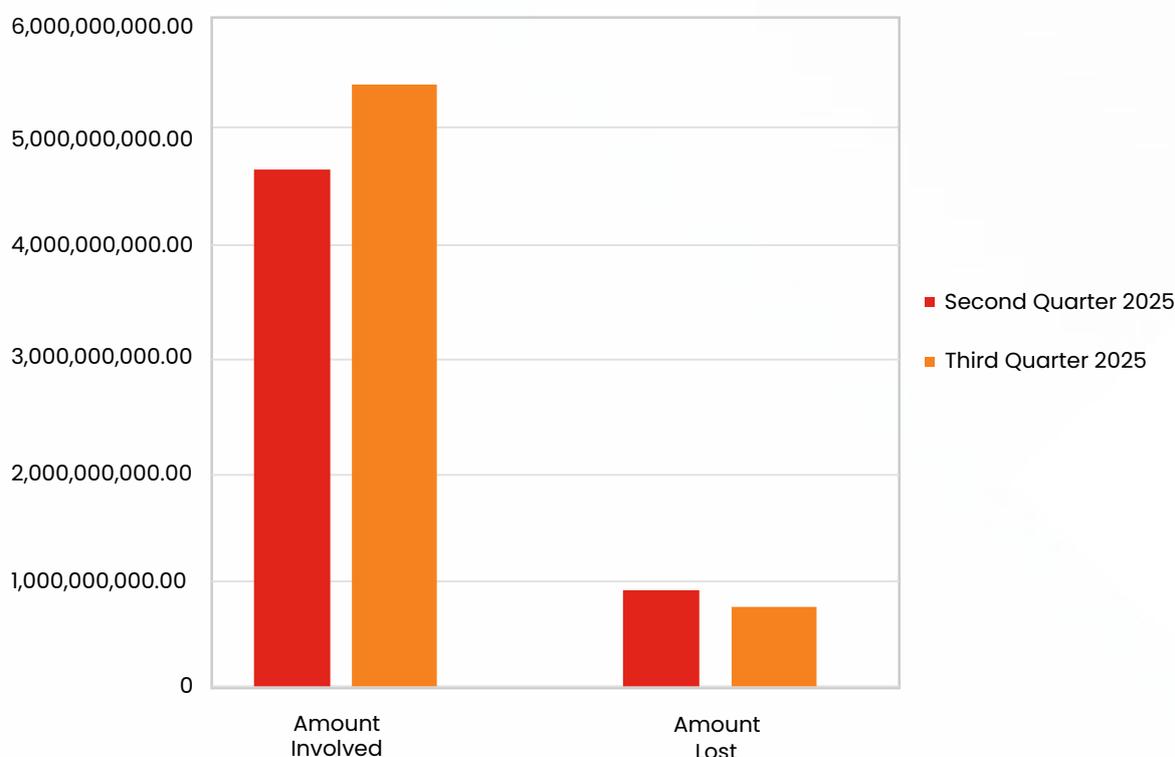
S/N	Variables	Second Quarter 2025	Third Quarter 2025	Percentage(%) Change
1.	Total Cases Reported	10,589	14,697	38.8
2.	Total Amount Involved	N4,893,420,694.82	N 5,255,629,661.1	7.4
3.	Total Amount Lost	N899,505,762.69	N776,315,382.2	(13.7)
4.	Outsider Involvement	10,512	14,628	39.2
5.	Insider (Staff) Involvement	76	54	29
6.	Appointments Terminated	32	25	22

Note: All figures in parenthesis () indicate decrease in percentage

Appendix I(B)

A Comparison of Amount Involved and Amount Lost to Frauds Between Second Quarter 2025 and Third Quarter 2025

Frauds and Forgeries in the Nigerian Banking Industry:
A Comparison between Second Quarter, 2025 and Third Quarter, 2025



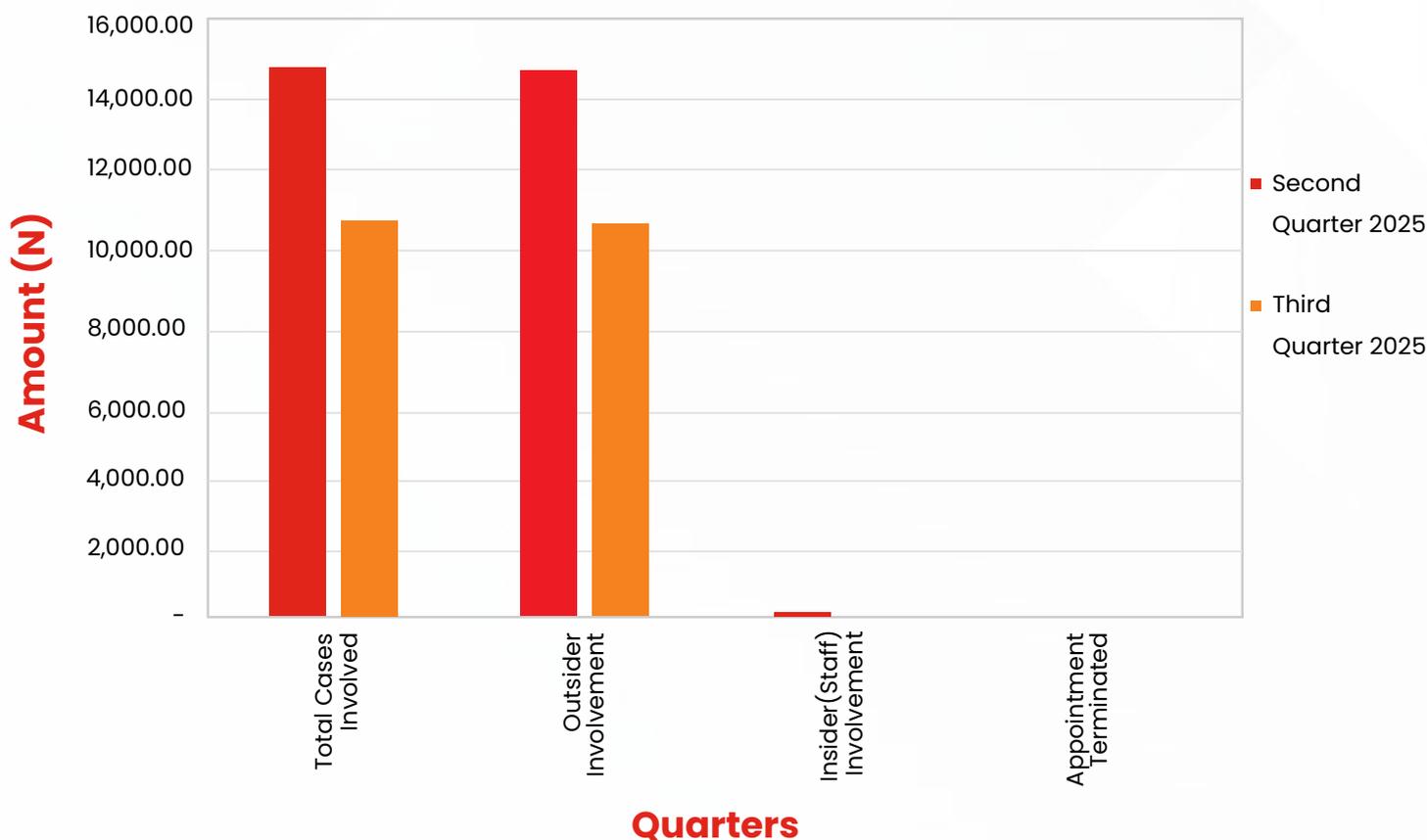
Quarters

Note: the figures for insider involvement & appointments terminated are very small when compared to the figures for total cases reported and outsider involvement.

Appendix I (C)

A Comparison of Fraud Activities between Second Quarter 2025 and Third Quarter 2025

*Frauds and Forgeries in the Nigerian Banking Industry.
A Comparison between Second Quarter 2025 and Third Quarter, 2025*



Appendix I (D)

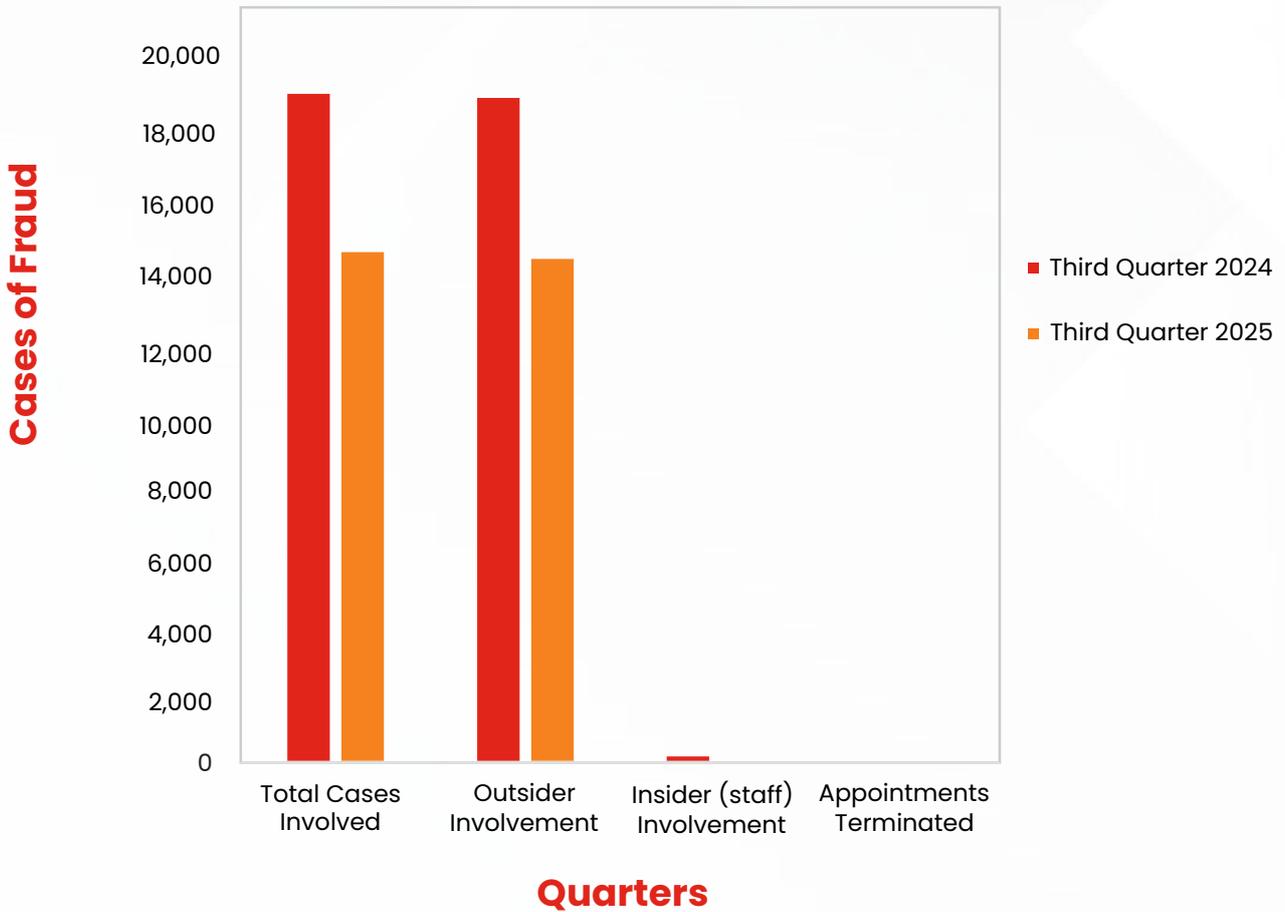
A Comparison of Fraud Activities between Third Quarter 2024 and Third Quarter 2025

S/N	Variables	Thrid Quarter 2024	Third Quarter 2025	Percentage(%) Change
1.	Total Cases Reported	19,007	14,697	(22.7%)
2.	Total Amount Involved	N115,909,154,625.86	N 5,255,629,661.1	(95.5%)
3.	Total Amount Lost	N10,121,799,988.36	N776,315,382.2	(92.3%)
4.	Outsider Involvement	18,635	14,628	(21.5%)
5.	Insider (Staff) Involvement	90	54	(40%)
6.	Appointments Terminated	42	25	(40.5%)

Appendix I(E)

A Comparison of Fraud Activities between Third Quarter 2024 and Third Quarter 2025

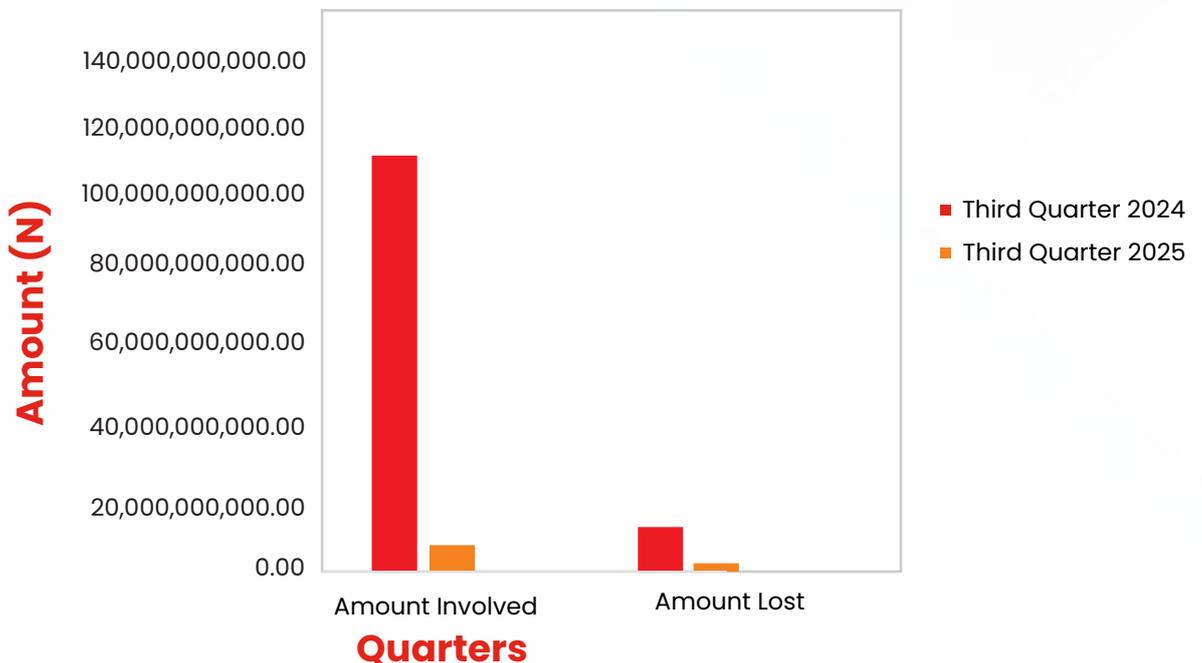
*Frauds and Forgeries in the Nigerian Banking Industry:
A Comparison between THIRD Quarter 2024 and THIRD Quarter 2025*



Note: The figures for insider involvement & appointments terminated are very small when compared to the figures for total cases reported and outsider involvement.

Appendix I(F)

A Comparison of Amount Involved and Amount lost to frauds between Third Quarter 2024 and Third Quarter 2025



Appendix II(A)

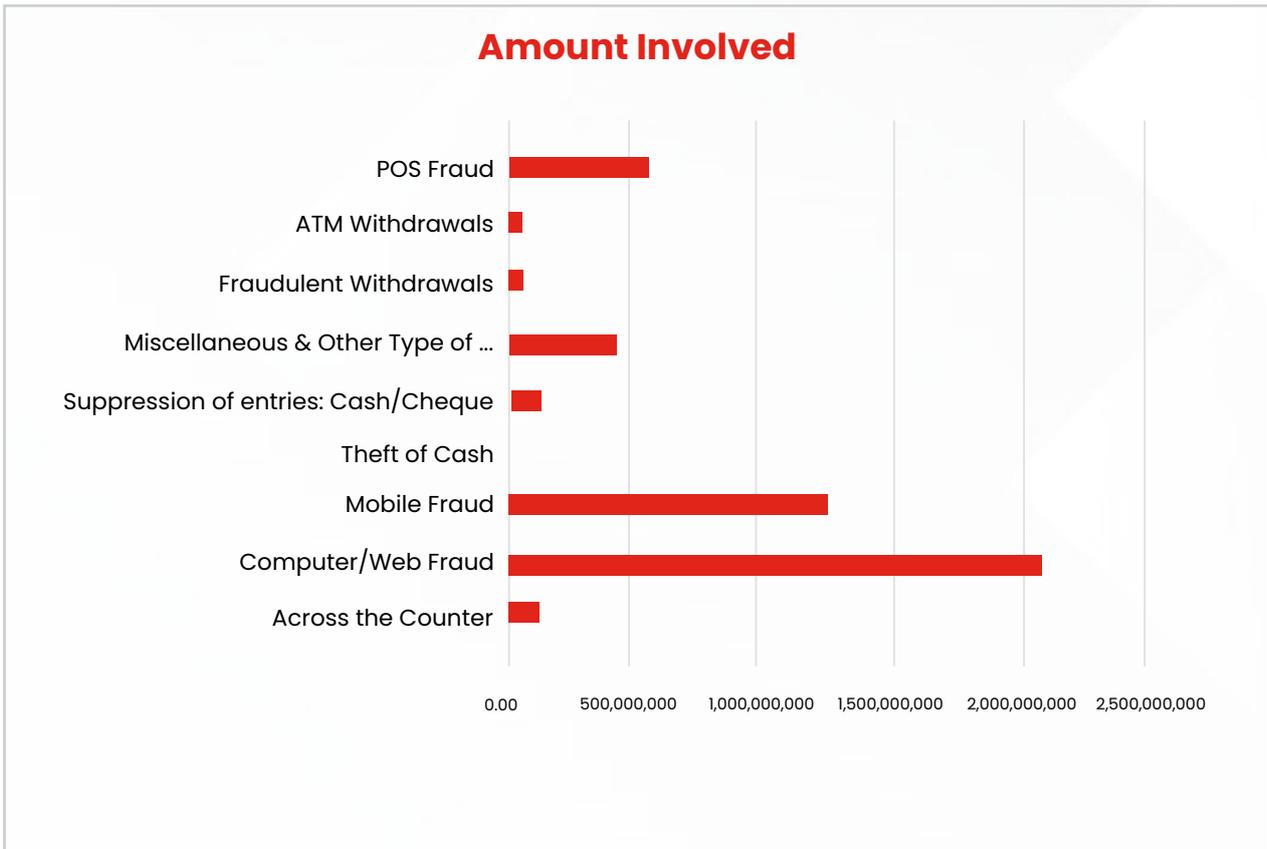
Frauds and Forgeries Activities in the Third Quarter 2025

Types of Fraud	Total of cases Reported	Involving Bank Staff Only	Involving Outside Persons Only	Collusion	Not Specified	Amount Involved (₱)	Actual/ Expected Loss (₱)	Expected Loss/ Amount Involved (%)
Across the Counter	21	7	6	8	0	129,181,041.86	8,164,994.7	6.3
% of Fraud	0	0	0	0	0	2.46	1.05	0
Forged Cheques with Forged Signature	98	0	98	0	0	537,082,858	7,835,000	1.5
% of Fraud	0	0	0	0	0	10.2	1.01	0
Computer/ Web Fraud	9,601	0	9,594	7	0	2,076,930,580.23	277,002,236.13	13.3
% of Fraud	0	0	0	0	0	39.5	35.7	0
Mobile Fraud	2699	4	2695	0	19	1,232,528,396.97	297,802,691.39	24.2
% of Fraud	0	0	0	0	0	23.5	38.4	0
Suppression of Entries: Cash/Cheques	17	8	9	0	0	112,745,953.75	838,129.72	65.3
% of Fraud	0	0	0	0	0	2.15	0.11	0

Types of Fraud	Total of cases Reported	Involving Bank Staff Only	Involving Outside Persons Only	Collusion	Not Specified	Amount Involved (₦)	Actual/ Expected Loss (₦)	Expected Loss/ Amount Involved (%)
Miscellaneous and other types of Fraud	265	32	232	1	0	483,777,667.08	68,371,793.97	14.1
% of Fraud	0	0	0	0	0	9.20	8.81	0
Fraudulent Withdrawals	3	1	2	0	0	40,417,537.32	38,997,537.32	96.5
% of Fraud	0	0	0	0	0	0.77	5.02	0
ATM Withdrawals	396	0	396	0	0	47,162,328.57	30,301,745.28	64.2
% of Fraud	0	0	0	0	0	0.9	3.90	0
PoS Fraud	1,597	0	1,596	0	0	595,803,297.31	47,001,253.72	7.9
% of Fraud	0	0	0	0	0	7.62	1.10	0
Total	14,697	54	14,628	15	0	5,255,629,661.1	766,315,382.2	100

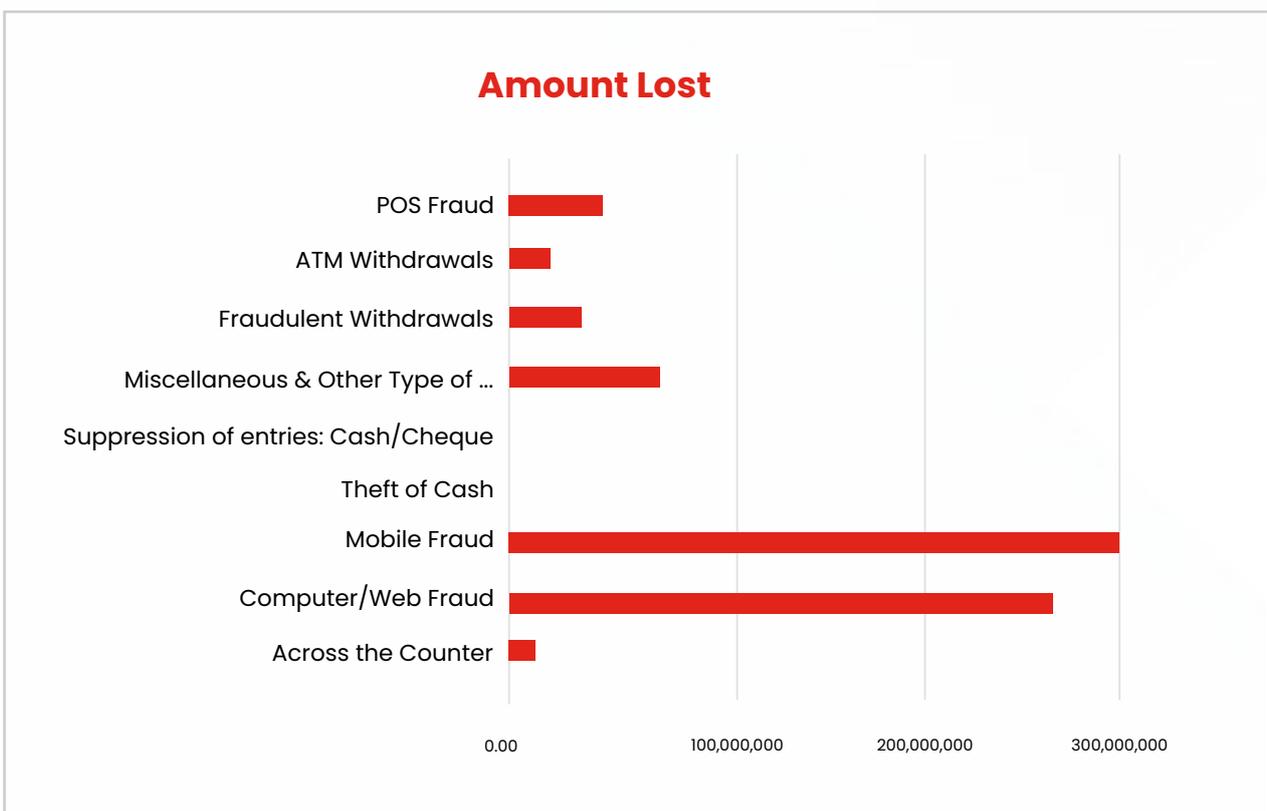
Appendix II(B)

Amount involved in Frauds and Forgeries Activities (Third Quarter 2025)



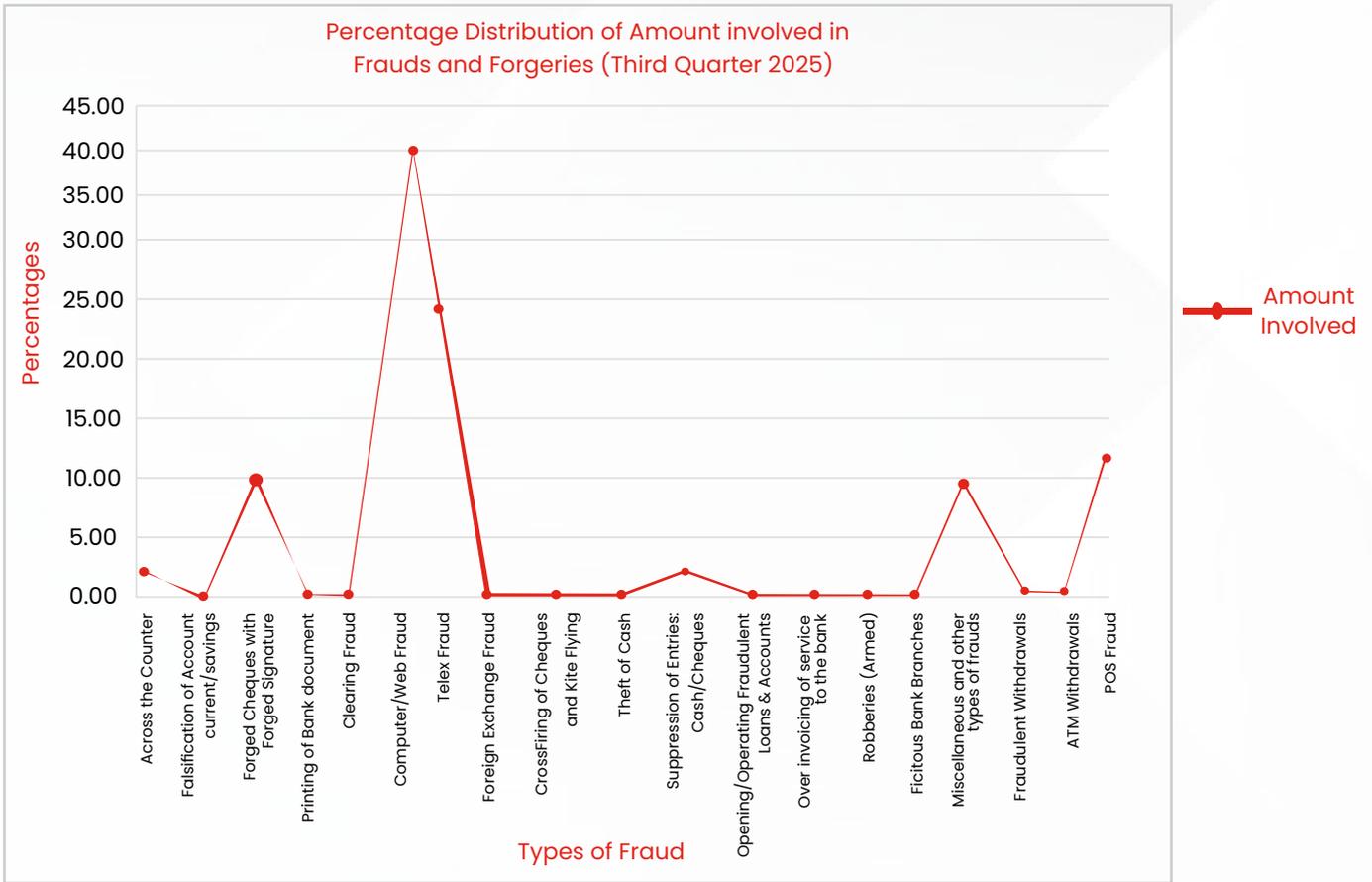
Appendix II ©

Amount lost to Frauds and Forgeries Activities (Thrid Quarter 2025)



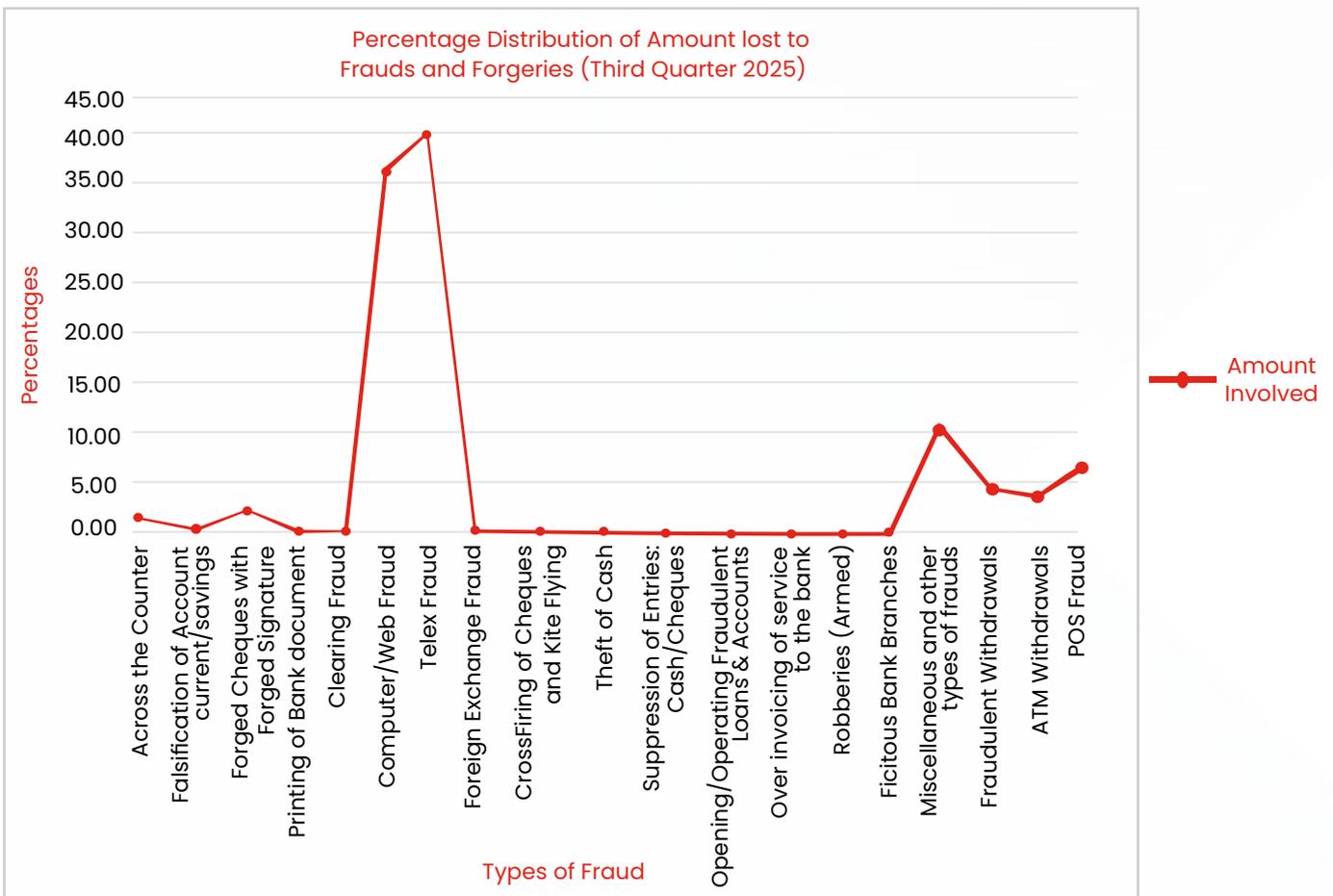
Appendix II(D)

Percentage Distribution of Amount involved in Frauds and Forgeries (Third Quarter 2025)



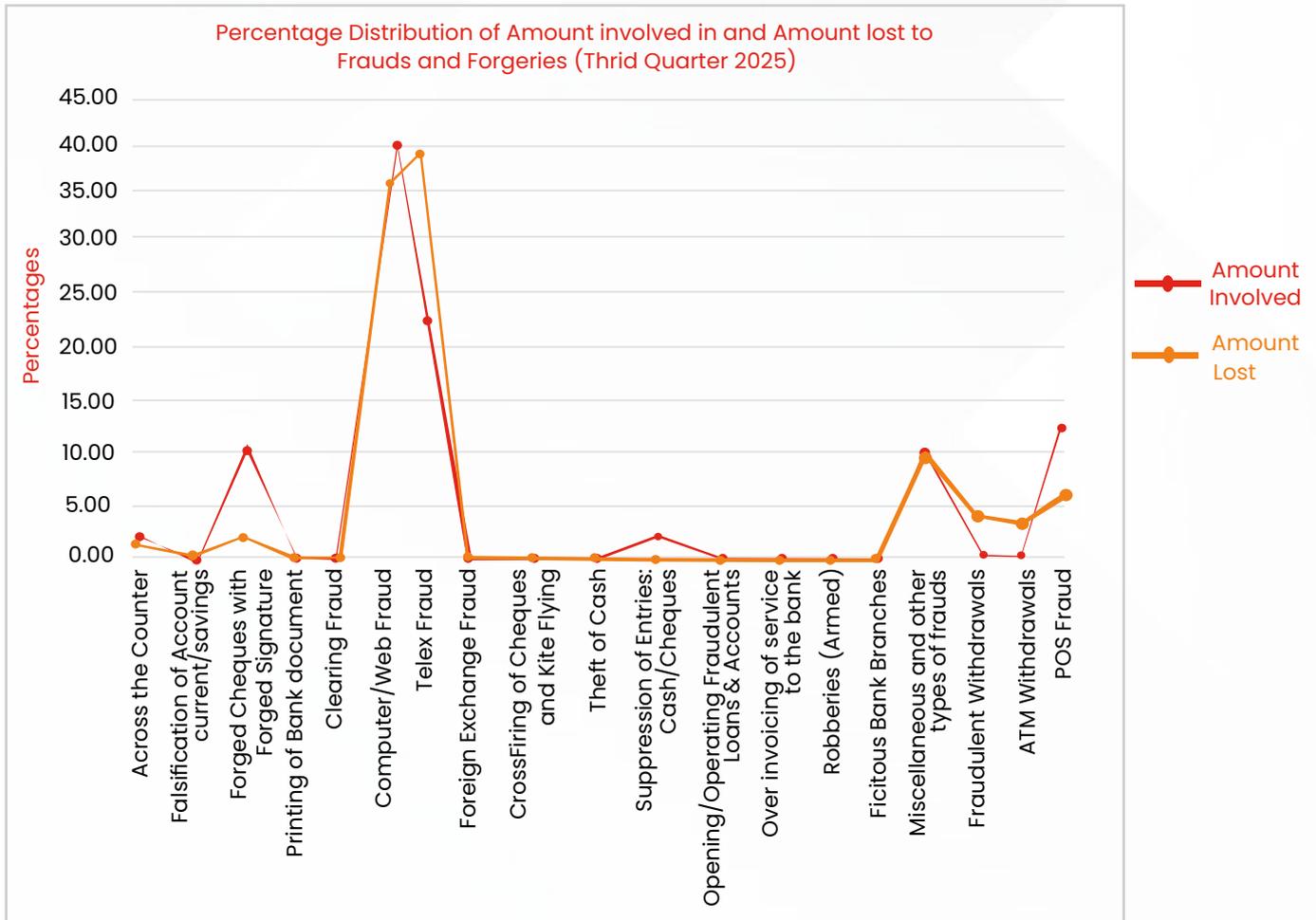
Appendix II(E)

Percentage Distribution of Amount lost to Frauds and Forgeries (Third Quarter 2025)



Appendix II(F)

Percentage Distribution of Amount involved in and Amount lost to Frauds and Forgeries (Third Quarter 2025)



Appendix III (A)

Frauds and Forgeries through various Payment Channels: A Comparison of Second Quarter 2025 and Third Quarter 2025

S/N	Channels	Cases: Second Quarter, 2025	Cases: Third Quarter, 2025	Percentage (%) Change
1.	Web	5699	9601	68.5
2.	ATM	195	396	103.1
3.	Bank Branch	266	306	35
4.	Mobile	2990	2699	(9.7)
5.	POS	1323	1597	20.7
6.	Cheque	156	98	(37.2)
Total		10,589	14,697	(38.8)

Note: All figures in parenthesis () indicate decrease in percentage

Appendix III(B)

Amount Involved and Amount Lost to Fraud through various Payment Channels: A Comparison between Second Quarter 2025 and Third Quarter 2025

S/N	Channels	Amount Involved, Second Quarter, 2025 (N)	Amount Involved, Third Quarter, 2025 (N)	Percentage (%) Change	Amount Lost, Second Quarter, 2025 (N)	Amount Lost, Third Quarter, 2025 (N)	Percentage (%) Change
1	Web	1,326,449,443.25	2,076,930,580.23	56.6	22,786,876.10	277,002,236.13	1115.5
2	ATM	32,720,140.99	47,162,328.57	44.1	19,825,137.00	30,301,745.28	52.9
3	Bank Branch	1,534,513,808.54	766,122,200.01	(50.1)	1,149,210,111.29	116,372,455.71	(84.3)
4	Mobile	1,138,142,478.31	1,232,528,396.97	8.3	107,338,898.07	297,802,691.39	177.4
5	POS	372,697,251.50	595,803,297.31	59.7	9,911,398.00	47,001,253.72	374.2
	Total	4,893,420,674.82	4,718,546,803.09	7.13	899,505,763	768,480,382.23	(14.6)

Note: All figures in parenthesis () indicate decrease in percentage

Appendix IV(A)

Frauds and Forgeries through various instruments: A Comparison between Second Quarter 2025 and Third Quarter 2025

S/N	Channels	Cases: Second Quarter, 2025	Cases: Third Quarter, 2025	Percentage (%) Change
1.	Cash	266	306	35.4
2.	Cheques	156	98	(37.2)
3.	Cards	10,207	14,293	40
Total		10,589	14,697	(38.8)

Note: All figures in parenthesis () indicate decrease in percentage

Appendix IV(B)

Amount Involved and Amount Lost to Fraud through various Instruments of Transaction: A Comparison between Second Quarter 2025 and Third Quarter 2025

S/N	Channels	Amount Involved, Second Quarter, 2025 (N)	Amount Involved, Third Quarter, 2025 (N)	Percentage(%) Change	Amount Loss, Second Quarter, 2025 (N)	Amount Loss, Third Quarter, 2025 (N)	Percentage(%) Change
1	Cash	922,299,430	766,122,200.01	(16.9)	728,551,453	116,372,455.71	(84)
2	Cheques	1,021,399,350	537,082,858	(47.4)	0.00	7,835,000	100
3	Cards	2,949,721,914.05	3,952,424,603.079	34	170,954,309	652,107,926.52	281.5
Total		4,893,420,695	5,255,629,661.09	(7.4)	899,505,762	776,315,382.23	(13.7)

Note: All figures in parenthesis () indicate decrease in percentage

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