

Reports on Fraud and Forgeries in Nigerian Banks



Q U A R T E R - T W O 2 0 2 5

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Reports on Fraud and Forgeries in Nigerian Banks

SECOND QUARTER, 2025

Overview

Between April and June 2025, FITC recorded a total of 85 fraud and forgery submissions from 30 deposit money institutions. A closer look at the monthly trend shows that 25 reports were filed in April, while 30 renditions were received for the months of May and June respectively.

Volume and Value of Fraud Cases

In Q2 2025, reported fraud cases totaled 10,589 – marking a significant drop of 14.2% compared to the 12,347 cases logged in the previous quarter. A deeper breakdown shows that the most frequently reported incidents were tied to Computer/Web platforms (5,669 cases), Mobile transactions (2,990 cases), and POS terminals (1,323 cases), a trend similar to that observed in Q3 and Q4 2024, as well as Q1 2025. For a comprehensive overview, see Appendices I and II detailing the full range of reported fraudulent activities.

Data analysis indicates a decline in the financial impact of fraud in Q2 2025, with the total amount involved dropping by 78.3% – from approximately N22.27 billion in Q1 2025 to N4.89 billion. Losses equally declined during the same period, with the total amount lost decreasing by 72.7%, from approximately N3.3 billion to N899.5 million in Q2 2025. Appendix I (A) provides a visual breakdown of this notable escalation in both the fraud sums and corresponding financial losses.

The second quarter of 2025 also saw a notable reduction in outsider participation in fraud, with reported cases falling by 3.5% – from 10,896 in Q1 2025 to 10,512. Staff-related incidents rose from 63 cases in Q1 to 76 cases in Q2 2025, marking a 20.6% increase. Meanwhile, 32 staff members had their appointments terminated – reflecting a 39% increase from the 23 terminations reported in Q1 2025.

Computer/web-based fraud emerged as the most financially significant category in Q2 2025, accounting for N1.3 billion – approximately 27.1% of the total amount involved in reported fraud cases. This was followed by Mobile fraud, accounting for 23.3% of the amount involved in

fraud in Q2 2025 totaling approximately N1.14 billion. Cheque-related fraud ranked third, accounting for N1.02 billion (20.9%) of the total amount involved in fraud. Combined, these three categories represented 71.3% of the amount involved in fraud during the second quarter of 2025. A full breakdown is presented in Appendix II (A).

A closer review of Q2 2025 data reveals that Miscellaneous and Other types of fraud was the leading contributor to total losses, accounting for approximately 77.3% – or N695 million – of all losses during the second quarter. Mobile related fraud incidents followed suite, with losses totalling N107.3 million (11.9%), Visual summaries detailing the distribution of fraud amounts and corresponding losses across categories can be found in Appendices II (B) through II (F).

Channels, Instruments and Personalities Involved in Perpetrating Fraud

Fraud in Q2 2025 occurred across multiple channels – including ATMs, online platforms (web and mobile banking), physical bank branches, and POS terminals. Notably, card-based fraud experienced a 14.7% dip, from 11,972 cases in Q1 2025 to 10,207 in the current quarter. Cash-related fraud also witnessed a 39.7% decline, with reported incidents reducing from 375 to 226. However, cheque-related fraud bucked the downward trend, surging by 239.1% – from 46 cases in Q1 to 156 in Q2 2025.

Appendix III (A) provides a comparative overview of fraud incidents across various payment channels between Q1 and Q2 2025. The analysis reveals a general decline in fraudulent activity across all channels excluding ATM and Mobile-related cases, which rose slightly by 10.2% (177 cases in Q1 2025 to 195 in Q2 2025) and 4% (2,875 to 2,990) respectively. Fraud via computer/web channels dropped by 22.6%, from 7,361 to 5,699 cases. Incidents at bank branches (including over-the-counter fraud, miscellaneous & other types of fraud, fraudulent withdrawals and forged cheque cases) declined by 39.7%, falling from 375 to 266

cases. POS-related fraud equally fell by 15.1%, with cases dropping from 1,559 to 1,323 during the same period.

Appendix III (B) presents a comparative analysis of the amounts involved in fraud and corresponding losses across various transaction channels between Q1 2025 and Q2 2025. The data reveals a significant downward slope in fraud activity across nearly all channels—except for ATM-related fraud, which witnessed a rise. Fraud via computer/web channels experienced the highest decrease, dipping by 87.5% from approximately N10.6 billion in Q1 2025 to N1.33 billion in Q2. Similarly, fraud through mobile channels dipped by 50.6%, declining from approximately N2.3 billion to N1.13 billion. Incidents via bank branches also dipped significantly, with the amount involved decreasing by 74.5%, from approximately N8 billion to N2.02 billion. POS-related fraud witness a fall of 72.9%, from approximately N1.4 billion in Q1 to N327.7 million in Q2. In contrast, ATM-related fraud increased by 32.65%, inclining from N24.7 million in Q1 to N32.7 million in Q2 2025.

An in-depth analysis of fraud losses across various payment channels in Q2 2025 reveals significant shifts for the first quarter of 2025. Losses associated with Computer/Web, Bank Branches, POS and Mobile fraud recorded decline, while those linked to ATM channels witnessed a significant increase. Specifically, bank branch-related fraud dipped by 31.9%, dropping from approximately N1.7 billion in Q1 2025 to N1.1 billion. Losses from computer/web fraud equally decreased by 88.8%, declining from N203.2 million to N22.7 million, while mobile fraud losses dipped as well by 92.4%, from approximately N1.4 billion to N107.3 million over the same period. POS-related fraud losses dipped slightly by 2%, falling from N10.1 million in Q1 to N9.9 million in Q2 2025. On the contrary, ATM-related fraud losses surged by 3340.9%, plummeting from N576,215 to N19.8 million.

Appendix IV (B) provides a detailed breakdown of the monetary value of fraud cases involving cash, cheques, and cards in Q2 2025. The data reveals a decrease in amount involved across all three instruments. Notably, fraudulent cases involving forged cheques amounted to N1.02 billion in Q2, representing a 11.2% decrease from N1.1 billion in Q1 2025. Card-related fraud declined significantly, with the amount involved dropping by approximately 80%—from N14.3 billion in Q1 to approximately N2.9 billion in Q2 2025. Likewise, cash-related fraud recorded a dip by 85.3%, decreasing from N6.8 billion in Q1 to approximately N1 billion in Q2 2025.

Similarly, an analysis of fraud losses across various instruments in Q2 2025 reveal decrease across card, cash and cheque related frauds when compared to Q1 2025. Losses from cash-related fraud decline by 11.2%, dropping from N832 million in Q1 to N739.6 million in Q2 2025. Furthermore, card-related fraud losses dipped by 90.3%, declining from N1.6 billion to N159.8 million. Similarly, cheque-related fraud experienced an decrease of 100%, dropping from N837 million in Q1 2025 to zero losses in Q2 2025.

In Q2 2025, deposit money institutions reported the termination of 32 employees over their involvement in fraudulent activities—a 39% increase from 23 terminations recorded in Q1 2025.

Summary and Conclusion

In summary, Q2 2025 recorded 10,589 reported fraud cases—a 14.2% decline from the 12,347 cases reported in Q1 2025. In a similar vein, the total amount involved in fraud dropped from N22.27 billion in Q1 to N5.43 billion in the previous quarter, signalling a 75.6%. A similar trend was observed in actual losses, which decreased by 59%, from approximately N3.3 billion in Q1 2025 to N1.3 billion in Q2 2025.

Recommendations

The analysis of fraud trends in Q2 2025 underscores both progress and emerging risks within Nigeria's financial sector. While the overall volume and financial impact of fraud have declined markedly compared to Q1, specific channels and instruments continue to present heightened vulnerabilities. To sustain the downward trajectory and strengthen institutional resilience, a multi-faceted approach is recommended.

Firstly, the increase in staff-related fraud and employee terminations highlights the critical need for enhanced internal controls and employee oversight. Deposit money institutions should prioritize the implementation of robust segregation of duties, regular audits, and systematic monitoring of staff access to sensitive systems. Complementary to these measures, ongoing anti-fraud education and awareness programs should be conducted, targeting the evolving modalities of fraud, with particular emphasis on web, mobile, and cheque-based transactions.

Secondly, technological fortification remains paramount. Computer and web-based channels, which continue to account for the highest financial exposure, require investment in advanced cybersecurity infrastructure, real-time transaction monitoring, and AI-driven anomaly detection. Mobile banking platforms should adopt multi-factor authentication and behavior-based monitoring to safeguard against emerging threats. The notable rise in ATM-related fraud further necessitates enhanced surveillance, anti-skimming devices, and end-to-end security protocols.

Targeted prevention strategies should also be applied across specific channels and instruments. The surge in cheque-related fraud demands stricter verification processes, leveraging digital imaging and reconciliation technologies to detect forgeries. While card and POS fraud have declined

in volume, they remain significant in value, underscoring the need for continuous transaction monitoring, tokenization, and pattern analysis. Similarly, although cash-related fraud has decreased, institutions must reinforce branch-level controls and cash-handling procedures to mitigate residual risks.

Data analytics should be central to proactive fraud management. Predictive models and machine learning tools can identify high-risk transactions, while centralized fraud intelligence repositories across institutions will enable trend tracking, benchmarking, and the timely dissemination of actionable insights. This analytical approach should be complemented by strong regulatory and industry collaboration, facilitating the sharing of fraud intelligence, harmonization of policies, and participation in national campaigns to raise awareness among both staff and customers.

Finally, customer education remains a critical line of defense. Institutions should continue to promote awareness of digital banking risks, phishing attempts, and safe banking practices across web, mobile, and ATM channels. Prompt reporting mechanisms for suspicious activities will enhance early detection and mitigation, minimizing both financial losses and reputational risk.

In conclusion, sustaining the gains achieved in Q2 2025 requires a holistic approach that combines technological innovation, robust internal controls, industry collaboration, and stakeholder education. By proactively addressing these risk areas, deposit money institutions can significantly enhance their resilience, safeguard customer assets, and strengthen the integrity of the Nigerian financial ecosystem.

Appendix I(A)

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

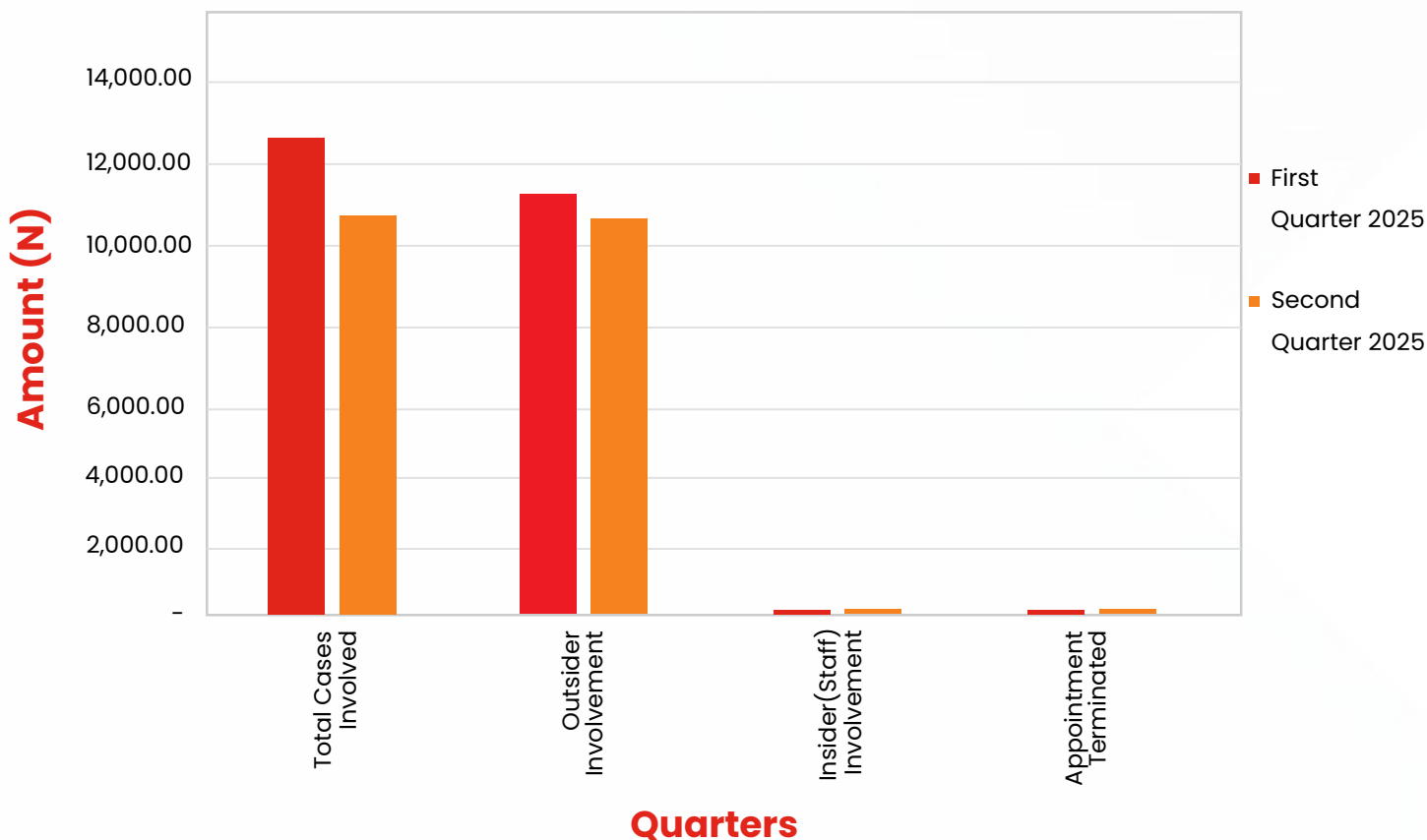
S/N	Variables	First Quarter 2025	Second Quarter 2025	Percentage(%) Change
1.	Total Cases Reported	12,347	10,589	(14.2)
2.	Total Amount Involved	N22,273,324,899.78	N4,893,420.694.82	(78.3)
3.	Total Amount Lost	N3,292,884,178.80	N899,505,762.69	(72.7)
4.	Outsider Involvement	10,896	10,512	(3.5)
5.	Insider (Staff) Involvement	63	76	20.6
6.	Appointments Terminated	23	32	39

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

Appendix I(B)

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

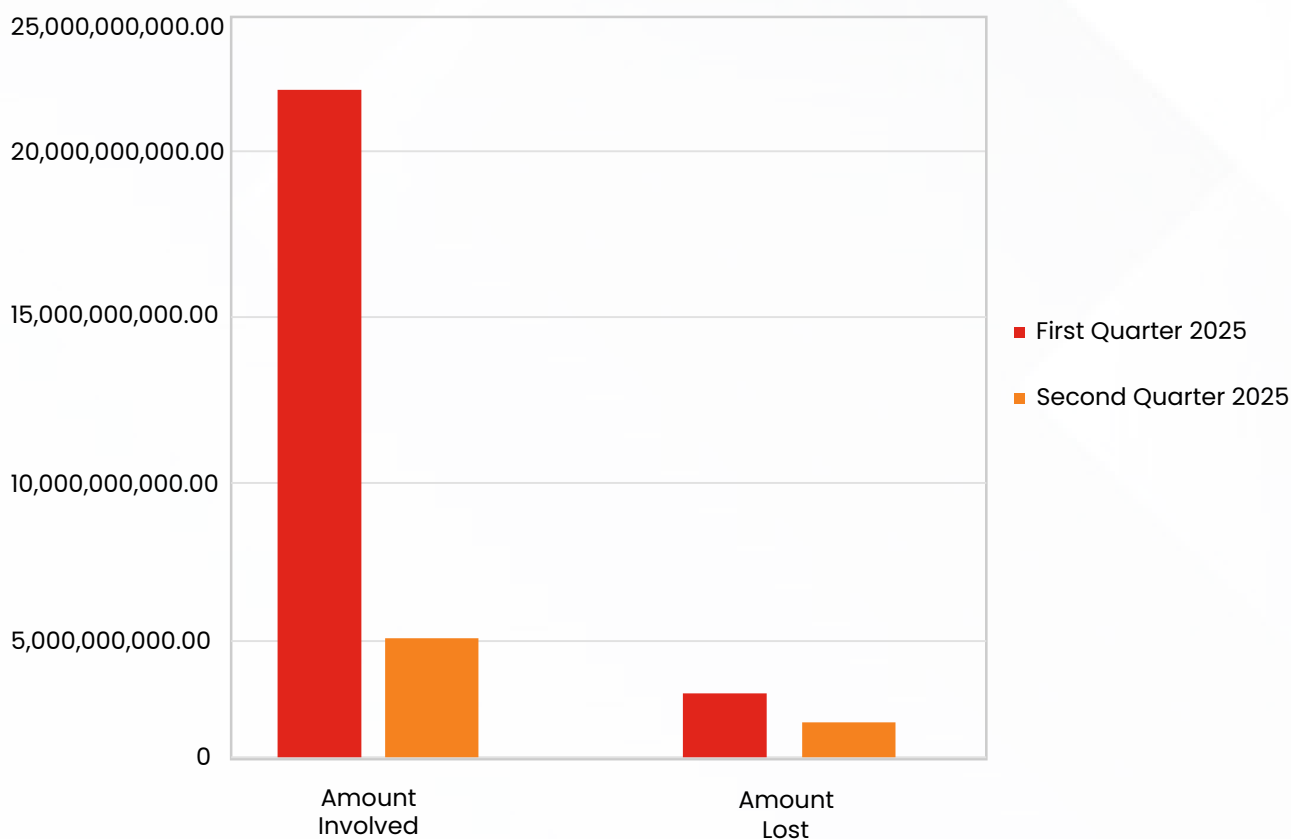
Frauds and Forgeries in the Nigerian Banking Industry:
A Comparison between First Quarter 2025 and Second Quarter, 2025



Appendix I (C)

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

Frauds and Forgeries in the Nigerian Banking Industry:
A Comparison between First Quarter, 2025 and Second 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(D)

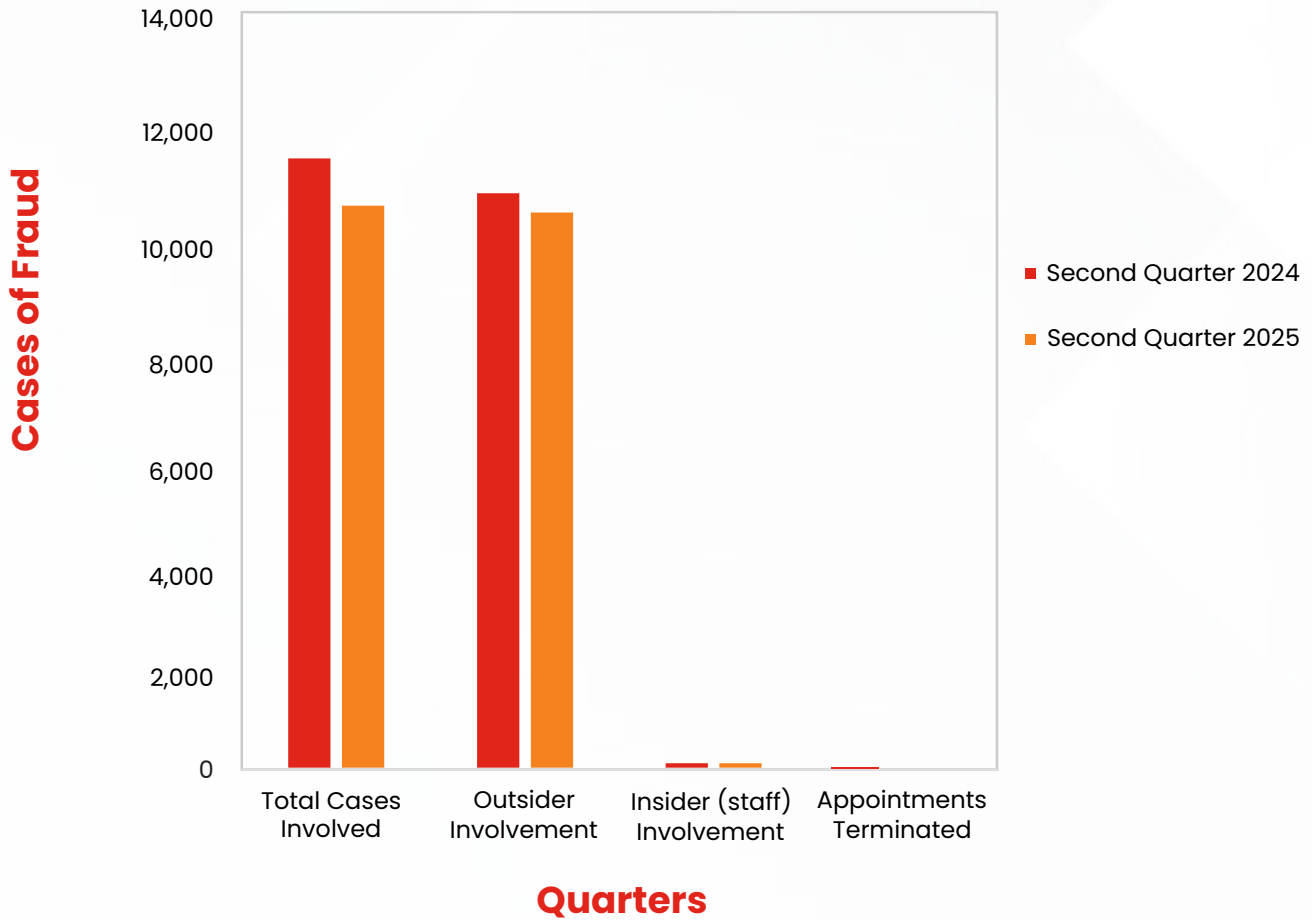
A Comparison of Fraud Activities between Second Quarter 2024 and Second Quarter 2025

S/N	Variables	Second Quarter 2024	Second Quarter 2025	Percentage(%) Change
1.	Total Cases Reported	11,532	10,589	8.2%
2.	Total Amount Involved	56,663,431,196.20	4,893,420,694.82	91.4%
3.	Total Amount Lost	42,788,245,836.76	899,505,762.69	97.9%
4.	Outsider Involvement	10,938	10,512	3.9%
5.	Insider (Staff) Involvement	58	76	31%
6.	Appointments Terminated	49	32	34.7%

Appendix I(E)

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

Frauds and Forgeries in the Nigerian Banking Industry:
A Comparison between SECOND Quarter 2024 and SECOND 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 Second Quarter 2024 and Second Quarter 2025



Appendix II(A)

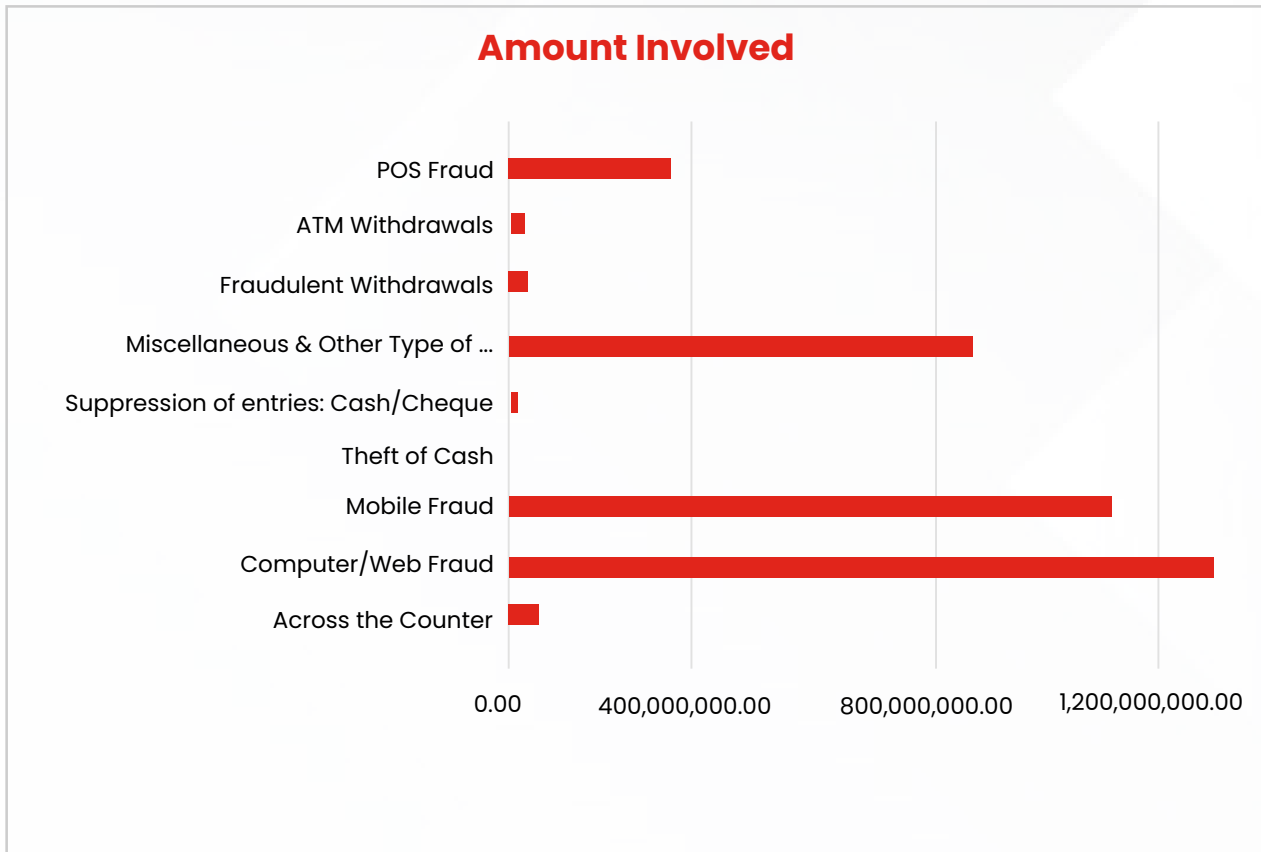
Frauds and Forgeries Activities in the Second Quarter 2025

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	17	8	9	0	0	79,712,600	11,092,000	13.9
% of Fraud	0	0	0	0	0	1.63	1.23	0
Forged Cheques with Forged Signature	156	0	156	0	0	1,021,399,350	837,716,00	0
% of Fraud	0	0	0	0	0	20.9	0	0
Computer/ Web Fraud	5699	2	5698	0	1	1,326,449,443.25	22,786,876	1.7
% of Fraud	0	0	0	0	0	27.11	2.53	0
Mobile Fraud	2990	0	2990	0	19	1,138,142,478.31	107,338,898.07	9
% of Fraud	0	0	0	0	0	23.26	11.93	0
Suppression of Entries: Cash/Cheques	5	5	0	0	0	1,074,550.00	702,070.07	65.3
% of Fraud	0	0	0	0	0	0.02	0.08	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	201	62	139	0	0	884,073,140.77	652,592,382.77	78.7
% of Fraud	0	0	0	0	0	18.07	77.33	0
Fraudulent Withdrawals	3	0	3	0	0	37,221,740	32,257,00	86.7
% of Fraud	0	0	0	0	0	0.76	3.59	0
ATM Withdrawals	195	1	194	0	0	32,729,140.99	19,825,137.00	60.6
% of Fraud	0	0	0	0	0	0.67	2.20	0
PoS Fraud	1323	0	1323	0	0	327,697,251.50	9,911,398	2.7
% of Fraud	0	0	0	0	0	7.62	1.10	0
Total	10,589	76	10,512	0	1	4,893,420,694.9	899,505,762.7	100

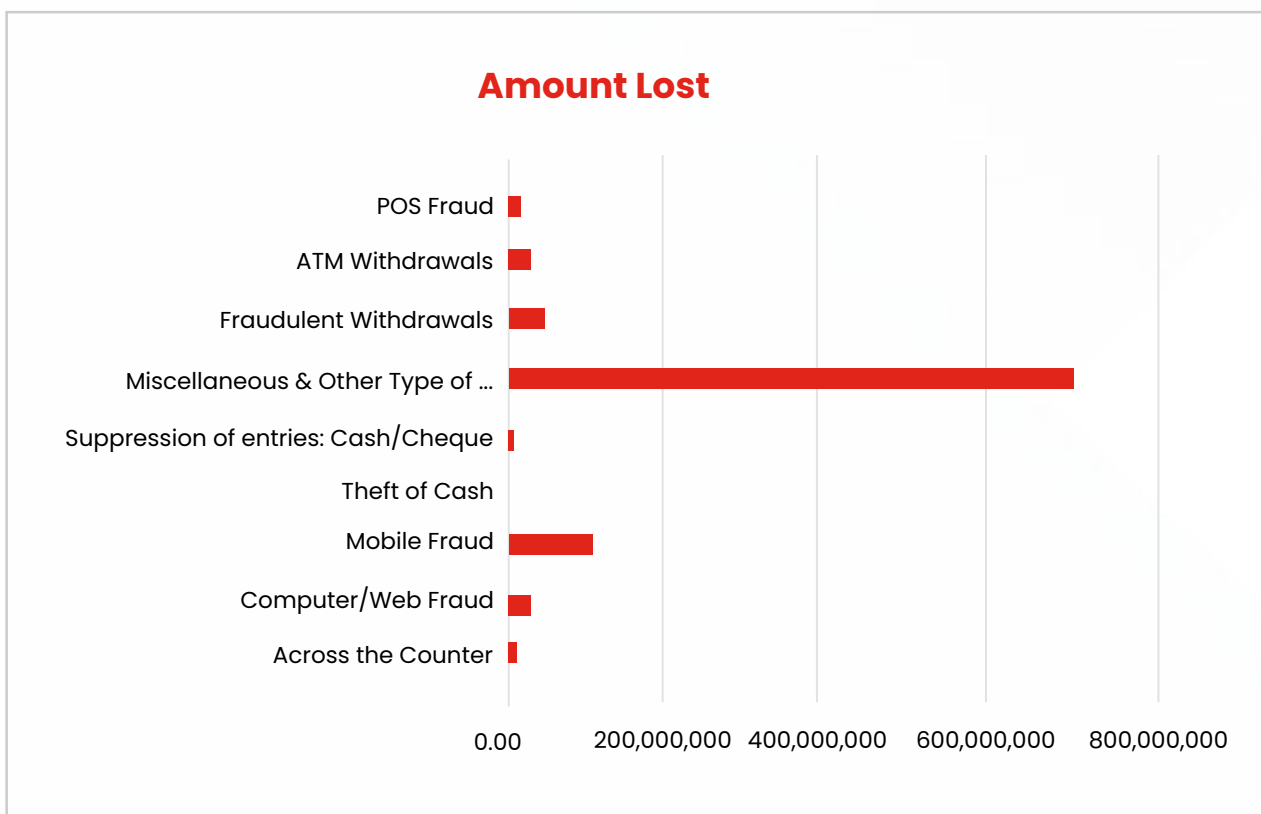
Appendix II(B)

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



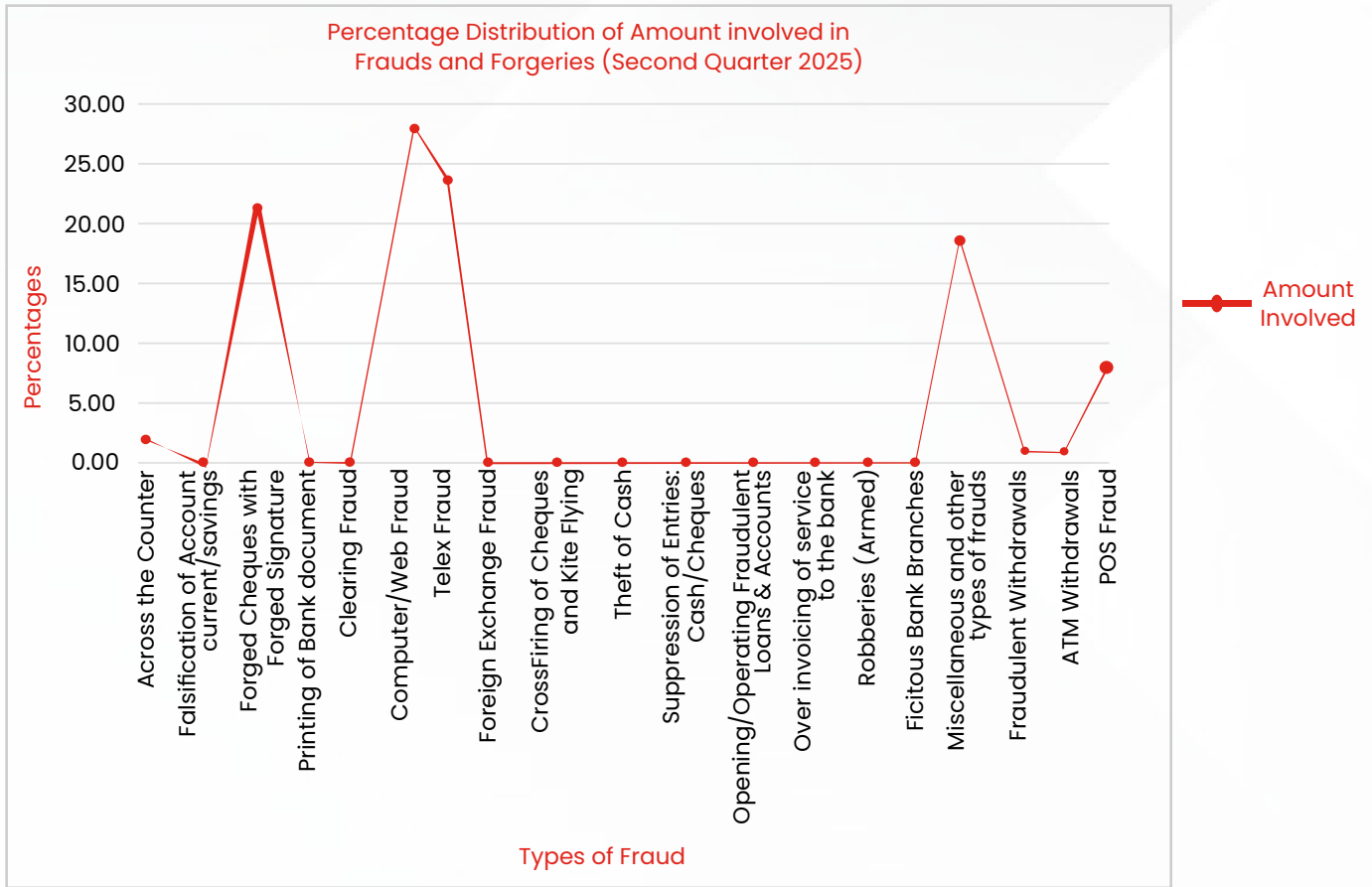
Appendix II ©

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



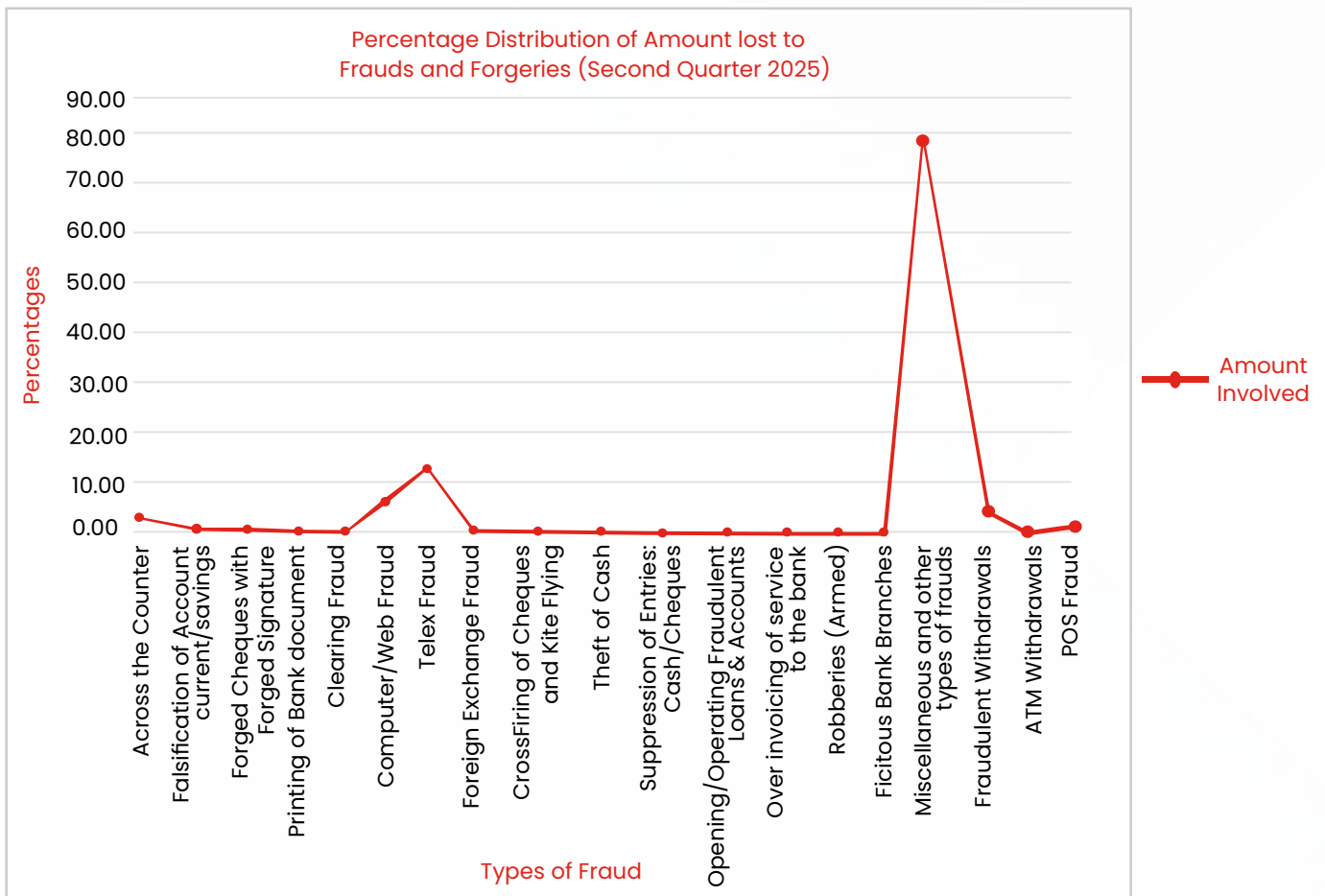
Appendix II(D)

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



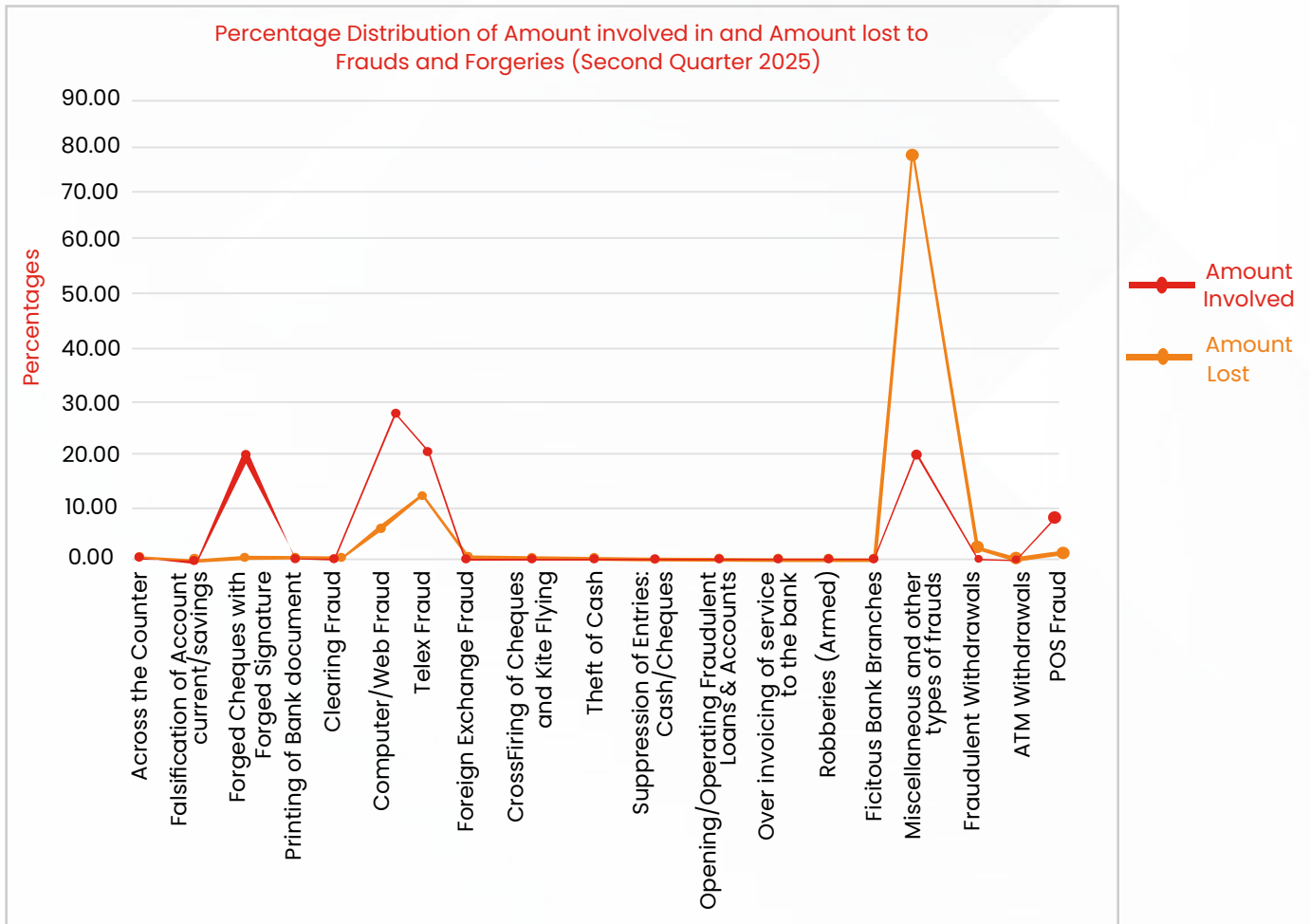
Appendix II(E)

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



Appendix II (F)

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



Appendix III (A)

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

S/N	Channels	Cases: First Quarter, 2025	Cases: Second Quarter, 2025	Percentage (%) Change
1.	Web	7361	5699	(22.6)
2.	ATM	177	195	10.2
3.	Bank Branch	375	266	(19.2)
4.	Mobile	2875	2990	(4)
5.	POS	1559	1323	(15.1)
6.	Cheque	46	156	(239.1)
Total		12,347	10,589	(13.9)

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 First Quarter 2025 and Second Quarter 2025

S/N	Channels	Amount Involved, First Quarter, 2025 (N)	Amount Involved, Second Quarter, 2025(N)	Percentage(%) Change	Amount Loss, First Quarter, 2025 (N)	Amount Loss, Second Quarter, 2025 (N)	Percentage(%) Change
1	Web	10,622,307,621.17	1,326,449,443.25	87.5	203,218,478.24	22,786,876.10	88.8
2	ATM	24,665,927.85	32,720,140.99	32.7	576,215.04	19,825,137.00	3340.6
3	Bank Branch	7,945,751,846.74	1,534,513,808.54	80.7	1,670,162,438.51	1,149,210,111.29	(31.2)
4	Mobile	2,303,560,740.60	1,138,142,478.31	50.6	1,408,800,797.01	107,338,898.07	(92.4)
5	POS	1,377,038,762.42	372,697,251.50	72.9	10,126,250.00	9,911,398.00	(2.12)
	Total	22,273,342,898.78	4,893,420,674.82	(78.6)	3,292,884,178.80	899,505,763	(72.7)

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

Appendix IV(A)

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

S/N	Channels	Cases: First Quarter, 2025	Cases: Second Quarter, 2025	Percentage (%) Change
1.	Cash	375	266	(29.1)
2.	Cheques	46	156	239
3.	Cards	11,972	10,207	(14.7)
Total		12,347	10,589	(14.2)

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 First Quarter 2025 and Second Quarter 2025

S/N	Channels	Amount Involved, First Quarter, 2025 (N)	Amount Involved, Second Quarter, 2025 (N)	Percentage(%) Change	Amount Loss, First Quarter, 2025 (N)	Amount Loss, Second Quarter, 2025 (N)	Percentage(%) Change
1	Cash	6,793,837,342	922,299,430	(86.4)	832,446,438.51	728,551,453	(12.5)
2	Cheques	1,151,914,505	1,021,399,350	(11.33)	837,716,000	0.00	(100)
3	Cards	14,327,573,052	2,949,721,914.05	(79.4)	1,646,329,238	170,954,309	(89.6)
Total		22,273,324,898	4,893,420,695	(78.03)	3,316,491,676.51	899,505,762	(72.9)

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

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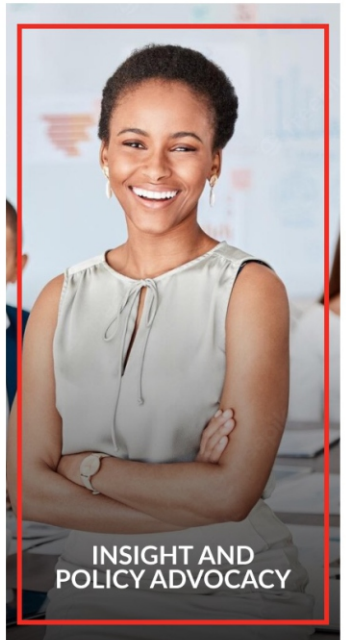
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