



FRAUD & FORGERY REPORT

Q4 2025

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1. Executive Overview

During the fourth quarter of 2025 (October–December), the Financial Institutions Training Centre (FITC) received a total of 87 fraud and forgery reports from 29 deposit money institutions. Reporting remained remarkably consistent throughout the quarter, with exactly 29 submissions recorded in each of the three months, indicating a stabilized compliance and reporting framework among participating institutions.

2. Volume and Value of Fraud Incidents

The final quarter of 2025 witnessed a severe escalation in both the frequency and financial severity of fraudulent activities. A total of **19,719** fraud cases were documented, representing a substantial **34.2%** increase from the **14,697 cases** reported in Q3 2025.

The financial exposure of these institutions also increased significantly during the period. The total amount involved in fraudulent activities rose by 141%, increasing from **N5.22 billion** in Q3 to **N12.67 billion** in Q4. Correspondingly, actual financial losses grew substantially, rising by **575.7%** from **N776.3 million** to **N5.25 billion** over the same period.

An analysis of the threat actors indicates that the increase was largely driven by external parties. Incidents involving external perpetrators rose by **34.5%**, increasing from **14,628 to 19,677** cases. In comparison, insider-related incidents recorded a modest **7.4%** increase, rising from **54 to 58** cases. Meanwhile, the number of staff terminations linked to fraudulent activities declined by 60%, reducing from 25 to 10 personnel.

3. Channel, Instrument, and Perpetrator Analysis

A breakdown of the data by transaction channel indicates notable exposure within digital and card-based payment ecosystems.

Computer/Web Platforms: This channel continues to be the most frequently targeted for financial cybercrime, accounting for most incidents (**14,347 cases, a 49.4% increase**). Web-based fraud represented **69.2% (N8.8 billion)** of the total amount involved and **86.7% (N4.5 billion)** of total actual losses, reflecting a significant **1,541.6%** increase in Web-related losses compared to Q3.

Mobile and POS Transactions: Mobile fraud cases rose by **13.1%** to 3,054 incidents, though actual mobile-related losses dropped by **30.1%** to **N208.3 million**. POS fraudulent cases witnessed a **6.8%** reduction, falling from 396 cases in Q3 to **438 cases** in Q4. With regards to monetary value, POS-related losses equally declined by **40.5%** (down from **N47 million** in Q3 to **N27.9 million** in Q4), despite a **241.8%** spike in the amounts involved in POS fraud attempts (**N595 million** in Q3 to **N2 billion** in Q4 2025).

Bank Branch and ATM: Incidents at physical bank branches declined slightly by **4.6%**, while losses related to branch fraud—including fraudulent withdrawals and over-the-counter incidents—increased by **297.1%**, reaching **N462 million**. ATM fraud incidents rose by **10.6%**, whereas ATM-related losses decreased by **52.9%**.

Instrument Vulnerabilities: The data indicates a systemic targeting of card instruments. Card-based fraud frequency rose by **35.2%** (19,328 cases). The total amount involved in card fraud soared by **201%** (reaching **N11.9 billion**), while card-related actual losses experienced a critical **633.5%** surge, moving from **N652 million** to **N4 billion**. Traditional instruments like cheques effectively yielded zero financial losses in Q4, while cash-related losses saw a **297%** increase from **N116.3 million** to **N462.2 million**.

4. Summary and Strategic Conclusions

The Q4 2025 report reveals a marked escalation in the scale and financial impact of fraudulent activities within the banking sector. The significant increase in both the volume of incidents and the value of losses underscores the evolving nature of fraud risks, particularly those originating from external actors. Digital channels—most notably computer/web platforms—and card-based instruments remain the most exposed points within the transaction ecosystem, accounting for a substantial share of the reported incidents and financial losses.

These trends highlight the growing importance of strengthening digital security architecture, enhancing transaction monitoring capabilities, and sustaining coordinated industry responses to emerging fraud threats. Continued vigilance, investment in advanced detection systems, and deeper collaboration across institutions will be essential to mitigating risks and preserving trust in the financial system.

5. Policy and Operational Recommendations

Given the severe systemic shifts observed in Q4, the following strategic interventions are highly recommended:

1

Deploy Advanced Digital Threat Mitigation: With Computer/Web-based fraud accounting for **86.7%** of all financial losses, institutions must urgently deploy predictive, AI-driven fraud analytics. Behavioral biometrics and real-time anomaly detection must be integrated directly into web and mobile banking infrastructures to identify and intercept high-value illicit transactions before settlement.

2

Overhaul Card Security Architecture: The **633.5%** surge in card-related losses requires an immediate strategic response. Institutions must accelerate the transition to dynamic tokenization for all online card transactions, enforce stricter multi-factor authentication (MFA) protocols for card-not-present (CNP) channels, and implement adaptive transaction limits based on user risk profiling.

3

Optimize Rapid Incident Containment Protocols: The widening gap between the frequency of attacks and the massive spikes in actual financial losses implies that containment measures are currently too slow. Banks must review and automate their incident response and asset recovery protocols to ensure instantaneous freezing of compromised accounts and rapid claw-backs of illicit transfers.

4

Strengthen Physical Branch Authentication: Although branch incidents slightly declined, the **297.1%** surge in branch-related losses and the **297%** increase in cash-related losses indicate that when in-branch fraud occurs, it is highly successful and lucrative. Institutions must mandate stricter secondary authorizations (such as biometric verification) for high-value over-the-counter (OTC) cash withdrawals.

5

Maintain Internal Vigilance: While outsider fraud is the dominant threat, the slight uptick in staff involvement paired with a **60%** drop in staff terminations suggests a potential gap in identifying or penalizing internal collusion. Continuous ethics training and stringent audits of internal system access privileges must remain a priority withdrawals.

6

Appendices – Analysis of Fraud and Forgeries in the Nigerian Banking Industry

Appendix I (A)

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

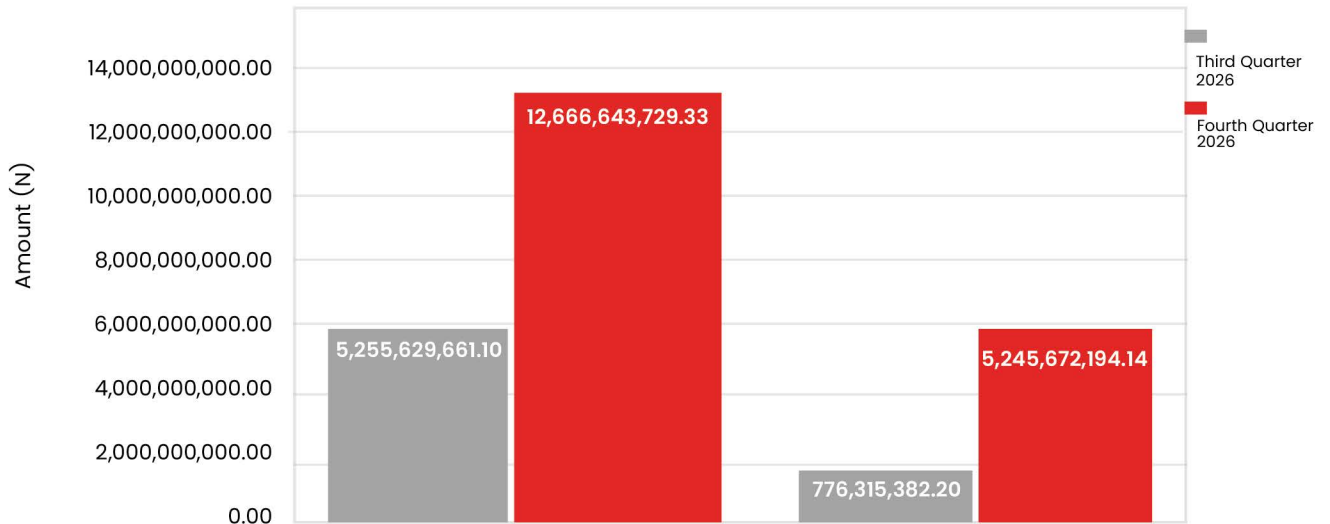
S/N	Variables	Third Quarter, 2025	Fourth Quarter, 2025	Percentage % Change
1	Total Cases Reported	14,697	19,719	34.2
2	Total Amount Involved	N5,255,629,661.1	N12,666,643,729.33	14.1
3	Total Amount Lost	N776,315,382.2	N5,245,627,194.14	575.7
4	Outsider Involvement	14,628	19,057	30.3
5	Insider (Staff Involvement)	54	58	7.4
6	Appointments Terminated	25	10	(60)

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

Appendix I (B)

A Comparison of Amount Involved and Amount Lost to Frauds between Third Quarter 2025 to Fourth Quarter 2025

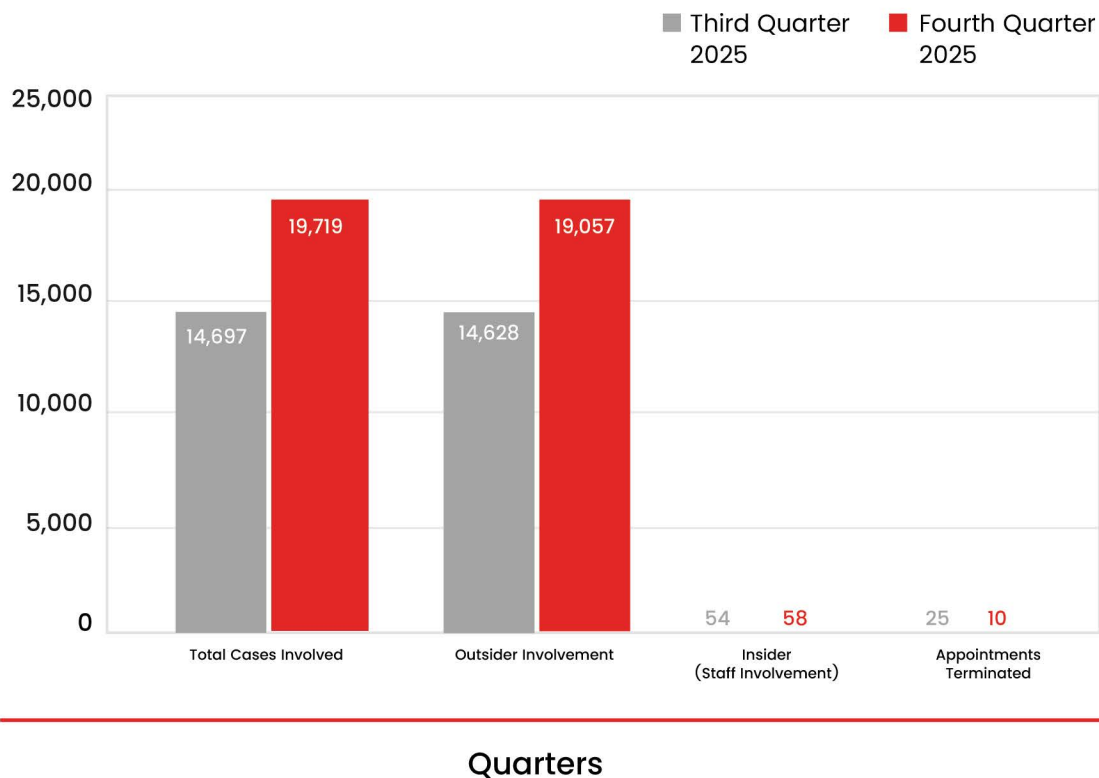
Frauds and Forgeries in the Nigerian Banking Industry: A Comparison between Third and Fourth Quarters, 2025



Appendix I (C)

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

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



Appendix I (D)

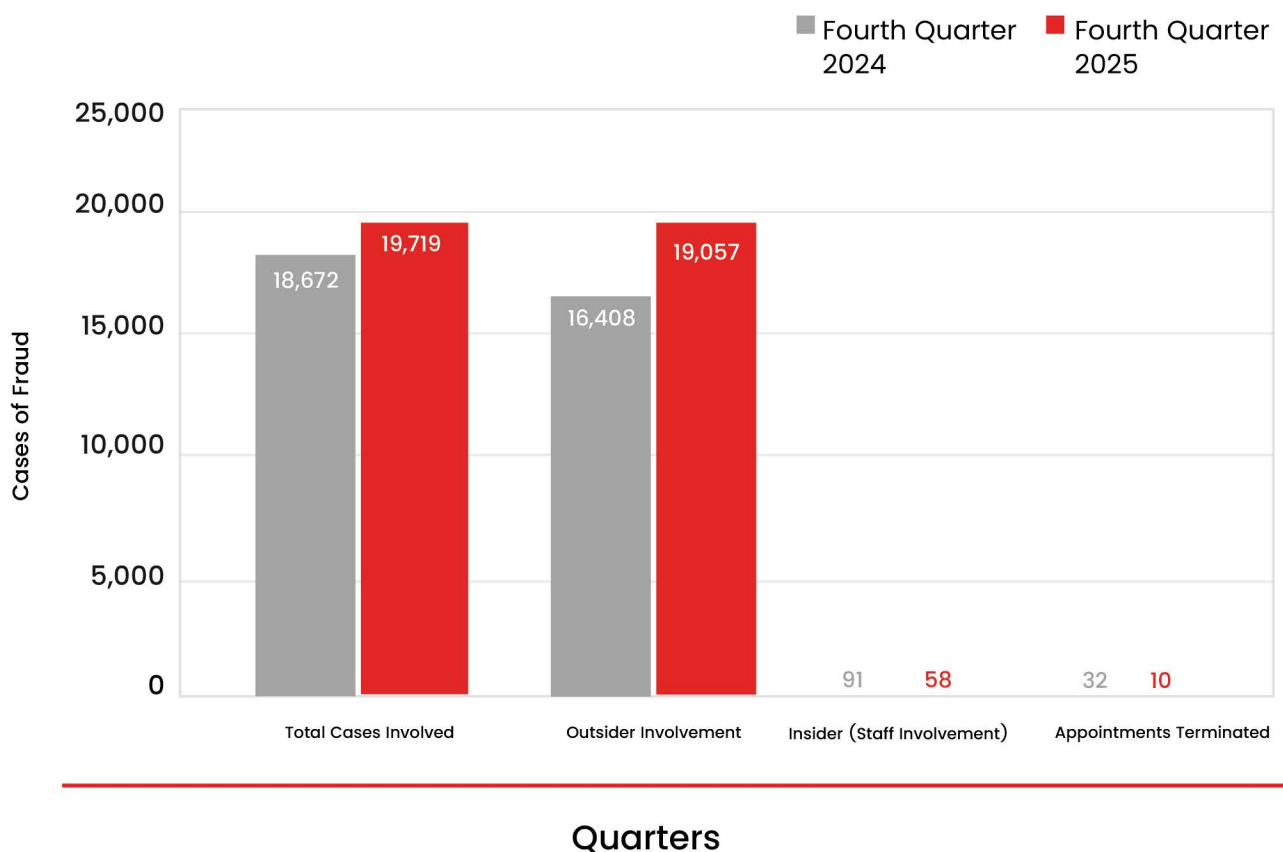
A Comparison of Frauds Activities between Fourth Quarter 2024 and Fourth Quarter 2025

S/N	Variables	Fourth Quarter, 2024	Fourth Quarter, 2025	Percentage % Change
1	Total Cases Reported	18,672	19,719	5.6%
2	Total Amount Involved	N6,498,601,475.04	N12,666,643,729.33	94.1%
3	Total Amount Lost	N1,388,477,62.37	N5,245,627,194.14	277.8%
4	Outsider Involvement	16,408	19,057	16.1%
5	Insider (Staff Involvement)	91	58	(36.3)%
6	Appointments Terminated	32	10	(68.8%)

Appendix I (E)

A Comparison of Frauds Activities between Fourth Quarter 2024 and Fourth Quarter, 2025

Frauds and Forgeries in the Nigerian Banking Industry: A Comparison between Fourth Quarter, 2024 and Fourth Quarter, 2025

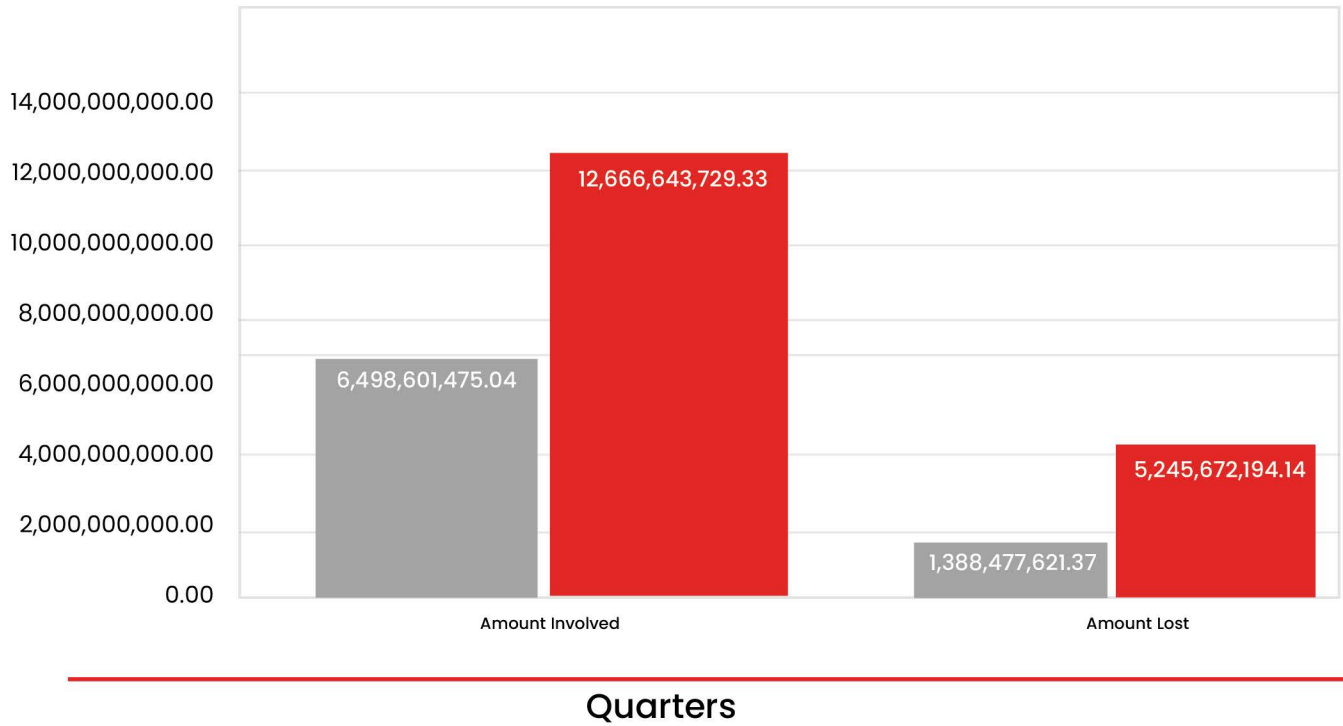


Appendix I (E)

A Comparison of Frauds Activities between Fourth Quarter 2024 and Fourth Quarter, 2025

Frauds and Forgeries in the Nigerian Banking Industry: A Comparison between Fourth Quarter, 2024 and Fourth Quarter, 2025

■ Fourth Quarter 2024 ■ Fourth Quarter 2025



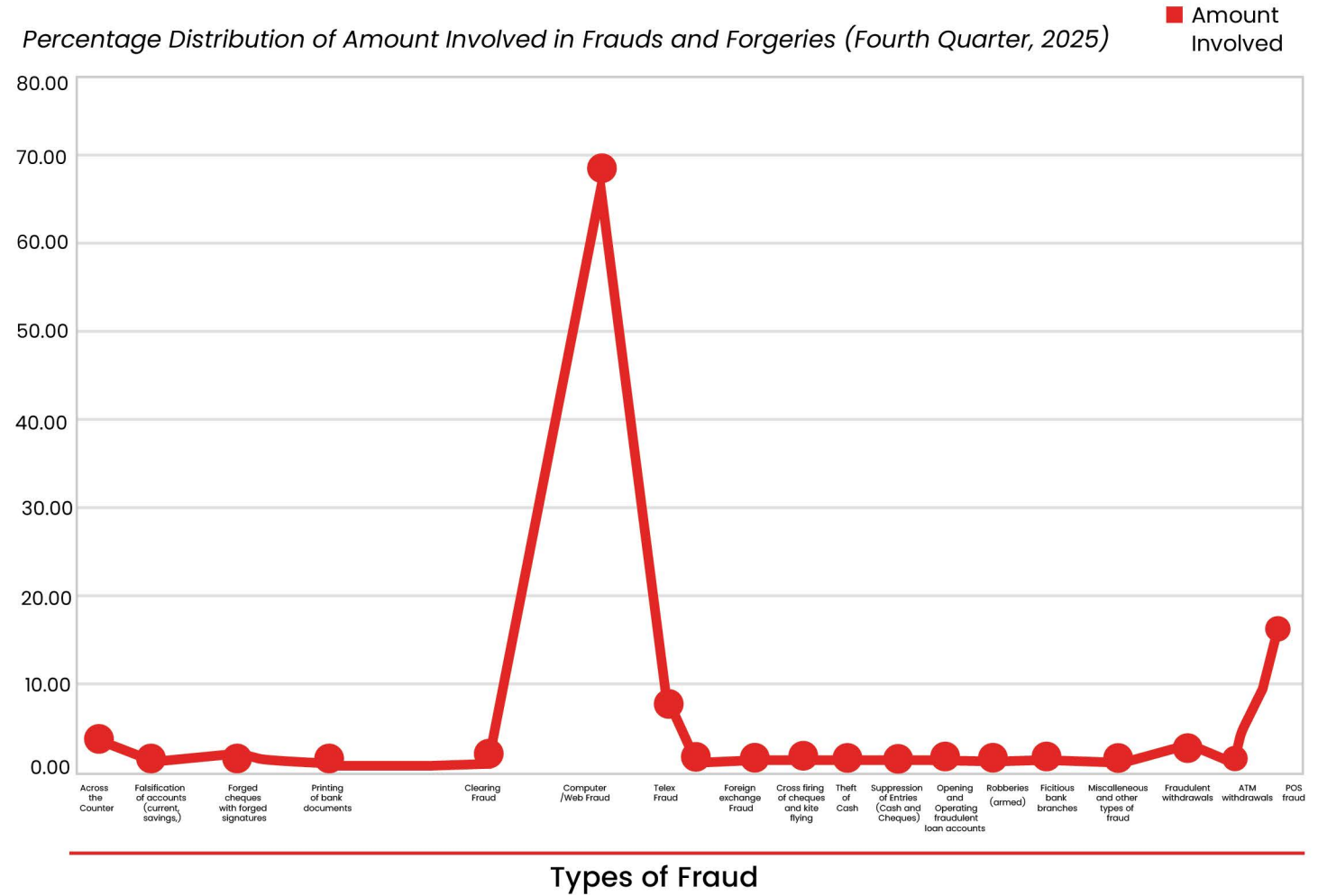
Appendix II (A): Breakdown of Fraud and Forgery Activities in Fourth Quarter, 2025

	Total Number of Cases Reported	Involving Bank Staff Only	Involving Outside Persons Only	Collusion	Not Specified	Amount Involved (N)	Actual/Expected Loss (N)	Expected Loss/Amount Involved
Across the Counter	33	18	2	13	0	293,276,915.60	151,386,017.40	51.6
% of Total						2.32	2.89	
Forged Cheques	99	0	99	0	0	0	0	0
% of Total							0	
Computer /Web Fraud	14,347	0	13,882	7	459	8,767,225,231.04	4,547,204,041.78	51.9
% of Total						69.2	86.7	
Mobile Fraud	3,054	0	2,944	0	110	1,089,440,046.96	208,301,876.29	19.1
% of Total						8.6	3.97	
Theft of Cash	1	1	0	0	0	2,900,000	0	0
% of Total						0.02	0	
Suppression of Entries: Cash/ Cheques	2	1	0	0	1	115,000	0	0.0
% of Total						0.00	0	

	Total Number of Cases Reported	Involving Bank Staff Only	Involving Outside Persons Only	Collusion	Not Specified	Amount Involved (N)	Actual/Expected Loss (N)	Expected Loss/Amount Involved
Miscellaneous and other Types of Frauds	247	31	205	1	11	166,395,422.81	74,421,955.45	44.7
% of Total						1.31	1.42	
Fraudulent Withdrawals	9	7	0	2	0	291,213,238.25	236,395,380.75	81.2
% of Total						2.30	4.51	
ATM Withdrawals	438	0	438	0	0	19,423,334.06	46,000.00	0.2
% of Total						0.15	0.0	
POS	1,489	0	1,487	0	2	2,036,654,540.61	27,953,922.47	1.4
% of Total						16.08	0.53	
TOTAL	19,719	58	19,057	23	586	12,666,643,729.33	5,245,672,194.14	100

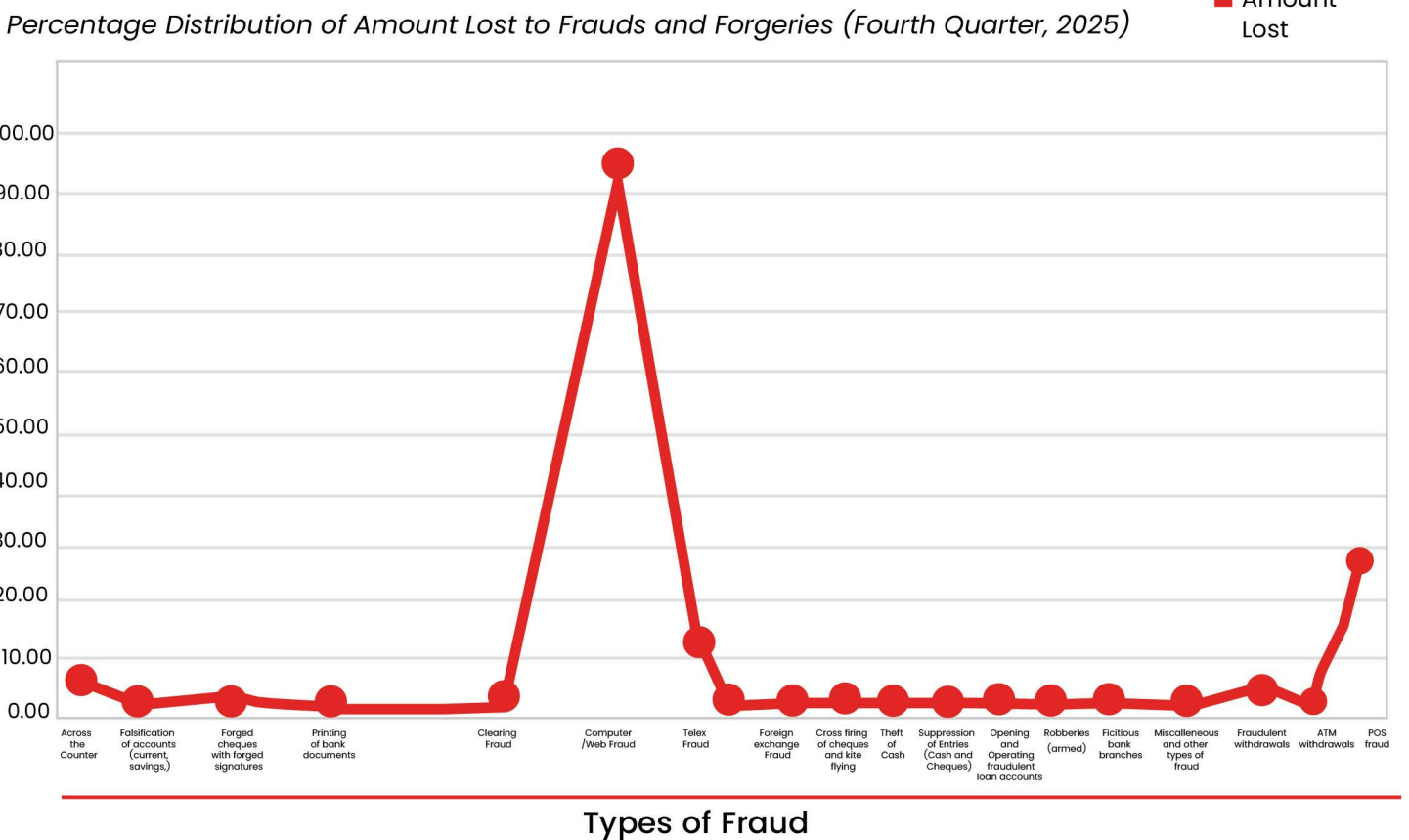
Appendix II (B)

Amount Involved in Frauds and Forgeries Activities (Fourth Quarter, 2025)



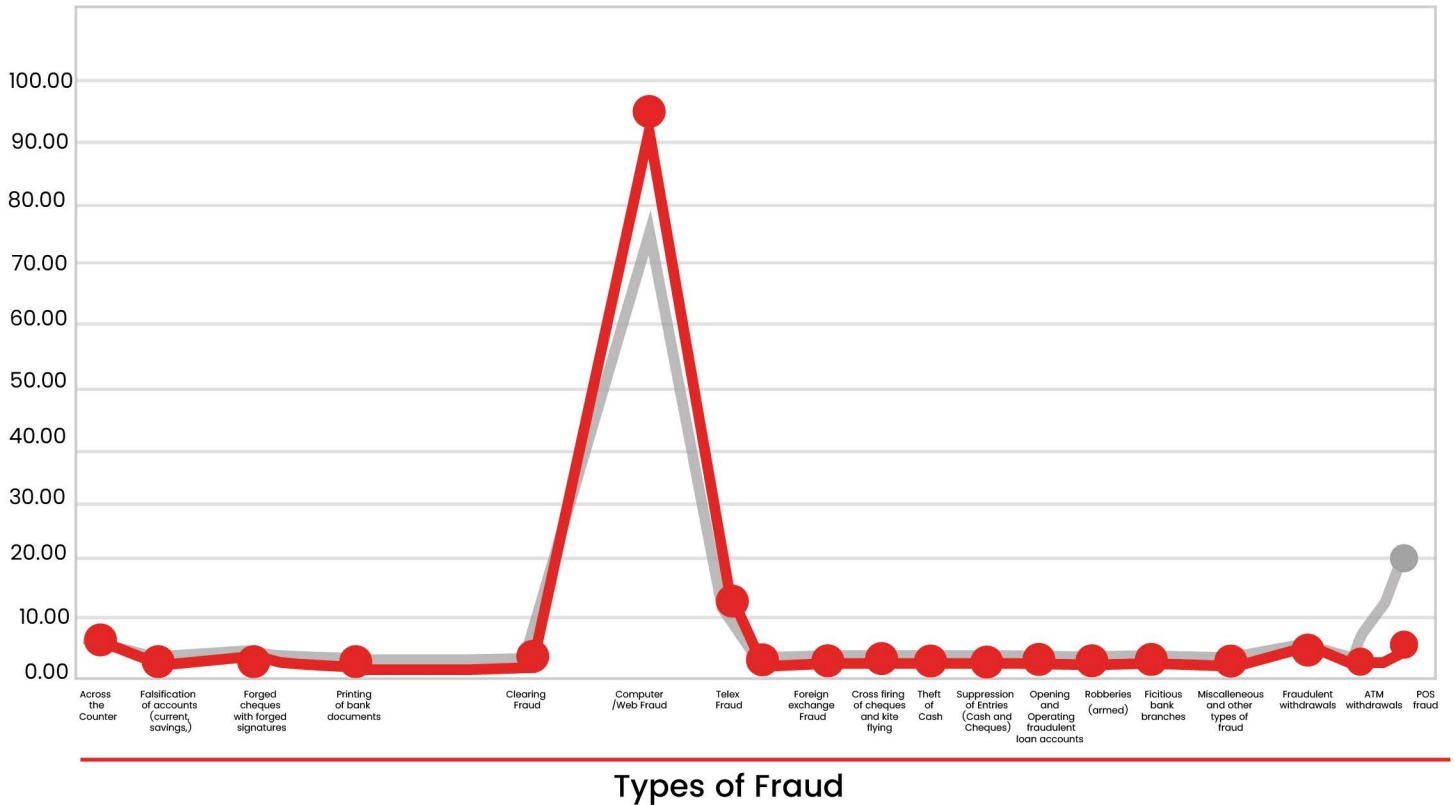
Appendix II (C)

Amount Lost in Frauds and Forgeries Activities (Fourth Quarter, 2025)



Appendix II (B)

Percentage Distribution of Amount Involved & Lost to Fraud and Forgery (Fourth Quarter, 2025)



Appendix III (A)

Frauds and Forgeries through Various Payment Channels: A Comparison of Third Quarter 2025 and Fourth Quarter 2025

S/N	Channels	Cases: Third Quarter, 2025	Cases: Fourth Quarter, 2025	Percentage % Change
1	Web	9,601	14,347	49.4
2	ATM	396	438	10.6
3	Bank Branch	306	292	(4.6)
4	Mobile	2,699	3,054	13.2
5	POS	1,597	1,489	(6.8)
6	Cheque	98	99	1.02
TOTAL		14,697	19,617	(34.2)

Appendix III (B)

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

S/N	Channels	Amount involved Third Quarter 2025 (N)	Amount involved: Fourth Quarter, 2025 (N)	Percentage % Change	Amount involved Third Quarter 2025 (N)	Amount involved: Fourth Quarter, 2025 (N)	Percentage % Change
1	Web	2,076,930,580.23	8,767,225,231.04	322.1%	277,002,236.13	4,547,204,041.78	1541.6%
2	ATM	47,162,328.57	19,423,334.06	(58.8%)	30,301,745.28	46,000.00	(98.5%)
3	Bank Branch	766,122,200.01	753,900,576.66	(1.6%)	116,372,455.71	462,167,353.60	(297.1%)
4	Mobile	1,232,528,396.97	1,089,440,047.00	(11.6%)	297,802,691.39	208,301,876.00	30.1%
5	POS	595,803,297.31	2,036,654,540.61	(241.8%)	47,001,253.72	27,952,922.47	40.5%
TOTAL		5,255,629,661.1	12,666,643,729.33	141%	776,315,382.2	5,245,672,194.14	575.7%

Appendix IV (A)

Frauds and Forgeries through Various Instruments: A Comparison between Third Quarter 2025 and Fourth Quarter 2025

S/N	Instruments	Cases: Third Quarter, 2025	Cases: Fourth Quarter, 2025	Percentage % Change
1	Cash	306	392	(4.6%)
2	Cheques	98	99	(1.02%)
3	Cards	14,293	19,328	(35.2%)
TOTAL		14,697	19,719	(34.2)

Appendix IV (B)

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

S/N	Instruments	Amount involved Third Quarter 2025 (N)	Amount involved: Fourth Quarter, 2025 (N)	Percentage % Change	Amount involved Third Quarter 2025 (N)	Amount involved: Fourth Quarter, 2025 (N)	Percentage % Change
1	Web	766,122,200.01	753,900,577	(1.6%)	116,372,455.71	462,167,353.60	297.1
2	ATM	537,082,858	0	(100%)	7,835,000	0	(100%)
3	Bank Branch	3,952,424,603.079	11,912,743,152.67	(201.4%)	652,107,926.52	4,783,504,841	(633.5%)
TOTAL		5,255,629,661.09	5,255,629,661.09	(7.4%)	776,315,382.23	776,315,382.23	(13.7%)