Fraud protection essentials

Dual custody: A best practice in reducing fraud risk

Online fraud is a serious threat to your business and bank accounts. Armed with a valid online banking password and ID, thieves — internal and external — can divert funds from your accounts to theirs.

Dual custody, when used properly, is one of the most important tools available to help protect your corporate accounts from the risk of fraud. This industry best practice requires two users to make online payment transactions or administrative changes, such as authorizing new users or changing user passwords.

How dual custody works

Dual custody gives you a second chance to spot a payment as fraudulent before it goes out the door.

The first user initiates a payment or administrative change. The second user, on a different computer or mobile device, must approve the payment or change before it takes effect.

By separating user tasks and performing them on different devices, you're better positioned to identify and stop fraud before it happens. Thieves may be able to coax access credentials from the user who initiates online payments, but it's unlikely they'll also get credentials from the person who has to approve and release the payments. Similarly, a rogue employee can't make unauthorized payments to himself without another person's approval.

Dual custody best practices

For dual custody to work as intended, the initiator and approver must be different users on different devices. The initiator and approver also must pay close attention to the transaction details — not just give them a rubber stamp.

Dual custody checklist

- ☑ **Verify before you initiate**
- ☑ **Verify before you approve**
- ☑ **Initiate and approve on different devices.**

Together we'll go far

The best practices for initiators and approvers:

• Verify before you initiate.
• Verify before you approve.
• Never initiate and approve transactions on the same device.

Implement dual custody today

Dual custody is one of the most effective fraud deterrents in a layered security approach. To help reduce your company's risk of online fraud, set up dual custody on all of these services you have through the *Commercial Electronic Office®* (*CEO®*) portal:

• ACH Payments
• Wires
• Foreign Exchange
• Administration

For more information, contact your treasury management representative.