



## **CBAI Urges Regulators to Increase Their Involvement in Addressing Check Fraud and Reimbursements for Fraudulently Altered Returned Checks**

Again, this year, CBAI surveyed its community bank members about fraudulent returns and check fraud and shared this information with the federal banking regulators along with revised recommendations urging their increased involvement in addressing this growing and serious problem.

CBAI member survey results revealed the following in 2023:

- Ninety percent have experienced the problem of fraudulent check returns;
- Seventy-two percent had difficulty being reimbursed by the largest financial institutions (up from 60% the previous year);
- The top three offending large banks that were the most difficult to work with were Chase Bank, Bank of America and Wells Fargo (same top three as last year just change in the order); and
- The average total fraud loss was \$47,000 (up from \$30,000 the prior year).

In a March 28, 2024, letter to the federal banking regulators, CBAI renewed its call for them to promptly issue Joint Supervisory Guidance directed at the largest financial institutions to ensure they are able to detect and deter the opening of fraudulent accounts and to increase their involvement in resolving Fraudulent Returns. CBAI also urged the regulators to promptly embrace their examination and enforcement responsibility with respect to the largest financial institutions and check fraud.

CBAI believes the lack of tangible results in addressing these problems is unacceptable, causes an enormous disservice to community banks and their customers, and undermines the public's confidence in the banking system.

[Read CBAI's Letter to the OCC, Federal Reserve and FDIC \(including the completed 2024 member survey results\) »](#)