



Joint Committee on Finance, Public Expenditure and Reform and Taoiseach

Authorised Push Payment Fraud

Wednesday 31 May 2023

Opening Statement

My name is Ben Ryan and I am the head of the Criminal Justice Policy Function within the Department of Justice. I am speaking today on behalf of the Secretary General, Oonagh McPhillips, who is unfortunately unable to attend. I am accompanied today by Kate Oliver from the Economic, Transnational and Organised Crime Unit in my Function.

At this stage, I would like to explain that while the Department of Justice engages with An Garda Síochána and other stakeholders in relation to tackling fraud generally, the Department of Finance maintain the policy lead on the banking sector and this includes many of the measures relevant to tackling authorised push payment fraud. It also involves other departments and their agencies. I will of course do my best to address any queries raised today and can follow up with colleagues in the Department of Finance or in other departments and agencies for any questions I cannot answer.

Statistics

Figures provided by the Banking and Payments Federation of Ireland show that in 2021, there were 3,967 transactions affected by authorised payment fraud, accounting for a gross loss of €16.8m. This was up from 1,646 transactions in 2019, accounting for a gross loss of €10.3m. However, looking at 2022, the Provisional Crime Statistics for 2022 released by An Garda Síochána in March show that technology-based fraud – such as phishing, account take over, and online shopping fraud – went down in 2022, after the significant increase during the COVID-19 pandemic.



Tackling APP Fraud

On a domestic level, banks undertake a range of actions to tackle fraud including payment-screening measures; running systems to detect unusual payment patterns; customer engagement to ensure any suspected fraud is reported immediately; and educational campaigns to ensure customers are aware of the risks of this type of fraud and how to avoid it.

As you are aware, the report from the Retail Banking Review was published last November and the Department of Finance is currently working on a number of recommendations arising out of this. This includes engaging with the financial literacy stream of the Adult Literacy for Life Strategy so that Ireland is compliant with the OECD High Level Principles on Financial Consumer Protection and the Recommendation on financial literacy.

The Commission for Communications Regulation, a body under the aegis of the Department of Environment, Climate and Communications, is actively working with the telecoms industry through the Nuisance Communications Industry Taskforce to mitigate scam texts and calls and to restore trust in the telecommunication industry. The Taskforce has published a number of information documents to help businesses combat scam communications.

The revised Payment Services Directive (PSD2) was transposed into Irish law with effect from 13 January 2018 by the European Union (Payment Services) Regulations 2018. The main objectives of PSD2 included enhancing consumer protection and improving payment security across Europe. The European Commission is currently reviewing the Directive and it's expected that this will include fraud, including authorised push payment fraud. This review is expected to be published in late June. Officials from the Department of Finance have been engaging with the Commission's review on areas of Irish interest, including payment fraud.

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Resources

In relation to specific resources, the criminal justice policy aspects of fraud are the responsibility of my Economic, Transnational and Organised Crime policy team and our Criminal Legislation Function look after any relevant primary and secondary legislation required. This is in addition to the staff working on these issues in the Department of Finance.

The Garda National Economic Crime Bureau (GNECB) is responsible for the investigation of all types of fraud cases. It should be noted that the Garda Commissioner is responsible for the allocation of resources within An Garda Síochána. I am informed that there has been a 21% increase in resourcing provided to GNECB since the end of 2020: this translates to an increase from 95 staff to a total of 115 staff at the end of March 2023. I will let Assistant Commissioner Kelly provide more details on the resources within the GNECB, but I will take this opportunity to emphasise that this is an issue that the Government takes extremely seriously.

I am happy to address any specific questions that the Committee may have or go into further details on anything I've already mentioned.

Thank you Chair.