

## **Encik Abu Hassan Alshari Yahaya: Preserving the safety and security of Malaysia's banking system**

Speech by Mr Encik Abu Hassan Alshari Yahaya, Assistant Governor of the Central Bank of Malaysia, at the launch of the e-Banking Fraud Awareness Campaign, Kuala Lumpur, 15 January 2013.

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It is my pleasure and honour to be invited to launch this joint e-Banking fraud awareness campaign. I would like to thank the Association of Banks in Malaysia for this invitation and the coordinated efforts in undertaking this important awareness campaign.

### **A significant initiative**

This campaign is indeed a very important initiative for the banking industry in Malaysia. This is the first time that all banks have come together in a concerted effort to help create greater awareness of online fraud with the cooperation of CyberSecurity and the Police Force. This is to be lauded as all stakeholders have a role to play in preserving the safety and security of the banking system.

### **Maintaining confidence in online banking services**

Online transactions have been growing at a rapid pace over the years. Over the last decade, the use of electronic payments has increased at an average annual growth of 23.4%. In 2012, Malaysian households and businesses performed more than 300 million financial transactions with a value close to RM15 trillion via electronic channels comprising mainly funds transfers, bill payments, top-up for prepaid cards, purchases of phone cards and payments for investments in the capital market. Among the electronic channels, internet banking is the most popular.

Fundamental to the growth of internet banking over the years is the confidence which the public has in its convenience and security. This is something that we cannot take for granted and must be continuously preserved. Advancement in technology and innovation has resulted in greater consumer convenience and enhanced efficiency. However, the same technology and innovation have also created new methods of perpetrating fraud that could be executed faster and with greater reach. Cyber criminals have been active ever since the advent of the internet, and are constantly finding new ways to defraud innocent victims.

Safety and security of transactions in the banking system is fundamental in ensuring consumer confidence. Hence, an important function and responsibility of the Central Bank is to ensure online transactions can be made in a safe and efficient manner in the economy, in the pursuit of monetary and financial stability objectives.

### **The need for constant vigilance & cooperation**

This fight that the banks are launching today is something that requires the support of all parties. We are aware of the creative ways in which criminals have attempted to deceive customers over the years and measures were required to be taken by the banks to protect the customers. While it is good to know that banks have played their roles in investing in robust security systems, they must also ensure that customers play their part in protecting their own assets and savings.

The reminder and greater awareness from the Banks through this campaign is timely. It will not only reinforce the need for constant vigilance from all parties, but also help create an environment where everyone is risk conscious and responsible in protecting the interests of each other. These initiatives would not achieve the desired outcomes without effective

communication, and the media has a critical role to play in conveying the message from the banks. We have always acknowledged the importance of the media and I would like to record Bank Negara Malaysia's appreciation for the assistance rendered by the media in creating awareness of this issue in the past. We hope that with the support of the media on this occasion too, this campaign will be a success, and the public will have heightened levels of understanding and vigilance over this issue.

On behalf of Bank Negara Malaysia, I would like to thank all the banks for taking this initiative to undertake this joint e-banking awareness campaign. Our thanks also to Cyber Security and the Police Force for your ongoing efforts to collaborate with the banking industry. I wish all of you the best and assure you that Bank Negara Malaysia will continuously support you in this noble effort.