Analysis of the cyber fraud consequences in the banking system of Ukraine

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The issue of the fight against cyber fraud is very relevant in Ukraine. Ukrainian banks implement different measures and software that are not effective. As a result, the population is increasingly subject to fraud and loses their confidence in banks, which leads to financial losses. The purpose of the article is the analysis of the consequences as a result of the different types implementation of cyber fraud in the banking system, especially in the area of operations with payment cards, and the formation of possible directions for the organization of their detection and prevention. Ukraine ranks the first place among five countries where bank payment transactions are not sufficiently protected. It turned out that 19% of transactions are really fraudulent and it exceeds the amount of fraud in other countries. The largest fraction of fraudulent operations in Ukraine (41%) is related to operations carried out using social engineering methods. The methods of fraud through ATM (32%) and the Internet (16%) are also quite popular with fraudsters. The losses of Ukrainian banking clients from social engineering amounted to 509.72 million UAH in 2017, which exceeded the losses almost by half in 2016 and by 9 times in 2015. In Ukraine, the largest number of payment fraud cases with using the methods of social engineering is carried out in the medium of Card-Not-Present. The results of the analysis show that exactly the bank client is the most vulnerable part, which becomes the object of fraud under the influence of various methods of social engineering. Ukrainian banks do not have sufficiently effective tools to fight against this type of fraud. To resist this phenomenon, authors proposed: the creating algorithms for tracking fraud operations with using Data Mining, the development of an automated monitoring module which is embedded in the banking system and different payment systems, the development of an integrated data bank, the organizational and social activities.