

Types of Automated Teller Machine (ATM) scams

(Courtesy of the Ombudsman for Banking Services and his commentary in Bulletin No. 10 - ATM Banking - issued 23 June 2005)

ATM card reader jammed-card retained

The typical scenario is that the complainant proceeds to the ATM with the intention of making a withdrawal. Unknown to the complainant a thief has inserted a foreign object into the ATM cardreader: This causes the card to be stuck in the card-reader. After he has inserted his card the ATM does not respond in any way. This is due to the fact that the ATM does not register that a card has been inserted. The screen does not change or request the person to enter his Personal Identification Number (PIN). The victim then enters his PIN in the hope that the ATM responds. He often also presses the cancel button in an attempt to retrieve his card. The card is, however, not ejected. The complainant, thinking the ATM has legitimately retained his card, then leaves. The thief, who had been standing nearby, has seen the complainant enter his PIN and is now aware of what his PIN is. After the complainant leaves, the thief removes the object that he placed in the card reader and retrieves the card. He then rushes to the nearest ATM and draws as much money from the complainant's account as the system permits.

Card reader jammed-card swapped

Another variation on the above mentioned scam is the card-reader jam and swap. Here the thief jams the card reader with a foreign object. As soon as the victim unsuccessfully tries to insert his card into the ATM, the thief approaches offering to help. The thief then puts his hand over the victim's card as it is inserted into the card reader and by means of sleight-of-hand he then substitutes an old card he had in his hand with the victim's card. He then inserts this old card

into the ATM and requests the victim to enter his PIN. The victim, thinking his card has been inserted, enters his PIN. The thief, now having seen the PIN and being in possession of the card, disappears to another ATM nearby to withdraw. In the meantime the ATM indicates to the victim that the card is invalid and has been retained. Alternatively the ATM does not recognise the card that has been inserted and does not respond at all. The victim then leaves, thinking he will contact the bank later to get his card back. When he does contact the bank, he is then informed that withdrawals have been made from his account. The thief might use accomplices to observe the PIN if the victim insists on the thief leaving the area while he enters his PIN. It is also possible that the thief can approach the victim before the card has even been inserted making it unnecessary for the thief to tamper with the card reader in advance.

Thin plastic sleeve

This scam involves the thieves putting a thin, clear, rigid plastic 'sleeve' into the ATM card slot.

When the victim inserts his card, the ATM cannot read the strip, so it repeatedly asks him to enter his PIN number. Meanwhile, someone behind him watches as he taps in his PIN. Eventually the victim leaves, thinking the ATM has swallowed his card. The thieves then remove both the plastic sleeve and the card, and withdraw from the victim's account.

Assistance in phoning the bank to cancel the card

Many people are still being tricked by this old scam. It involves the card being swapped by various means as described above. The thief then offers to call the bank's lost card division on the victim's behalf using his cell phone. The victim, after speaking to the supposed lost card division, is brought under the impression

that his card has been cancelled. In fact it was a member of the syndicate he spoke to and the card is not reported as stolen. The method may either be used to obtain the victim's PIN (the syndicate member asks the victim for his PIN under the guise of it being necessary to cancel the card) or it can be used to delay the reporting of the card.

There are various other ways in which the ATM scams can be perpetrated. They all however involve a similar theme of observing the complainant's PIN and obtaining the card in such a way that the complainant does not realise what happened. The crime can also be committed by a team of thieves simply distracting the complainant as the money is ejected or a deposit is made and then stealing the cash or deposit envelope.