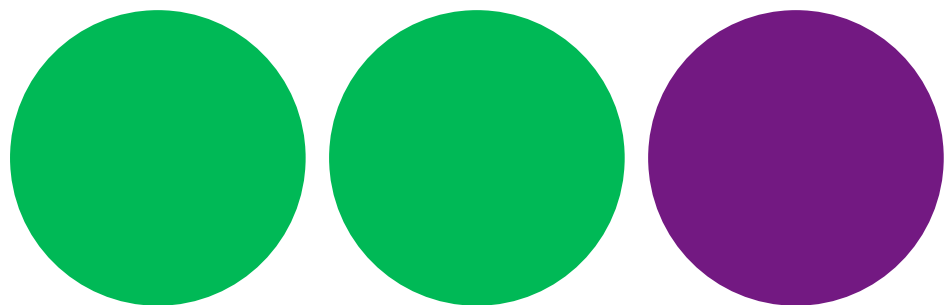**Sergey Khrenov**
Head of Revenue Assurance and Fraud Dept
Megafon

Fighting scam calls targeting financial organizations

Sergey Khrenov
Fraud prevention and Revenue assurance Director
MegaFon
December 2020

MegaFon

MegaFon today

76.9 million
mobile subscribers

> 40,000
employees

35.9 million
mobile data users

46.7 %
share of mobile
data users

As the leader in the Russian telecommunications industry, MegaFon is able to contribute significantly to achieving the UN's Sustainable Development Goals, particularly the following three:

4 QUALITY EDUCATION

- Supporting talented youth and technological innovations
- Developing technical skills through educational programmes and training involving MegaFon experts

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

- Providing affordable retail communications services and a telecommunications infrastructure for industrial customers
- Developing innovative mobile and digital services

8 DECENT WORK AND ECONOMIC GROWTH

- Creating high-skill jobs in areas such as Big Data, ICT, and IoT
- Driving economic growth and helping improve the quality of life

MEGAFON

Our fraud prevention solutions for financial industry

Since 2014 — SMS Sender ID protection

Since 2015 — SIM-swap API

Since 2017 — TI feed: bank customers infected with mobile malware

Since 2019 — TI feed: "prison call centers"

2020 — Set of solutions to prevent scam calls

2021 — TI platform with only telco feeds

MEGAFON

Bank scams in Russia

📞 Significant increase since 2019

📞 The main type of fraud - scam calls

📞 Features:

➢ Well organized fraudulent call-centers

➢ Different social engineering techniques

➢ Spoofing of bank's phone numbers

Fraudsters sat on the phone
Millions of Russians answered calls on behalf of bank employees

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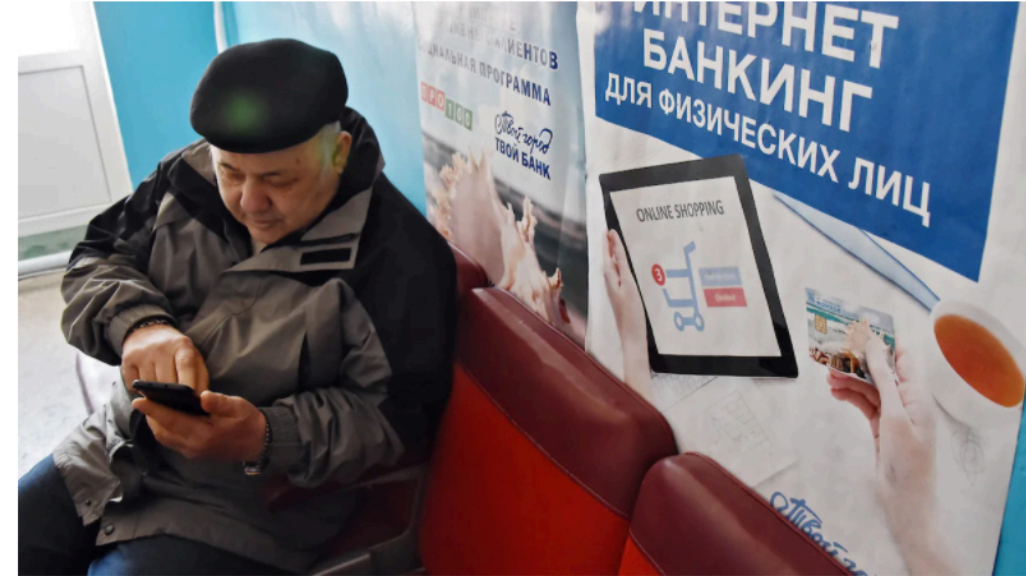
Newspaper "Kommersant" №225 from12/06/2019p. 8

Photo: Victor Korotaev / Kommersant | buy photo

In recent years, social engineering has supplanted all other forms of cyber fraud. This year, Sberbank alone received 2.5 million complaints of telephone fraud - calls disguised as a bank security service. Compared to 2017, the growth was 15 times, and many cases are simply not known, because customers did not report them to the bank. Fraudsters have already acquired personal consultants who analyze the methods of counter-response of banks.

On December 5, the managing director — the head of the department for countering cyber fraud of Sberbank Sergey Veligodsky, spoke about the increase in the share of fraud using social engineering. According to him, over three years, social engineering "has actually squeezed out traditional cyber theft schemes - skimming and malware."

MegaFon

Fighting numbers' spoofing - Government's driven initiative

Action: blocking of incoming calls with banks' phone numbers that no legitimate outbound calls are ever made from

Date: since Feb'2020

Stakeholders:

The Central Bank of the Russian Federation – creation, update and support of the list of phone numbers, used by banks for incoming calls only

Ministry of Digital Development, Communications and Mass Media of the Russian Federation – coordination between financial government body and network operators

Network operators – blocking of calls from phone numbers included in the list

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Fighting numbers spoofing - Results

Significant reduction of bank numbers spoofing cases

More difficult to deceive bank clients

Less reputation damage for banks

But other bank scam cases remained and new ones appeared

Telephone fraudsters have become 10 times less likely to replace bank numbers

Most often, thefts occur due to the fact that customers themselves transfer money to intruders

In 2020, the number of calls to Russians from bank swaps dropped ten times, experts estimated. This was influenced by antifraud measures and increased customer suspicion of calls. Researchers examined a portrait of a victim of fraudsters.

Photo: Maxim Stulov / Vedomosti / TASS

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Fighting scam calls - Operators' driven initiative

⚙️ New technical solution for banks developed by 3 major Russian MNOs

⚙️ All fraud scenarios are covered:

➢ Fraudulent calls with mobile and landline phone numbers to bank's clients

➢ Fraudulent calls with spoofed banks' phone numbers not included in the list of blocked numbers

➢ Fraudulent calls with spoofed phone number to bank's call-center

⚙️ Conform to legislation

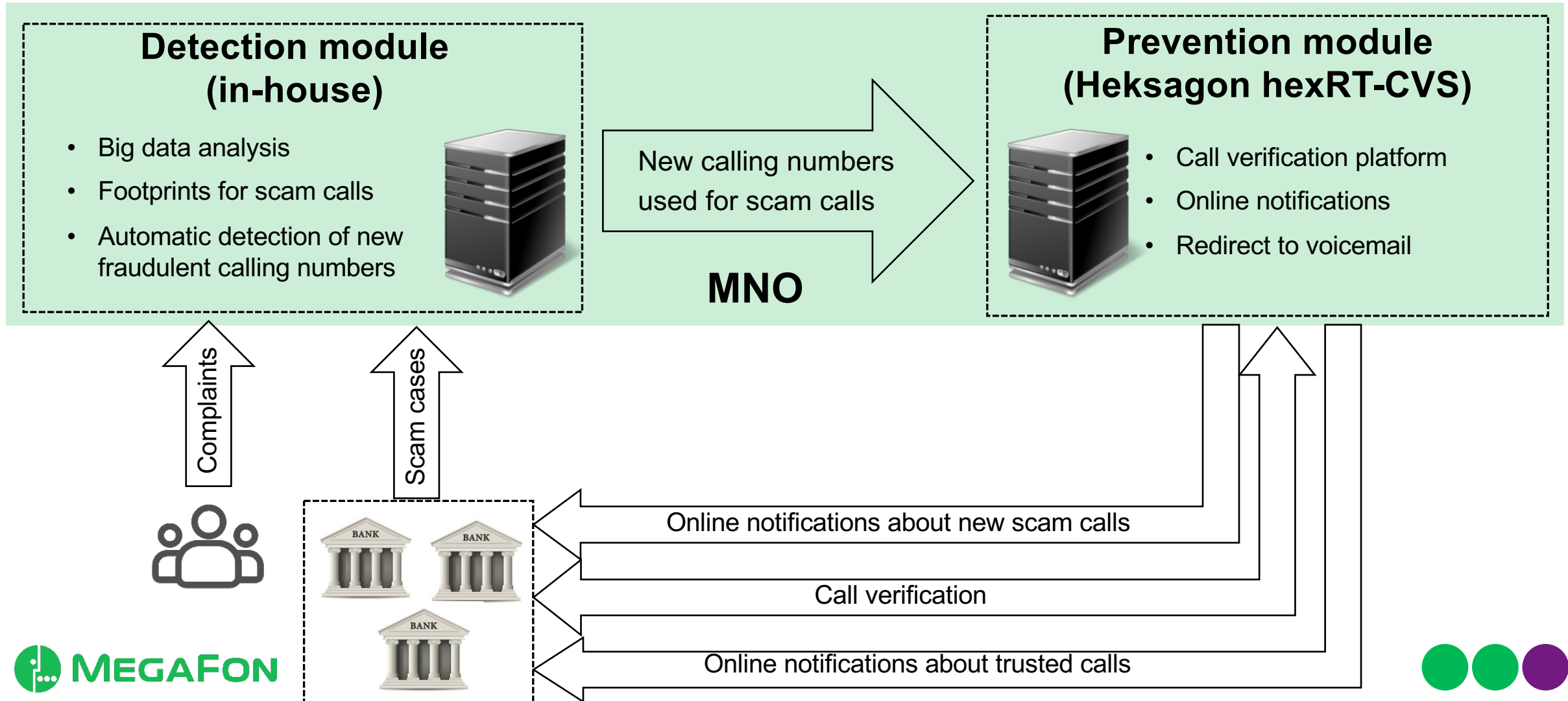⚙️ Technical integration through unified API

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Banks and operators have found a way to combat the substitution of numbers by fraudsters Their platforms will detect calls from dummy phones and from "prison call centers"

Banks will transmit information about contacts with customers to operators, which will help to understand who is calling them: bank employees or fraudsters. This should help combat social engineering, the most popular form of fraud.

Photo: Artyom Geodakyan / TASS

Current situation

Special working group under Ministry of Digital Development, Communications and Mass Media. Pending initiatives:

➤ National call verification solution

➤ Centralized data base (fraudulent or trusted calling numbers)

➤ Customers' notification in case of suspicious calls

➤ New regulation (international calls, VoIP, etc.)

Evolution of technical solution provided by MNOs:

➤ Commercial deployments

➤ Enhancements

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Last news

Banks and operators will launch services against the spoofing of numbers

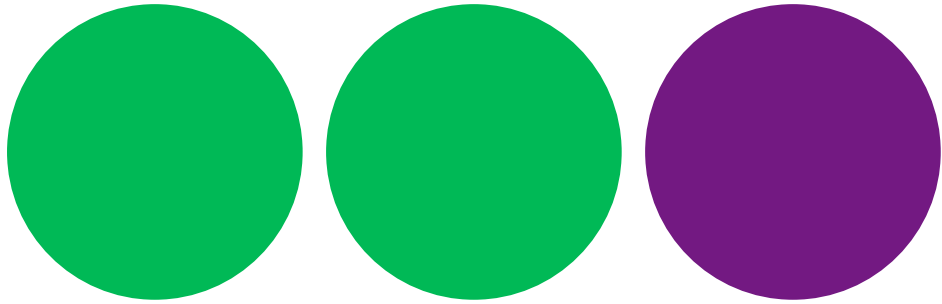Calls allegedly on behalf of banks are still the main method of attackers

Tinkoff launched a project to combat fraudulent number spoofing; soon Sberbank and VTB will do it. The largest telecom operators take part in the services. But the new system will not be a panacea, experts warn

Who launches services and how

- Tinkoff Bank has already launched Tinkoff Call Defender antifraud platform in partnership with MegaFon, MTS, Tele2 and Tinkoff Mobile for clients of its ecosystem, a bank spokesman said. It combines a service developed by mobile operators and the bank's own anti-fraud technologies.

- Sberbank is launching its project with Tele2 and MegaFon, in the process of connecting MTS and Beeline, a bank representative said, without specifying a specific date. The bank is already carrying out information exchange with the largest operators about risk indicators aimed at protecting clients from various fraud schemes. The new solution will complement this mechanism, the bank says.

- VTB has successfully completed a pilot project and plans to implement an anti-fraud system in the near future, its press service said. "Details and parameters of its work are not disclosed for security reasons," explained VTB.

https://www.rbc.ru/finances/08/12/2020/5fce307f9a7947fa67b4bcfc?from=column_1

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Thank you!

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