

Banks may pay the price

New law mulled to enforce liability for scams if negligent

By MARTIN CARVALHO
newsdesk@thestar.com.my

PETALING JAYA: Banks may soon be held responsible for losses suffered by online scam victims if the losses are due to the banks' negligence or disregard of regulations.

This may be among the provisions under the proposed Online Safety Bill that aims to combat online bullying, fraud and other cybercrimes.

"The law is likely to be tabled during the Parliament session next year," Datuk Seri Anwar Ibrahim said during the Prime Minister's Question Time in the Dewan Rakyat yesterday.

The Prime Minister said laws have to be tightened to better protect people against the growing threat of online scams that have cost Malaysians billions of ringgit.

"There are victims who are oblivious (that they are being scammed). That is why we need to tighten the laws," he told Datuk Seri Doris Sophia Brodi (GPS-Sri Aman).

Doris had wanted to know if there are plans to enact specific laws such as Singapore's Scam Bill to better protect Malaysians against online scammers.

Anwar said he agreed in principle to a suggestion by Nurul Amin Hamid (PN-Padang Terap) on making banks responsible for losses suffered by the victims.

Nurul Amin said such a move was implemented recently in the United Kingdom where victims were reimbursed within five working days.

Anwar said the regulation in the United Kingdom only came into play if the banks were found to be negligent or had failed to monitor the accounts according



Hefty sum: Anwar said RM1.224bil in losses to online scams were recorded between January and October this year.

to regulations.

The Prime Minister also commended the ongoing joint efforts by the National Scam Response Centre (NSRC) with relevant enforcement agencies in thwarting online scams.

"A total of RM19mil would have vanished if the scams had not been successfully blocked," he said.

Since its formation in October 2022, the NSRC has seized RM6mil and recorded 140,474 complaints involving 69,000 scams.

The centre, under the Prime Minister's Department, works with the police, Malaysian

Communications and Multimedia Commission (MCMC), Bank Negara Malaysia, the National Anti-Financial Crime Centre as well as financial institutions and the telecommunications industry to tackle online scams.

Earlier, Anwar expressed concern over the volume of losses due to online scams.

"Overall, such scams resulted in RM286.2bil in losses in Asean while RM1.224bil in losses were recorded between January and October this year in Malaysia," he told Suhaizan Kaiat (PH-Pulai).

"This includes online scams, telecommunication scams,

#JANGAN KENA SCAM

#JanganKenaScam



e-trading scams, e-financing scams, love scams, non-existent loans and online investment scams," he said.

The Prime Minister said the number of mule accounts being used for such scams is also alarming.

"Although Semak Mule has been successful, the figures are still worrying.

"As of Oct 31, a total of 181,628 telephone numbers, 222,092 bank accounts and 1,395 companies were recorded in Semak Mule for being involved in online scams," he said.

The Semak Mule online application and website was launched in January 2019 to identify accounts used by scammers and assist members of the public.

"Some 32,066,000 searches were made with 22,200,984 responses being positive. This means there were attempts to transfer money to mule accounts, but many were thwarted due to the use of the portal," he said.

Other preventive efforts, Anwar said, included blocking 1.4 billion dubious phone calls and 1.2 billion unsolicited SMSes.

"The Communications Ministry, through the MCMC, has also successfully terminated 118,184 phones lines while blocking access to 9,474 fake websites," he added.