

IT'S TIME TO RETHINK FRAUD PREVENTION

Fraud evolves quickly, but a united team can stay one step ahead.



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Fraud is evolving faster than most businesses realize, but the biggest shift is not in advancing technology. It is in how criminals manipulate people. Today's fraudsters do not need to break into systems. They simply need to break into conversations.

That is why the strongest fraud prevention strategies don't start with tools or controls, but with culture, communication, and team alignment. When employees feel empowered to slow down, ask questions, and escalate concerns, businesses dramatically reduce their exposure to fraud. This is the foundation of people centered fraud prevention.

Modern fraud prevention is no longer just a financial or operational issue. It is a people issue, and building a strong internal culture is one of the most effective ways to stay ahead of evolving threats.

HOW COMMUNICATION BREAKDOWNS CREATE FRAUD RISK

Modern fraudsters excel at exploiting silence, assumptions, and gaps in communication. They know that in many organizations:

- Employees hesitate to question a request from someone who appears to be in authority
- Teams feel pressure to move quickly, especially when the message sounds urgent
- Staff may not want to "bother" a leader with something that feels small
- People fear looking uninformed or slowing down a process

These dynamics create the perfect environment for social engineering – a type of psychological manipulation that exploits a person's emotions and judgement to trick them. A fraudster doesn't need access to your systems if they can access your team's trust. This is why building a culture of open communication is one of the most powerful tools for preventing fraud.

WHY EMPLOYEES HESITATE TO ESCALATE CONCERNS

Employees often stay silent even when they suspect fraud, and it's typically not a matter of indifference. In many organizations, the dynamics around fraud are sensitive and high pressure, which can make people hesitant to speak up when something seems suspicious. Creating a culture that encourages communication is essential to overcoming that hesitation and strengthening an organization's overall fraud resilience.

There are several reasons why employees may be hesitant, including:

- Authority bias: "It looks like it came from the CEO, so it must be real."
- Fear of slowing things down: "They said it was urgent. I didn't want to be the bottleneck."
- Fear of being wrong: "What if I escalate this and it turns out to be nothing?"
- Workload pressure: "I just needed to get it off my plate."

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LEADERSHIP SETS THE TONE FOR FRAUD RESILIENT CULTURE

Fraud prevention starts with leadership, not employee training. When leaders model transparency, encourage questions, and respond calmly to escalations, employees feel safe to ring the alarm on suspicious activity.

You can strengthen fraud resilience by reinforcing that no urgent request should bypass verification, praising employees who escalate concerns (even when it turns out to be a false alarm), and openly communicating about any fraud attempts to all employees.

REAL WORLD EXAMPLES OF EMOTIONAL MANIPULATION

Social engineers use an employee's emotional triggers to override logic. Common tactics include:

- Urgency: "This must be done in the next 10 minutes."
- Authority: "I'm calling on behalf of your CEO."
- Fear: "Your account will be frozen if you don't act now."
- Confusion: "We're updating your vendor file. Can you confirm this code?"

These messages are designed to make employees act before thinking. Developing a culture that encourages employees to pause, verify, and escalate is the strongest defense against these tactics.

HOW TO BUILD A CULTURE WHERE "SLOW DOWN" IS ENCOURAGED

A fraud resilient culture doesn't happen by accident. It's built through intentional habits:

- Normalize verification and make it part of the everyday workflow
- Create shared language like "Let's slow this down" or "This feels off"
- Hold regular team conversations about recent fraud trends
- Make escalation easy with clear, simple steps
- Celebrate caution instead of speed

These habits turn fraud prevention into a shared responsibility, not an individual burden. When employees feel these habits are the norm, they're more likely to act wisely in suspicious situations.

WHERE RELATIONSHIP MANAGERS ADD VALUE

Banking relationship managers play a unique role in helping businesses strengthen communication norms. Because we see fraud patterns across many industries, we can help teams identify common bottlenecks, facilitate conversations between leadership and staff, and build a culture where employees feel empowered, not scrutinized. This is how a partnership becomes a strategic advantage.

THE BOTTOM LINE: FRAUD PREVENTION STARTS WITH PEOPLE

Fraudsters are evolving, but so can your team. The most effective fraud prevention strategies begin with culture, communication, and trust. When employees feel empowered to question, verify, and escalate, your organization can stay ahead of threats long before a fraudster reaches your systems.

Tools and controls matter, but they work best when paired with a united team that communicates openly and confidently. Fraud prevention is ultimately about people, and when people stay aligned, fraudsters lose their advantage.

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