

# **SIM Swap Fraud in Africa**

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TECH

## He Thought His Phone Was Secure; Then He Lost \$24 Million to Hackers

Security researchers agree that for most people, adding text-message authentication is a big step up from only using a password, but that can leave you open to a relatively new attack called SIM swapping

The New York Times

*Hackers Hit Twitter C.E.O.  
Jack Dorsey in a 'SIM  
Swap.' You're at Risk, Too.*



The Twitter account of Jack Dorsey, Twitter's chief executive, was hijacked last week in a hack known as

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News Nigeria

## NCC warns consumers against unauthorised SIM swaps

By Agencies - December 11, 2019

MUST READ NEWS

## Another Safaricom employee arrested in probe into SIM swap scandal

By EVELYNE MUSAMBI  
July 24th, 2018 • 1 min read

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## Arnaque à la carte SIM : plus personne n'est à l'abri et oubliez l'authentification à deux facteurs

L'authentification à deux facteurs n'est pas une muraille infranchissable, dès lors que vous choisissez de recevoir un code secret par texto. De plus en plus de hackers contournent ainsi cette technique de sécurité en se faisant passer pour leur cible, afin de leur dérober, virtuellement, leur carte SIM...

Par Fabien Soyez @FabienSoyez / vendredi 26 avril 2019 à 17:00 / Mis à jour lundi 29 avril 2019 à 17:28

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Daily Monitor

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## Cyber criminals hacking Ugandan MPs' SIM cards

FRIDAY FEBRUARY 16 2018

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THE TIMES

## Sim swap fraud: spy chiefs warn over bank text scam

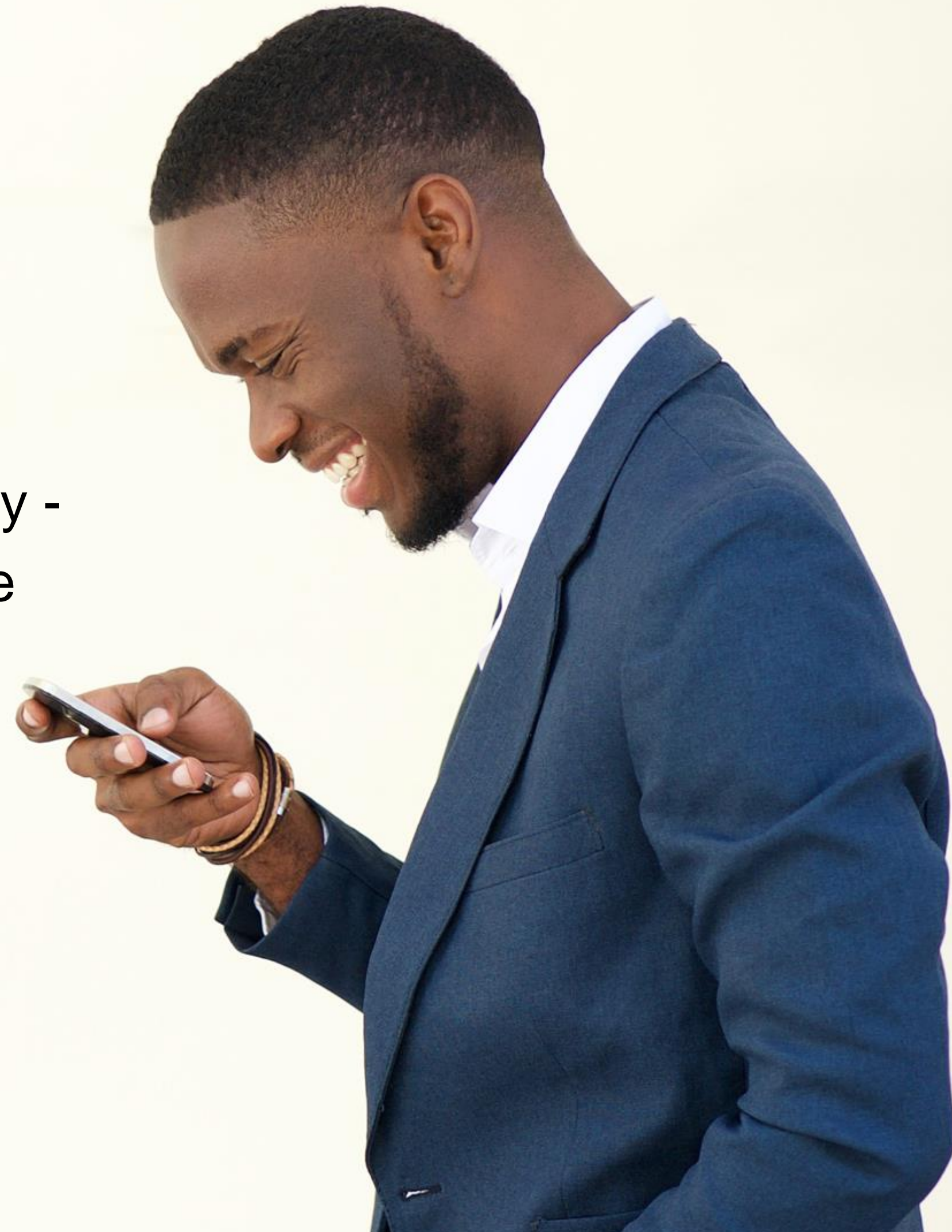
Scammers are intercepting phone payment codes and stealing millions of pounds from ordinary savers



## Qué es el fraude "SIM swapping" y cuáles son las reglas de oro para evitarlo

# Why SIM Swap?

- ▶ Growth of digital services & mobile used as the trusted source for authentication
- ▶ Advent of OTP over SMS for authentication
- ▶ SMS was widely adopted because of its universality - Particularly relevant in the African context, because continent is mobile-first & many subscribers do not have access to a data connection
- ▶ Relatively easy to commit a SIM swap



# SIM Swap Fraud across Africa



## Kenya

- **90% of CIOs** in Financial Services identified SIM swap fraud as an issue for their organisations
- Most experts estimate that SIM swap fraud accounts for between 15-30% of all fraud
- Over **25% of consumers** have been victims, or know of victims of SIM swap fraud

# SIM Swap Fraud across Africa

## Nigeria

SIM swap is such a significant issue in Nigeria, the **regulator has mandated** that banks in the country protect against it



# SIM Swap Fraud across Africa

## Francophone West Africa

- **Market less familiar with SIM swap fraud**
- A lot of manual banking agent verification done via voice calls – exploited by SIM swap fraudsters
- Is mostly used to commit cheque fraud



# SIM Swap Fraud across Africa

## Social Media, Email & Other Digital Services

Because OTP via SMS is used to secure a whole host of other digital services, SIM swap is also being used to take over victims' digital accounts



## Credit Services

- SIM swap fraud is usually coupled with social engineering and/or phishing attempts
- This way fraudsters can gain access to victims' bank & financial service accounts
- But, with the host of mobile micro-finance credit services now available, it is now simple for a SIM swap fraudster to take out a loan in someone else's name

# SIM Swap Detection Services

## Why have SIM swap detection services available on the market not worked?

- ▶ Data Subscribers with no data access cannot take advantage of services that require mobile data/data connection
- ▶ Network information not available from all MNOs across a market
- ▶ Data sharing & access to subscriber data given the introduction of laws like POPI & GDPR etc.
- ▶ Don't provide real-time SIM swap data
- ▶ Unstable platforms providing the service, scalability issues
- ▶ Pricing
- ▶ How do we handle legitimate SIM swaps & allow transactions in a frictionless way

# Mobile as the Trusted Source

**Mobile as a trusted source for authentication has benefited MNOs & digital services providers alike**

- ▶ Robust SIM swap detection service will add an additional element of security to existing authentication services
- ▶ Help verify that a subscriber is in possession of their mobile number
- ▶ Confirm that a verified user is authenticating a transaction
- ▶ **Win-win for MNO, digital financial service providers & the consumer**
- ▶ An independent service is critical to the success of the service



# **Myriad Connect supports the backbone of Fintech in Africa – securing & enabling financial services**

**<https://connect.myriadgroup.com>**

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