

# **Automated Teller Machine Fraud in Southwest Nigeria: The Shoe-wearers' Perspectives**

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## **Abstract**

This study investigated Automated Teller Machine (ATM) fraud in southwest Nigeria since extant studies have not examined the unintended consequences of ATM subscription, particularly from the victims' perspective. Using a sequential exploratory strand of mixed methods, data was collected from both ATM users and victims of ATM fraud using a multi-stage sampling procedure. This involved purposive selection of participants in Lagos and Oyo states. The prime category of participants, namely ATM fraud victims, was reached through the snowball method. In-depth interviews were conducted, while key informant interviews with the police and bank officials in charge of ATM were also conducted. Copies of a questionnaire were administered to students, businessmen and women, civil servants, artisans, and lecturers in the two states. The findings showed that fraudsters were mostly victims' children, friends, relatives, and lovers. The effects of fraud on the life chances of victims included business collapse, deferment of housing needs, psychological trauma, and financial insecurity. Arising from the findings, we recommend a policy which would consider the peculiar socio-demographics of customers to engender financial inclusion.

Key words: victim, Automated Teller Machine, fraud, Oyo, Lagos

## Introduction

Electronic banking, in line with global best practices, is one of the features that has more recently visited the Nigerian banking industry. Its launch into the domestic market has produced dynamic changes in a number of aspects of social relations. On the positive side, Wada and Odulaja (2012) note that e-banking allows customers use of some form of computer to access account-specific information and possibly conduct transactions from a remote location like their home or workplace. According to Liao and Wong (2008), mobile payments like these allow bank customers the latitude of conducting banking transactions from the comfort and security of their preferred location. Of the e-banking innovations, Automated Teller Machines (ATMs) have emerged as the most popular service delivery channel worldwide (Centeno, 2003). However, their use is fraught with unintended consequences chief among which is ATM fraud.

Research on ATM fraud is not new. Scholars have examined the relationship between ATM fraud and literacy level (Obiano, 2009), the uncooperative attitude of banks in addressing ATM related fraud in the banking industry (Ihejiahi, 2009), the threat of ATM fraud for e-payments in Nigeria (Omankhanleu, 2009), and infrastructural challenges facing ATM users in Nigeria (Adeloye, 2008). Okafor (2007) identifies growth in ATM fraud with more deployment of ATM machines, while Deibold (2002) catalogues ATM fraud types. Scott (2001), looks at ATM robbery, while Furst et al. (2000) investigated ATM robbery patterns. Okafor and Ezeani (2012) limit their research to examining the use of ATMs by customers in Ibadan, Nigeria. The subject of the present study is the victims of Automated Teller Machine (ATM) fraud in southwest Nigeria. We follow the suggestion of Jaishankar (2010) who drew the attention of scholars to the need for presenting a more nuanced social science perspective with respect to victimization of technological extraction.

The implication of this is that a gap exists in knowledge and empirical investigation into the narratives of the victims of ATM fraud who are supposed to be the beneficiaries of new payments technologies. We believe that our study is a timely intervention as ATM fraud victims are typically left at the mercy of fraudsters in Nigeria. Banks on their part often adopt techniques of neutralization, which suggest denial of responsibility. Therefore, the victims, who have not been the focus of prior research, are the ones who bear the burden. Helpless to combat unauthorized withdrawals from their accounts, some bank customers in 2009 sued the Central Bank of Nigeria (CBN), and twenty four banks at a Lagos Federal High Court on behalf of themselves and other defrauded Nigerians. They demanded 50 billion naira<sup>1</sup> (about US\$312 million) in damages be paid to all Nigerians who have lost money because of fraudulent ATM transactions.<sup>2</sup>

Studies conducted in Nigeria reveal that although banks have migrated from cash to automated transactions (Agboola, 2006), they are still confronted with insecurity and inadequate operating facilities, fear of fraudulent practices, and high costs (Chiemeké, Ewwiekpaefe and Chete, 2006, Tade and Aliyu, 2011; Wada and Odulaja, 2012). The use of ATMs has become a major source of concern for users, ATM providers, and banks with the proliferation of ATM fraud. Advancement in the field of information and communication technologies changes not only our society, but also crime. While innovators of new e-banking designed it to ease transactions and reduce risks associated with carrying cash in Nigeria, Nuth (2008) notes that criminals use new technologies to facilitate and maximize their criminal activities. Owing to fraud and other ATM challenges, customers are seeing the use of financial

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<sup>1</sup> All calculations in this report were made using US\$1 to N160 in the foreign exchange market.

<sup>2</sup> Source: <http://www.atmcommunity.com/news.php?newsid=105> (accessed September 7, 2014).

technologies like ATMs as a Pandora's box.

The study of victims of crime (victimology) is not new. It is essential to study victims of crime because doing so will give insight into who they are, their personal histories, social habits, and personalities. These in turn provide ideas as to why they were the targets of criminals. Beyond this, with in-depth research on victims, more can be known about the actual criminal. Findings from such an endeavor are therefore vital to providing interventions geared towards preventing future attacks. In other words, it is then possible to unravel the susceptibility factors and the strategies of ATM fraud with a view to deterring future occurrence.

On the basis of the foregoing, the main research questions are: What is the socio-demographic profile of ATM users? What typifies ATM fraudsters? What is the effect of ATM fraud on the life chances of the victims? What sorts of strategies are used by fraudsters to defraud? What emotions are generated as reactions to ATM fraud, and what is its impact on social relations? What implications does ATM fraud have for electronic payments systems in Nigeria?

### **Theoretical Underpinnings and Research Methods**

This study combines victim precipitation theory and lifestyle exposure theory to analyze ATM fraud. The major weakness of one of the theories is accommodated by the other. The assumption of victim precipitation theory is that by acting in certain provocative ways, some individuals initiate a chain of events that lead to their victimization, either passively or actively. Lifestyle exposure theory accounts for differences in victimization risks across social groups. Lifestyles are the routine patterned activities—both obligatory and optional—that people engage in on a daily basis. The basic idea is that there are certain lifestyles that disproportionately expose some people to higher risk of victimization.

This study adopts a sequential exploratory strand of mixed methods. A mixed method design is useful for capturing the best of both quantitative and qualitative approaches (Cresswell, 2003). This study therefore generated robust data via the representation of human phenomena with numbers (via a standardized questionnaire and observations) along with methods that gather and represent the phenomenon of mobile payment fraud with words (via open-ended interviews and unstructured observations). According to Denzin (1978), multiple methodological traditions have a respected history of enhancing confidence in the validity of findings by viewing a phenomenon through different lenses. This approach has been successfully used by Greene et al. (2005), and Okafor and Ezeani (2012).

The study deployed a multi-stage sampling procedure in selecting research settings and respondents for the study. The southwest zone of Nigeria is characterized by a large presence of commercial banks with an attendant high concentration of ATMs. There are five states in the southwest zone of Nigeria. These are Lagos, Ogun, Osun, Ekiti, and Ondo states. Out of these, Lagos and Oyo states were purposively selected because of their large pool of ATM users. While Lagos state is reputed as the commercial engine of Nigeria, and hence the location of most bank headquarters, Oyo state is estimated to have the second largest pool of banks in the region owing to size and population. Okafor and Ezeani (2012) note that although the city of Ibadan (the capital of Oyo state) is not as developed as Lagos and Kano, it does have a number of commercial banks which service many of the needs of its inhabitants.

In the two states, most banks are located in central business districts (CBD). Hence, most respondents were recruited near ATM galleries for quantitative analysis. The main criteria for inclusion were possession of an ATM card and utilization of ATMs. Victims were recruited through snowball sampling after identifying a victim with the help of informants within banks, ATM suppliers, and security agents. Data collection proceeded from qualitative to quantitative. The intent was to first explore the problem under study then follow up on this exploration with the quantitative data that are

amenable to studying a large sample so that results might be inferred to a population. For the qualitative data, in-depth interviews were conducted with 50 victims (25 in each state) while 10 key informant interviews were conducted with the police and bank officials in charge of the ATMs. Their responses were used in developing a more elaborate quantitative instrument to capture a variety of issues concerning ATM administration, ATM fraud, and the effects on the social and business lives of users, among other issues. The in-depth interview guide for victims was developed to ask questions specific to their personal experiences and the effects of fraud on their lifestyles, amid other potential effects. A total of 1,100 survey questionnaires were administered. Although all ATM users had equal chances of been included in the study, accessibility, availability, and consent guided distribution of the questionnaire. Following non-retrieval and invalid responses about 700 questionnaires were used for the subsequent analysis.

The interviews for this study were carried out with a digital audio recorder and subsequently uploaded onto a computer for editing. The use of a digital audio recorder is an effective alternative to storing and managing audio data and ensuring that the sound quality of the recorded interview is clear, audible, and does not deteriorate with repeated use (Maloney and Paolisso 2001). The audiotaped interviews were transcribed to enhance accuracy, dependability, and the integrity of the data being analyzed. Stop checking of the transcribed tapes was done to ensure the trustworthiness and validity of the interviews. Only texts with analytical contributions to the study were considered. These interviews were conducted both in English and Yoruba according to the preference of the respondent. The importance of language use in research poses great challenges as moving across languages has epistemological and methodological consequences. We identified basic elements of narrative analysis such as recurring words, themes, events, chronology of events, protagonists, plots, subplots, and key characters. After all the sorting and subsequent content analysis, respondents' narratives were then reproduced as accurately as possible.

In order to analyze the quantitative data which emerged from the questionnaire, both descriptive and analytical statistical techniques were employed. This is because the intention was to describe systematically the phenomenon of ATM use and its challenges from the perspective of actors in general and victims in particular. The major descriptive method adopted was the use of frequency distribution on the basis of percentages.

## **Ethical Considerations**

The study strictly adhered to ethics governing social research. Because of the sensitivity of the issue and the image characterization, the consent of respondents' was obtained while confidentiality of all information was assured. All participants were told the purpose of the research and those not favorably disposed to the study were excluded. Interviews were conducted in a comfortable environment for respondents. Finally, we made certain that the respondents' right to withdraw at any point in the research was respected.

## **Results**

### *Socio-demographic profile of ATM users*

With respect to ATM usage, Table 1 shows that the a little more than half (50.3%) of the respondents were in the 21-30 age bracket, while only 2.3% were 50 years and above. The distribution by sex shows that 55% were females, while the remaining 45% were male. The proportion of married people who use ATM services (34.4%) was just a little more than half that of singles (63.9%). In this study, education also appears to correspond with ATM usage as the larger chunk of respondents (80%)

had higher degrees, namely HND, BSc, MSc, and PhD in that order. In our selected sample, ATM users were found to be predominantly Christian, although one-fifth of respondents were Muslims. In terms of length of usage, 12.7% of the respondents had been using their ATM cards for periods of less than a year, while an equal number (12.3%) had had their cards for six years or more.

**Table 1: Profile of Respondents**

<b>Age</b>	<b>Frequency</b>	<b>Percentage</b>
16-20	78	11.8
21-25	179	27.2
26-30	152	23.1
31-35	84	12.7
36-40	64	9.7
41-45	50	7.6
46-50	37	5.6
50+	15	2.3
Total	659	100.0
<b>Sex</b>	<b>Frequency</b>	<b>Percentage</b>
Male	297	45.1
Female	362	54.9
Total	659	100.0
<b>Marital status</b>	<b>Frequency</b>	<b>Percentage</b>
Single	421	63.9
Married	227	34.4
Divorced	4	0.6
Widowed	3	0.5
Separated	4	0.6
Total	659	100.0
<b>Education</b>	<b>Frequency</b>	<b>Percentage</b>
No formal education	2	0.3
Primary school	3	0.3
Secondary school	52	7.9
National Diploma	82	12.4
HND	106	16.1
BSc	326	49.5
MSc	77	11.7
PhD	12	1.8
Total	659	100.0
<b>Religion</b>	<b>Frequency</b>	<b>Percentage</b>
Christianity	530	80.4
Islam	127	19.3
Traditional	2	0.3
Total	659	100.0

Most of these respondents (see Table 2 below) voluntarily requested ATM cards from their banks, while a considerable proportion of respondents were coerced by their banks via the imposition of prohibitive charges on manual withdrawals. Cash withdrawals were the preeminent reason for using ATMs, with a strict preference for one's own bank's ATMs (82%) rather than the ATMs of other banks (18%). With regard to spending patterns, 43.1% of respondents claimed that ATM use had reduced the amount of money that they spend, while on the contrary 49.6% expressed the view that they had experienced increased spending. This near bifurcation of responses plausibly relates to the lifestyle demands and routine activities of respondents. The available ATM types (Inside Bank ATMs, Drive-Through ATMs, and Through-The-Wall ATMs) were unsurprisingly the most frequently used by respondents. Interestingly, while 65% of respondents rated the ATM services offered by banks as average to poor, 42% of these dissatisfied people had never made a formal complaint to their bank.

**Table 2: Factors underlying the use of ATM cards**

<b>Decision to Obtain ATM cards</b>	<b>Frequency</b>	<b>Percentage</b>
I voluntarily asked my bank	561	85.1
My bank forced me through charges	98	14.9
Total	659	100.0
<b>Uses of ATM card</b>	<b>Frequency</b>	<b>Percentage</b>
Check my account balance	378	57.4
Withdraw cash	614	93.2
Recharge my phone	235	35.7
<b>ATM and Spending</b>	<b>Frequency</b>	<b>Percentage</b>
It has reduced the way I spend	284	43.1
It has increased the way I spend	327	49.6
No response	48	7.3
Total	659	100.0
<b>ATM use Preference</b>	<b>Frequency</b>	<b>Percentage</b>
I prefer to use my bank's ATM	537	81.5
I like to use the ATMs of other banks	122	18.5
Total	659	100.0
<b>ATM location and Customer Use</b>	<b>Frequency</b>	<b>Percentage</b>
Inside the Bank	391	59.3
Drive-through ATM	105	15.9
Through-the-wall- ATM	204	31.0
Transport Hub ATM	17	2.6
Inside Hotel/Store ATM	39	5.9
<b>Complaints to Bank about ATM problems</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	387	58.3
No	272	41.7
Total	659	100.0

*Identifying vulnerability factors and characterizing ATM fraudsters*

It is important to state that our participants embraced the use of ATM cards owing to the government policy on cash withdrawal limits. The Central Bank of Nigeria introduced a policy on e-banking which is designed to decongest the banking halls and ensure that the banking public embrace the use of ATMs. Since adjusting to change usually requires a period of contestation with the new policy, the government handed down a directive to banks to impose a limit on withdrawals for customers using the banking hall. This restriction states that the customer who intends to withdraw below N100,000 (US\$625) does so at the ATMs<sup>3</sup> or pays N100 for each withdrawal made with a bank teller. Bank customers appear to have rationalized the cost and benefit of this policy on their savings and may now favor using ATMs and save paying any fines for using tellers.

The narratives of victims of ATM fraud indicate that victimization could occur based on a variety of factors. Illiteracy was identified as one of the vulnerability factors. The challenge of using ATMs as reported by participants was inadequate education or enlightenment of the customers on the use of ATM cards. Most ATM cardholders, and in particular the illiterates, face challenges in understanding the component of e-banking at the point of withdrawal. In the course of this research, the first author was asked by an aged man for help in withdrawing cash at a public ATM machine. He asked the old man for his personal identification number (PIN) and the man 'released' it. This provided unlimited access to the content of the man's account.

A male ATM custodian said:

<sup>3</sup> In Nigeria the daily withdrawal limit for most banks at the ATM is N100, 000.

“One very old illiterate man came to our bank to report to us that a certain amount was debited from his account despite the fact that the ATM did not dispense that amount when he used it. But when we asked him to tell us his account and bring his card, he gave us the card belonging to another person. It was there he told us that he asked a boy to assist him in withdrawing but after failed attempts, the boy swapped the cards. He gave his card to the old man and went away with the old man’s card apparently because he accessed the account and found that the man had more money in the account than he did.”

This incident reflects the broader implications of financial illiteracy, particularly among the aged population. The elderly man could have made more informed decisions on the heels of a deeper understanding of the workings of the e-banking process. This knowledge about the linkage between the ATM interface and his bank account would have worked to reduce the odds of getting victimized.

#### *Process of victimization*

Participants’ narratives indicated that fraudsters key into the condition of vulnerability of victims and downplay the position of trust between them to carry out fraudulent transactions on their accounts and later feign ignorance about such transactions. Banking technologies such as ATMs have thrown up challenges to trust in social relations. Trust is a virtue which is not evenly embraced by people in the social world. Indeed, not all persons trust others due to the complexities in understanding human behavior. This applies equally to ATM fraud. Children, relatives, husbands, and friends were reported fraudsters by participants. The level of trust degeneration in modern societies is alarming. The worldview of the Yoruba people highlights the failure of trust among kin and non-kin. Some maxims in the Yoruba view of trust strengthen our analysis here: *eni a ni ko feni loju fi ata senu* (“the person we asked to assist in helping us to blow out dirt in our eyes has pepper in his mouth”), *eni a ni ko kinni leyin fi egun sowo* (“the person asked to assist in scrubbing our back has thorns in his hand”). The former maxim shows the importance of entrusting one’s highly treasured organ to a person only to realize that he/she had pepper in her mouth. This undoubtedly may cause further damage and may hamper sight. The latter proverb warns about entrusting the task of washing one’s back to a person who will claim to be nice but will stab you in the back. The consequences of not adhering to the implied wisdom in these proverbs may be costly. And this is why the Yoruba believe that an acquaintance thief paves the way for outsiders. Thus, if there is no death within one’s household, one cannot be *hurt* by a death from without (*Bi iku ile o ba pani, ti ode o le pani*). These social thoughts emphasize an insider factor to the occurrence of crime in the social world. This insider may in some instances be the domestic servant who was employed to assist an aged parent. Due to weakness or health challenges, the aged may not be strong enough to queue up at ATM gallery and may therefore opt to send the domestic servant out on the errand. Doing this means risking two things: 1) the PIN of the account has to be released to this insider, and 2) the PIN will provide access to the details of the account which could be used personally or in concert with an outsider to defraud the aged. While explaining how she was defrauded before detection, an aged woman said:

“I sent my domestic staff to the bank to make a withdrawal for me at the ATM. I asked her to withdraw N20,000. Before she got back home I got an alert of N40,000 and waited for her to return. When she got back home, she gave me N20,000 and I asked her about the remaining balance,

but she insisted that she withdrew only N20,000. I showed her the alert on my phone but she still denied it. I then dressed up and we went to the bank. It was when the bank staff threatened to arrest and jail whoever did it that she owned up that it was true that she had made the withdrawal.”

A driver in his mid 50s also shared his experience:

“My son was to return to school and asked his mother to give him money, but she only gave him N1,000. I then gave him my card to go to the bank and withdraw N5,000, but you won’t believe it: he withdrew N10,000! He came back and dropped the card. I went to the bank only to discover what he had done. I told the mother. So if my son could do that to me trying to help him, who else could he do that to? It was possible for him to have made the withdrawal because he would have checked my balance.”

The narratives above affirm the notion that “there is no smoke without fire.” In other words, one’s family members may constitute the first threat and suspect in ATM fraud. This is because the position of the holder of the card in the family determines those considered contextually trustworthy to have access to confidential information such as those concealed in ATM transactions. However, these stories raise issues as to how a father begins to distrust his son or a husband turns against his wife, and vice versa. Although a domestic servant and a son may be part of the same moral community, they are confronted with unequal economic opportunities, which diminish trust. Uslaner (2004) argues that economic inequality tears apart the bonds that bind people together in any society. As such, the fraudster may not fritter away an opportunity to enhance personal economic standing when such an opportunity materializes.

However, not all ATM frauds are perpetrated by friends and relatives; some are perpetrated through force. By force, we mean armed robbery and physical violence. It may be argued that the seeming difficulty in breaking some security features introduced into ATM cards has introduced another strategy into ATM frauds. Some participants reported that they were defrauded while trying to withdraw money from the ATM gallery on a weekend. Understanding the routine activity of people may have made this type of strategy a huge success. This mostly takes place during the weekends, in the night, or early in the morning when there is noticeably low traffic in certain neighbourhoods or when security is limited. Banks are unlikely to be open during the weekend, and hence it will be difficult to seek help in case of forceful hijacking of phones and ATM cards. A male victim narrated his ordeal thusly:

“It was on a Sunday close to a year ago. I wanted to go out and on me I had less cash than I needed for the outing. So I had to go to the ATMs on my street, which were not working. They had no cash in them, and so I had to look for another ATM at another location to withdraw cash. Unfortunately, when I got there I was a victim of a robbery gang. I was robbed at gun point. They got my ATM card and my PIN and then left, and it was on a Sunday so I could not do anything about it until Monday. But before I could do anything about it my account was drained of N200,000 (US\$1250). They asked me to insert my ATM card and confirm the PIN number and my balance. This was done at gun point. Someone



was shot dead there before, otherwise I would not have given it to them. This was around 3pm-4pm. It is normally a well trafficked place, but it was a Sunday and people don't patronize that place on Sunday so it was less busy. They withdrew money twice. They also took my phone so I could not even get an alert."

In this instance, the confirmation of the PIN was to ascertain that the owner was not lying, while the seizure of his phone was to demobilize him in seeking help. The day and time of the operation were also strategic. Sundays are low traffic in most parts of southwest Nigeria. During this time, economic activities are at low ebb while people stay mostly indoors in preparation for work the following day.

### *The effects of victimization on the life chances of ATM fraud victims*

The responses of our participants indicate that 'location vulnerability' accounted for the impact ATM fraud had on their socio-economic activities. By locational vulnerability we mean that every individual within the social world is located within a stratified system and the place that they occupy determines their reactions to any event that happens to them within social spaces, whether planned or accidental. Factors such as class, status, age, economics, sex, and existence of support networks have functional roles to play in what happens to individuals and their ability to cope with the adverse consequences of events such as fraud. These factors play a major role in explaining the life chances of victims of ATM fraud in our research setting.

A person's position in a stratification system may have important effects on many areas of his or her life. It may enhance or reduce their life chances, that is, their chances of obtaining those things defined as desirable and avoiding those things defined as undesirable in their society. Gerth and Mills (1954:313) referring to Western society, state that life chances include:

"Everything from the chance to stay alive during the first year after birth to the chance to view fine arts, the chance to remain healthy and grow tall, and if sick to get well again quickly, the chance to avoid becoming juvenile delinquent and, very crucially, the chance to complete an intermediary or higher educational grade."

Monies are held for different purposes, and saving in a bank could be designed towards achieving particular socio-economic goals. These may include business, education, daily survival, and securing accommodation. In other words, the purposes for which particular money was saved, the value of the account, and available support systems may influence the emotions generated when defrauded and the impact on life chances.

We categorized our participants by their levels of vulnerability: students, unemployed youth, the sick, aged and illiterate, and working class. The levels of emotions generated after the fraud were affected by their positions. A student who is defrauded is a dependent whose life chances within the school are primarily related to survival. Monies are held by students to purchase educational materials and food. Possession of money gives full concentration to the student who may be studying miles away from his/her support network. Easy access to cash thus gives students assurances about facing any eventualities within the citadel of learning. However, loss of money may generate different emotions, particularly when the loss occurs through victimization such as ATM fraud. It not only affects confidence in the use of ATMs, but also leads to periods of psychological trauma. The post-victimization recovery period may be short or elongated depending on the nature of support networks that are available and accessible to the victim. This produces unintended consequences on their studies

and eventually success or failure. For females, the ability to get support networks from relatives or family may reduce their vulnerability to being exploited by the opposite sex when they ask for help. A defrauded female student explained that:

“I survived through my parents. I told them. At the time I could not even tell my dad because he would really blame me that I was keeping a lot of money. I told my mummy but I had later told my daddy, and some friends. It was really terrible because I cannot get help from friends. It was a time when we were all preparing for our last semester examinations. Nobody had money. I only got money through my friends and dad. Not really friends. Basically the help came from my family. My mum first gave me N18,000 (US\$112.5) and later dad gave me like N7,000 (US\$43.75). And like that ...”

For some other victims the help mainly came from friends. Most of the victims in this category are from low socio-economic backgrounds. The initial money lost to ATM fraudsters was raised through their personal entrepreneurial activities aimed at sustaining them in school. They do not only use the money for their education, but also become sources of assistance to their families through the money that they make from their businesses. Our data showed that some sold cloth materials while others were into fashion designing. A participant that was into seasonal business in school told us her story. During Christmas, she would buy poultry products and sell them. She told us that she would sell cakes during Valentine's season as well as jewelry to students who could afford it. The staff at her university were also her customers. She did all of these things to support herself due to the death of her mother and the fact that her father was not too financially buoyant. As such, it is expected that no help will come from the family should she fall into an economic mess. Following victimization, she described how she came out of the shock:

“The second one affected me so much unlike the first because during the first victimization I still had some money, and so I quickly came out of shock. But the second one, it was actually everything I was worth that was withdrawn. Getting out of it was not easy. I thank God for some friends. It affected my social plans, economic plans. Without money you cannot move about. I started looking up to my friends to assist me with N1,000 (\$6.25) and those who could afford more than that. It was not easy.”

Not all victims have support networks that may bring them out of the shock created by fraud. Another category of victims are males who do informal jobs in order to earn some money to get their own accommodations, which both reflects the attainment of maturity and fosters a sense of independence. In Nigeria, more than 60% of the population is youthful, with the unemployment rate rising yearly. Many men of marriageable age still live with their parents and retain dependent status. Thus, once they are able to secure a job, they begin the process of living apart by saving enough money to get a befitting but moderate residence of their own. With an apartment, they may begin the process of getting married. However, such life goals may become chattered through victimization at the ATM. A respondent explained how his dream of getting an accommodation ended:

“I had about N130,000 (US\$812.5) in my account but close to

N50,000 (US\$312.5) was withdrawn by fraudsters. I wanted to get an apartment to rent my own house and leave my parents' house because I needed my privacy. Ever since then I have not been able to get an apartment until I gained admission to Ibadan.”

Yet another victim said:

“They withdrew my N200,000 (\$1,250) which I was saving to rent an accommodation. I had sweated for so long to save the money and it was nearing the time that I had enough money when the ATM robbers attacked me and withdrew the money. Due to this, I still live with my parents but I am hopeful that once I save enough I may be able to realize getting my personal accommodation in some months to come ...”

The implications of these narratives are that ATM fraud affects victims' life chances, altering their plans and life goals and delaying their fulfillment.

## **Conclusion**

This study examined ATM fraud in southwest Nigeria from the perspectives of the victims. Previous studies have documented that new technologies like ATMs have the potential to create opportunities for both legitimate and illegitimate transactions (Tade, 2014). While ATMs remain the most patronized payments platform in Nigeria, their use is laden with challenges, particularly fraud. Hence, we investigated the socio-demographic profile of users of ATM services, their vulnerability factors, the strategies for defrauding, and the effect of victimization on the life chances of victims.

To own ATM cards, bank customers have two options: by voluntary request and by coercion. At the inception of the cashless policy, banks adopted a radical approach which aimed at decongesting the banking hall by imposing charges on withdrawals from bank tellers. Such imposition conscripted customers to obtain ATM cards. It also accounted for voluntary requests of ATM cards by bank customers. As a rational strategy, holders of ATM cards have unhindered access to their money and save time by avoiding the queues in the banking hall. This is because ATMs are largely used for cash withdrawals, to check balances, and for other e-payments services. ATM cardholders prefer to use the ATMs at their own banks rather than those at other banks. This is to remove the bottlenecks associated with dispense errors and fraud.

A number of vulnerability factors exposed ATM holders to victimization. These include illiteracy, illness, inadequate enlightenment on the use of ATM cards by banks, and failure of cardholders to subscribe to e-mail alerts on their account. These factors, jointly or separately, increase the susceptibility of ATM cardholders to being defrauded. More importantly, the cashless policy has thrown up the issue of trust management in alternative payments platforms. This is because perpetrators of ATM fraud are people whom the victims were most exposed to in their lifestyles. They include friends, lovers, domestic servants, and relations. The effects of ATM fraud on the life chances of victims included psychological trauma, deferred goals, business collapse, financial insecurity, deepened hopelessness, and worsened health. Challenges of infrastructure also led to unresolved ATM fraud issues. This relates to the failure of banks to show CCTV footage and resolve inter-bank transactions. In a bid to prevent fraud, banks are designing fraud-proof cards. Arising from these findings there is a need for the Central Bank of Nigeria and banks to enlighten the banking publics on

the use of ATMs and their components, and ensure that the specific socio-demographic characteristics of banking publics are put into consideration in designing policies. This will reduce fear in the new payment system, build confidence, and engender financial inclusion. Policymakers and executors need to take on board the peculiarities of their markets and block loopholes which may threaten the utilization of e-banking and non-cash-based financial platforms.

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