

Report on

Fraud Prevention Awareness and How It Can Create a Competitive Edge for bKash Limited in The Mobile Finance Service Industry.

By

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An internship report submitted to the BRAC Business School in partial fulfillment of the
requirements for the degree of
Bachelor of Business

BRAC Business School

BRAC University

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Declaration

I hereby declare that

1. The internship report submitted is my/our own original work while completing degree at Brac University.
 2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
 3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
 4. I have acknowledged all main sources of help.
-

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Letter Of Transmittal

25th September

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66 Mohakhali , Dhaka 1212

Subject Title: Fraud Prevention Awareness and How It Can Create a Competitive Edge for bKash Limited in the Mobile Finance Service Industry.

Dear Maam,

I am very pleased to inform you that in order to complete the Internship program BUS 400, I was able to secure a position as an intern in the External Affairs department of bKash Limited.

This internship program has not just contributed to my academic knowledge but helped me to introduce myself to the corporate world where I was surrounded by high achieving and intellectual individuals. Being by their side and under their direct supervision, I gained immensely in terms of experience and learned so much about the MFS industry. Being part of one of the largest business operating here in our country, I must say, It was a huge leap for my career.

I also want to thank you for your Constant Support and Supervision throughout this BUS 400 program. Despite all the difficulties faced during this pandemic alongside all my shortcomings, I tried to give my very best to generate this report finding out relevant and sensitive information from multiple sources, I hope my efforts will pay off and this report can be deemed satisfactory.

This report wouldn't have been made possible without your support, guidance and expert advice. All I can do is thank you for your this amazing experience and your valuable time and effort.

Sincerely Yours,

Shadman Sakibul Kabir

ID: 17104168

BBS, BRAC University

Acknowledgement

I am very thankful to a great number of Individual for the support, guidance effort they put into me during my internship. I could have never completed this report without their help.

Firstly, I am in great debt of appreciation and I can never thank Ms. Tania Akter enough, who my instructor for this internship program. I will be forever grateful for the direction she has provided me with alongside the actual title for this report and of-course the time that had to be given to develop ideas that made this report possible

I am also very grateful for the guidance and effort provided by my supervisor Mr. F.M. Tonmoy Khan Sir, Vice president, External Affairs at bKash Limited. He was very affable while constantly inspiring to push the limits. Working with the FDM team was surreal. I would also want to mention a few individuals, A.K.M. Monirul Karim Sir, HoD of External Affairs who had always been kind towards me and Saif Sibgatullah to whom I immediately reported to during the internship had been incredibly helpful since the very beginning starting from training to the very end of the internship program.

Alongside I would also want to thank members of my FDM team, the other members of External Affairs, the ECAD division and my fellow interns who were very supportive and friendly helping me improvise myself and test my true potential in the Corporate setup.

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Executive Summary

Whenever we speak about money and transactions the issue of fraud and dispute has always been a constant threat. Cases of fraudulence has always been in existence in the MFS industry and the banking sector. Such financial fraudulent activities is considered a serious offence by the law of our country and the enforcement authorities. bKash takes the safety and security of their clients very seriously which is why even though fraud mitigation does not generate revenue in any way but yet, so much resources and effort is put into it. Bangladesh bank alongside BFIU has a course of action all set alongside amendments to mitigate all the risks involved and bKash whole heartedly is complying to all requirements while trying prevent embezzlement of civilian money. To mitigate such risks, bKash takes multiple course of action that involves cross collaboration between different departments involving customer service, the external affairs department and lastly product and technology.

Keywords: Bangladesh Financial Intelligence unit, Mobile Financial Service

Chapter 1

Internship Part Completed from bKash Limited.

bKash



1.1 Student Information

Name: Shadman Sakibul Kabir

ID: 17104168

Program : BUS 400

Major: Markrting

1.2 Internship Information

1.2.1 Period :

Start date: 6th june 2021

End date: 5th September 2021

Company Name: bKash Limited

Department : Fraud and Dispute Management, External Affairs

Division : External & Corporate affairs division.

Address: Shadhinata tower, Shahed Jahangir Gate, 98 Bir Uttam Ziaur Rahman Rd, Dhaka

1.2.2 Supervisor Information

Supervisor: F. M. Tonmoy Khan, Vice President, External Affairs, ECAD , bKash limited

1:2:3Job Scope

Job Responsibilities

- *Maintaining and Managing database regarding Fraud and Dispute related issues amongst customers.*
- *Issuing acknowledgement letters and consent forms to relevant stakeholders so that further analysis of the case and corrective actions can be undertaken by the authority.*
- *Managing and updating NID and KYC of Customers who have filed a fraud or dispute related complaint*
- *Maintaining regular Feedback and remarks for the letters issued in a sorted manner in flat files for relevant authority access.*
- *Managing daily log files and keeping them updated for senior management to review.*
- *Assigning other interns with task from the log files.*

1.3 Internship Outcomes

1.3.1 Students Contribution to the Company

I can never thank bKash enough to give me this opportunity. As an Intern I had been part of the team that needed to handle and mitigate cases of Fraud, either through loss of control over account or theft via bluffing and embezzling the victim. The team also involves handling cases of mistaken money embezzlement.

Being part of the Fraud and Dispute Management team, the tasks that I mostly had to carry out during my Internship involved reporting activities. But before coming to that the activity flow chart for the FDM team needs to be explained.

Firstly, after the customer loses their money either due to fraudsters or mistakenly, the customer calls directly to customer service who after listening to their complaints will issue them a ticket in accordance to the problem and pass it on to QRT, from this point onwards the activities of the fdm team starts.

QRT, as the name suggests quick response team, needs to quickly access the fraudsters account and if the embezzled amount is still in electronic form inside the said account and the and all the red flags show up while analyzing the account, the fraudsters account will then be blocked and directly be passed onto the reporting team. But in most cases, the amount is passed on to further layers in smaller portions. If that is the case, then it is passed onto the analysis team who checks into all the layered accounts for signs of red flags and if such signs can be found those accounts will also be blocked and passed on to the reporting team. In cases of mistaken send money, after the ticket has been issued it is directly passed on to the reporting team. The reporting team as per the requirement of Bangladesh bank before being able to take action of any sort must issue an acknowledgement letter to the fraudster mentioning the GID number, incident date and amount alongside all the information that relates the fraudster's account. In case of mistaken send money, there are two course of action that can be taken. One would be to send an acknowledgement letter to the recipient with the number of the victim, the incident date and the amount. In case of consent already given by the recipient, a consent letter needs to be issued stating all the information within the acknowledgement letter alongside the consent date and relating information. All the letters provide a seven (7) working day time to the victims to contact bKash and to show cause. Only after sending this written notice and waiting for seven working days can the FDM team take further steps to mitigate the dispute. After the report has been completed it is sent for approval and once it is approved, it is passed onto DRT and their work is to issue a bond and a cash memo of the amount embezzled. Once the victim in person signs the bond that

releases bKash of all responsibilities that they will be held accountable for, once all this is done, the cash memo is released and soon the embezzled amount is sent on to the victim's account in electronic form.

Being part of the reporting team the most important role for the intern was to issue these ad letters and Consent letters. I consider this the most important role because as per the requirements of Bifu, the fdm team can never progress without issuing these written documentation. So I value my contribution to the organization very highly because the entire team progress is dependent on my work and efficiency.

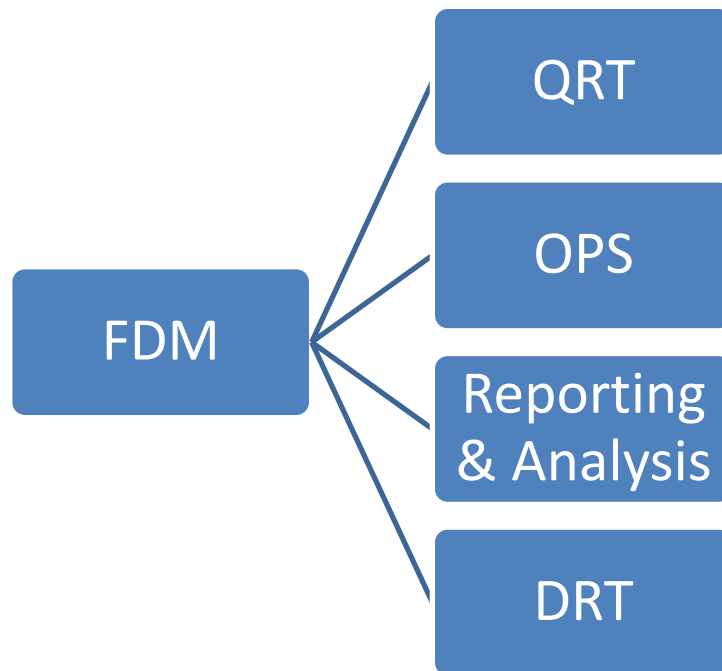


Fig - 1: Sub teams of FDM

1.3.2 Benefits to the Students:

This internship program from bKash Limited has all in all changed me and changed my perspective towards the Corporate world

- **Boosting Confidence and Communication Skills:** Having almost Zero power distance in communication and a team based work environment has helped me connect better with my colleague's and my seniors. Needing to issue ad letters and consent letters, I needed to work on the data base created by half the team and then pass on the work to the other half. Therefore, my work was very deeply integrated with that my team which is why I needed to constantly keep communication with everyone in my team and vice versa. Knowing how important a role I had to play has helped to boost my confidence and my organizational skills in terms of communication.
- **Environment and Organizational Skills:** Before joining bKash as an intern, I personally had no idea how an Organization operated or about the work culture. When I joined this organization, I knew it was the No:1 employee's choice, but working under it, I realized why it is considered the best. The organizational culture is very strong. It is affable while at the same time it encourages free communication, efficiency and of-course compliance. I had no practical idea relating to organizational structure and their operations. More importantly I was able to understand the need for compliance in a business . Professionalism was also taught into me, but in a very subconscious way . I believe, all these skills that I have acquired with in this short period of time will most certainly help me in my corporate life ahead.
- **Training resources:** bKash works as medias to transfer someone else's money to someone else. When dealing with civilian money, ensuring security and zero mistakes is a must. bKash takes this concept very seriously which is why even though I as an intern needed to carry out a limited number of task I still was briefed and trained by different individuals from the FDM team so that I have clear understanding of the actual process so that i know what my course of action should be and thus be able to minimize errors as much as possible. This training helped me understand how important compliance is. This alongside advanced Microsoft office training that helped me improve my working efficiency.

- **Experiments:** I even as an intern with close to zero work experience was given the freedom to experiment with my work methods. What I love about this organization is that they are very open to changes and experiments as long as it is effective and there is a chance that it will add value. I was able to constantly push myself doing the work in different ways and in the process improve total output.

1.3.3 Problems and difficulties faced:

Over all, the knowledge and experience I learned from this internship was absolutely amazing but I did face some problem during this period. Firstly the lockdown where I had to work from home and faced innumerable number of problems regarding inaccurate or missing data and since everyone was working from home, it some- times took a little time to get solved. The work is somewhat repetitive and gets monotonous after some time so keeping efficiency high gets a little tough after some time. During the initial days of my internship program I also had to face problems regarding IT since the laptops we need to use has to be very high on security since I have to work with sensitive information, but for this reason I had to wait for a number of days to get access to all the facilities that is required for getting the job done.

1.3.4 Recommendations:

- **Technical side:** I fully understand the need for security since we are working with personal information of the general public. Which is why it would be better if there can be fixed laptops just for the interns who would use the device during their program and then pass it on to the new interns. This way, no time will be wasted in the transition while ensuring full security.
- **Use of portal:** When the intern is assigned with information to issue ad letters and consent letters, all the relevant information relating to kyc and NID is stored in a particular folder. On almost every day basis, I used to find missing information. This not only caused the work to temporarily cease, but also added to the hassle and slowed down output. Instead if the interns were given access to the portal, all they would need to do is input the account number and all the information will be right in front of you.
- **Clear KYC and NID:** Bkash has been working here in Bangladesh for quite some time now and recently after the launch of the app we can see many e-KYC in pdf format which is very clear and helps to add to efficiency. But on the other hand, majority of the customers have hand written KYC which is why many of those can't be clearly read after

so many years. This created inefficiency so if the entire customer base information could be turned into digital kyc then the output of the intern can be fairly increased.

- **Engagement:** Even though it was the interns who pushed the progress of the entire team, but the Interns were never taken into team meeting. I understand that interns have very little experience so there is no point including them in team meeting where strategies are discussed. However, if they are included, in such meetings, it will not only motivate them but will also help them learn more about the corporate world.

Key word: Know Your Customer (KYC)

Chapter 2

2.0 Organization Part

2.1 Introduction

This report is based on the leading MFS provider of the country, bKash Limited. This section of the report aims to provide an overview of the organization, its management practices and different departments. Furthermore, the section provides an industry analysis in terms of Porter's Five Forces Model and a detailed SWOT analysis of the company.

2.1.1 Objective

The broad objective of this section is to provide a detailed overview of the company and an analysis of the industry.

The specific objectives of the report include:

- Provide an overview of the company
- Provide an overview of the different departments of the organization
- Provide an organizational chart
- Analyze the industry in terms of Porter's Five Forces Model
- Provide SWOT analysis for the organization
- Provide Marketing Mix

2.1.2 Scope

The report specifically focuses on the MFS provider bKash and customer perception about its fraud management. The report focuses on providing a company overview along with analysis of competitive scenario and a detailed analysis on the fraud management system of bKash from consumer perspective. The report is based on Bangladesh Bank regulatory guidelines, published case studies, journals and news articles. The report also portrays findings from primary sources – interviews with personnel from bKash as well as survey findings of customers.

2.1.3 Limitations

The limitations faced when preparing the report are as follows:

- Various details of company divisions and operations have not been included due to company policies
- The survey conducted was based on a sample of population and may not have covered a larger rural audience

2.1.4 Methodology

The report has been prepared based on both primary and secondary sources of information. The primary sources of information include face to face interviews with employees of bKash Limited and an interview with the Head of Department (ECAD). Secondary information sources include company websites, published reports and news articles. Information from both primary and secondary sources have been compiled to come up with the findings of the report.

2.2 Overview of the Company

bKash Limited is the leading Mobile Financial Service (MFS) provider in the country. The organization started its journey in 2010 as a joint venture between Brac Bank Ltd. and Money in Motion LLC USA. bKash Limited is currently operating as a subsidiary of Brac Bank maintaining the regulatory guidelines of Bangladesh Bank. Investors in the company include – IFC (International Finance Corporation), Bill and Melinda Gates Foundation and Ant Financial (Ali Pay).

The main objective of the company is to provide access to a broad range of financial services for the population of the country. It aims to increase financial inclusivity by bringing the unbanked population under its umbrella.

The organization is currently operating with more than 2,00,000 agents spread across the country and in partnership with Mobile Network Operators including Grameenphone, Robi, Banglalink and Teletalk. The services of bKash can be availed through both USSD and App channels. (A.I., 2015)

The MFS provider provides a range of products and services to its users. Its services include:

- Cash-in
- Cash-out Agent
- Cash-out ATM

- Send Money
- Airtime
- Payment
- Paybill
- Add Money
- Transfer Money
- Disbursement
- Remittance
- Savings
- Loan
- Donation

2.2.1 Mission

bKash operates with the mission of providing fast, secure and inexpensive financial services to the population of Bangladesh. It also operates with the objective of ensuring greater financial inclusivity.

2.2.2 Vision

bKash's vision is to bring the unbanked population under the umbrella of financial inclusivity while making life simple and convenient for its users. It has the vision to help its users perform financial transactions easily and conveniently through its service anywhere, anytime.

2.3 Corporate Divisions

bKash is formed of different corporate divisions that are subdivided into various departments working in collaboration. The following graph depicts the different divisions of bKash and its departments.

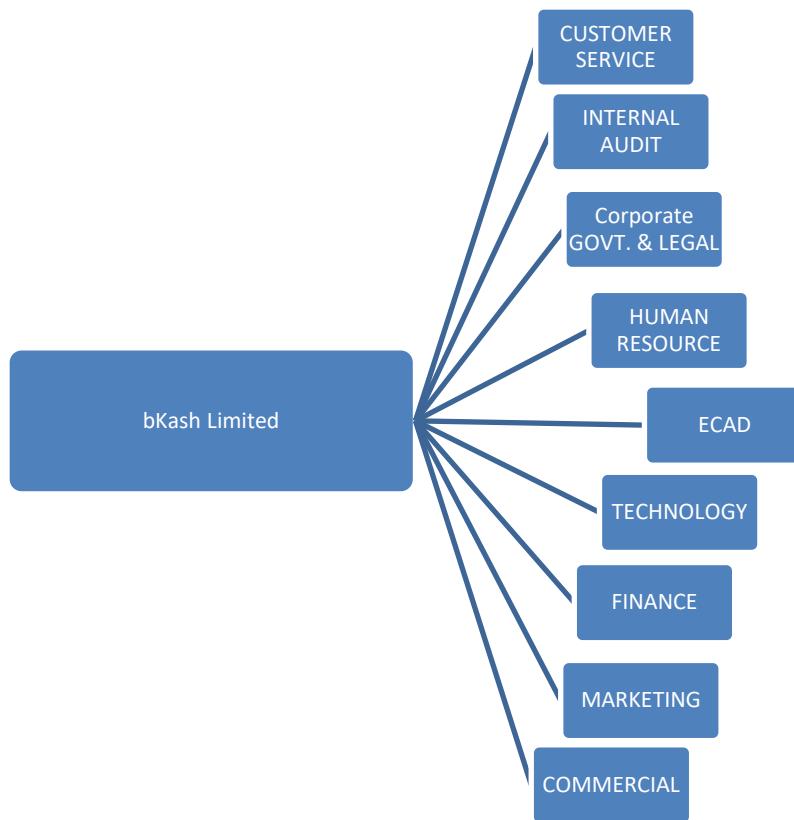


Fig 2: The divisions of bKash

The divisions of bKash include – Commercial, Marketing, Finance, Product and Technology, Human Resources, External Corporate Affairs, Corporate Government and Legal, Internal Audit and Customer Service.

2.3.1 Commercial

The Commercial Division is focused on Business Planning and Strategy, Campaign Management acquiring/on-boarding new clients and partners. It is focused on running the business effectively and efficiently.

2.3.2 Marketing

The Marketing Division deals with all branding and marketing related activities for bKash. bKash focuses on ATL and BTL marketing activities with significant presence on digital platforms.

bKash’s marketing strategy focuses on using real people telling their stories relating to bKash – bKash focuses on building customer relationships through consumer stories that are aired on television and digital platforms.

bKash also undertakes various sponsorship programs to create its brand presence and positions itself as a simple, convenient service that helps users perform a number of financial transactions in a jiffy.

2.3.3 Finance

The finance division of bKash consists of departments like Management Information System, Tax and Audit, Supply Chain Management, Treasury and Business Finance. The division performs all types of financial reporting and analysis and issues e-money and deals with procurement and warehouse related activities.

2.3.4 Product and Technology

The products and technology division works on bKash user journey, focuses on innovations in its app. The division also looks after Customer Lifecycle Management, Business Intelligence and other data related tasks of the organization.

2.3.5 Human Resources

The Human Resources division focuses on the recruitment process, employer branding, remuneration related activities as well as employee training and management. They carry out talent acquisitions and various other programs like university roadshows to recruit the best talents.

2.3.6 External Corporate Affairs

The ECAD division deals with external parties and regulators – one key stakeholder managed by the division is the regulatory body – Bangladesh Bank. ECAD is subdivided into the departments as follows:

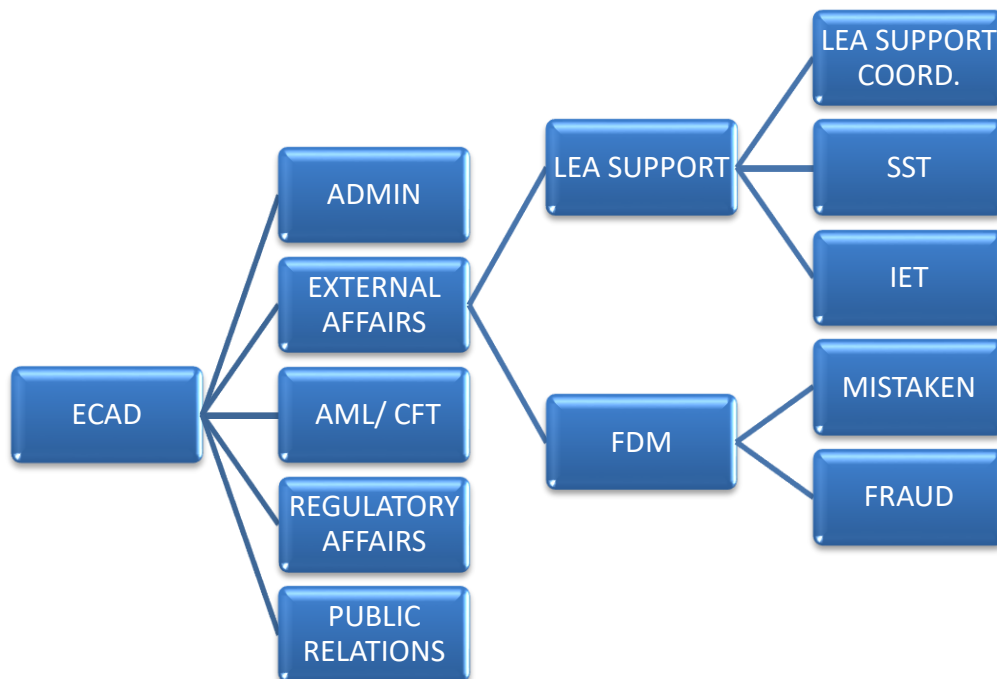


Fig- 3: Departments of ECAD

- Admin
- AML & CFT
- External Affairs – LEA Support, FDM
- Regulatory Affairs
- Public Relations

ECAD mainly works towards fraud management and mitigate its impacts on the business. The division also ensures compliance with regulations of the industry while ensuring cordial stakeholder relationships. It focuses on anti-money laundering and combatting the financing of terrorism. The division aims to resolve fraudulent cases and connecting with users who faced such mishaps.

2.4 Porter’s Five Forces Analysis

Since the inception of the industry in 2010, the industry has seen many new entrants and a change in the competitive landscape over time. Porter’s Five Forces Model will be used to analyze the competitive landscape of the industry.

2.4.1 Threat of New Entrants –The industry works under strict guidelines of Bangladesh Bank. According to the regulations, MFS provider can operate under two ownership structures – either as the wing of a bank or as a subsidiary of a scheduled commercial bank where 51% ownership will be held by a single bank. The industry is further guided by several other rules pertaining to e-money management and account opening processes. Currently, 15 MFS providers are listed as per Bangladesh Bank. Therefore, the threat of new entrants to the industry is low.

2.4.2 Threat of Substitute Products – MFS industry offers a wide range of products including cash-in, cash-out, send money, airtime, payment, paybill, add money, transfer money, savings, remittance, loans, disbursements. Although agent banking and other MNO applications (BL app, My GP app) can provide one of the services mentioned, no other service provider provides all the services as mentioned above. With time, the industry is only evolving and innovating newer services, hence the threat of substitutes in the industry is low.

2.4.3 Threat of Rivalry – The industry started its journey in 2010 with players like bKash and DBBL Rocket but today the industry has expanded with 15 players as per Bangladesh Bank. Top players in the industry today include bKash, Nagad (not regulated by Bangladesh Bank), Rocket, Upay. With time, new players are emerging and making competition even more fierce. Players are engaging in marketing, pricing tactics as well as new product innovations. A new player named TAP is also set to enter the market. Therefore, threat of rivalry in the industry is higher than ever before.

2.4.4 Bargaining Power of Buyers – The MFS players all provide basic services like cash-in, cash-out, send money. Increased product homogeneity gives buyers significant bargaining power. However, when it comes to more advanced services, players like bKash provide more advanced services with a variety of bill payment partners, merchants and banks – in case of such services the bargaining power of buyers reduce as not all providers have such variety of services. On the other hand, low cost of switching between players gives buyers a bargaining edge. It can be said that the bargaining power of buyers is moderate in the industry. (Bangladesh Bank)

2.4.5 Bargaining Power of Suppliers - The bargaining power of suppliers vary based on their size available alternates as well as MFS power. MNOs like Grameenphone, Robi, Banglalink and Teletalk have significant bargaining power as they are a means of providing services to the unbanked population of rural areas. However, when it comes to vendors for billboards, trade marketing items (stickers, banners etc) a variety of vendors are available and the bargaining power of suppliers is low. As the market has become more saturated over time, power of agents and distributors have increased as they have other competitors to promote and work for. Similarly, partners like RMGs, corporates, merchants and billers have more power considering the increasing number of MFS to choose from today. Therefore, bargaining power of suppliers can be said to be moderate in the industry.

2.5 SWOT Analysis

SWOT analysis helps determine the internal strengths and weaknesses of an organization as well as the opportunities and threats from the outside environment. The SWOT analysis of bKash is presented below.

2.5.1 Strengths

- bKash maintains strict compliance with the regulations of Bangladesh Bank and maintains all necessary measures
- bKash has the largest network of agents and distributors spread across the country. Currently, they operate with an agent network of about 2,00,000
- bKash has successfully established it as a brand with a position in the minds of its users. bKash maintains strong brand visibility across every part of Bangladesh
- bKash has investors like Alipay, IFC and Bill and Melinda Gates Foundation, increasing its credibility among consumers
- Stakeholder relationships with renowned entities like Alipay have enabled bKash to gain strong competitive edge in terms of technology
- bKash has on-boarded various merchants, corporates, RMGS, billers in its client list. This gives it a bigger base to serve

2.5.2 Weaknesses

- bKash has to work under the strict guidelines of Bangladesh Bank and hence, does not have certain level of flexibility that emerging MFS players have
- bKash has higher charges for certain transactions that other players charge less for. This acts as a weakness for bKash as consumers can easily switch to other MFS

2.5.3 Opportunities

- The government's vision of digital Bangladesh acts as strong incentive for more government backed organizations to use MFS services. Hence, providing more opportunities for bKash
- The Covid scenario has pushed more and more people to shift to digital means of financial transactions, providing an opportunity for bKash
- As more players are entering the industry, new marketing as well as pricing tactics are emerging. This provides an opportunity for bKash to further innovate and position itself
- The rising number of stakeholders – RMGs, Corporates, NGOs, Financial Institutions interested in MFS services provide a wider base of customers to serve and act as an opportunity

2.5.4 Threats

- As MFS is a fully digital service, there is always threat of fraudulent and illegal activities, making it hard for users to trust the platform
- The emergence of players with strong government liaison act as a threat as certain regulatory flexibilities can be enjoyed by them
- As more players enter the market, agents and distributors have a variety of players to serve and it becomes harder to compensate them for their services

2.6 Marketing Mix (4p's)

2.6.1 Product: The product strategy for bKash had always been innovative and out of the box. When designing a financial product the main focus is on safety, convenience and pricing while making available a very wide range of products with relatable and catchy names that makes the lives of the customers easier on every step of the way.

2.6.2 Price: When the work is related to money, the pricing is even more important which is why bKash charges very strategically, where there is no charge for any sort of “CASH IN” but for “CASH OUT” 0.9250BDT per 50tk is charged. For transaction in between 15,000bdt and 25,000bdt, the charge of 5Tk is cut while for transactions above that will be charged 10 Tk. Except for numbers that are sorted as favorite. (bKash,2017)

2.6.3 Place: With a network of about 80,000 agents and 17 bKash centers and innumerable care centers country-wide, bKash is trying to live up to what they promise, convenience. bKash wants to be available everywhere all throughout the country because this is exactly what pushes the business forward and that is exactly why the organization wants to be as accessible as possible.

2.6.4Promotion: This is another sector which bKash prioritizes very highly. bKash was a first mover, but it was only because of the initial branding and the marketing efforts they had used.

They not only carry out marketing above the line but also below the line.

- **Commercials on National television as well as radio**, advertisements are released on regular basis. Some being informative while others being promotional and campaign related advertisements.
- **Billboards and digital posters** relating to campaigns or promotion

- **News paper and magazines** where they can reach greater percentage of the population at comparatively lower prices.
- **Business partners:** Almost majority of the businesses operating in Bangladesh use bKash as a platform for payment which is why they are also able to promote through their business partners and are able to integrate the promotional efforts of their partners into that of theirs.

2.7 Recommendations

Over the years bKash has successfully placed itself as a leading MFS player and recognized brand. However, fraud and dispute management is an area bKash should focus more on. Currently, the organization is working towards mitigating the risks related to fraud but carrying out more awareness related to fraud can help it serve its users better. bKash should just not focus on resolving fraudulent cases rather directly reach out to the victims of such cases. This will help create a better connection with its users and assure them of bKash's responsibility towards them and help create a sustained customer relationship.

2.8 Conclusion

Overall, the organization has developed and created its own space in the competitive MFS market and has been successfully building its user base, innovating its app, bringing out new products for its users. bKash just does not provide the basic MFS services but has already launched products like digital loans with City Bank, savings products. Moreover, it provides financial services like Add Money in partnership with more than 20 banks as well as Transfer Money. All this gives bKash a competitive edge in terms of product diversity. However, as the industry is growing and new players are emerging even the smallest disputes can be of great loss. Therefore, fraud and dispute should also be considered as important an aspect as product diversification and innovation in order to sustain and grow.

Chapter 3

3.0 Report part.

“Fraud Prevention Awareness and How It Can Create a Competitive Edge for bKash Limited in the Mobile Finance Service Industry.”

bKash



3.1 Introduction:

With over 24 million registered customers and an active ration of 40% (at least one transaction a month) bKash limited can be considered as the market leader in the Mobile Finance Service industry in Bangladesh. Having the largest Client base, the organization needs to deal with an average of 50 cases which involves fraud as well as mistaken monetary transaction each day.

MFS is a system through which financial institute provides transaction services, by blending banking and mobile services. (Ahmed,2018) The resurgence of MFS has allowed more and more people to join the network allowing economical and social progress for the country. (Sultana , 2014) As the mfs industry expands in size, with new entrants entering the industry where each firm is focusing on a USP. It the best time for bKash to create a competitive edge for themselves through mitigation of such cases and of course raising awareness. Being the first mover, bKash had always been the market leader but this blessing can sometimes also be a curse since having an enormous customer base means that even if a small proportion of the customer base becomes victim of fraud, it is still large enough to make noise and create a buzz that can negatively impact the business and the sole purpose of this report is to understand how bKash can gain Competitively from doing what they already have to do mitigate fraud and dispute.

When dealing with money, fraudulent cases are absolutely impossible to fully eliminate. Customers are not only at risk of external fraud caused by third parties but internal fraudulence can also result in major financial loss for the business as well as for the users of the service.

(Mudiri, 2012) so, even though it can't be fully solve but if there is a specialized team for tackling such events then the cases can be minimized.

3.1.1 Literature review:

The External affairs division of bKash deals with compliance relating to the legislations as well as the institutes who passed these legislations, the department also handles the fraud and dispute related cases. For a finance based organization, when dealing with public money, compliance is very crucial as the company's reputation relies on it, they will also be able to advertise it as their unique selling point if they are able to handle the situation. Alongside, the fact that compliance is important for them to carry out their business at the first place because it is required by the rules set by the Bangladesh bank, who monitor the actions of bKash even more than many other commercial banks but even though most of the actions are forced upon through legislation, bKash can actually use this as an usp to market themselves and enhance their image in the minds of their customers.

3.1.2 Objectives of the study:

The broad objective for this report is to mainly understand the problems associated with fraud, provide details about customer perception of bKash and suggest ways to effectively handle fraud and risk.

Some of the specific objectives are:

- To find the risks faced by bKash in the MFS industry
- To find the problems faced by bKash due to such industry risks
- To find the number of bKash users Vs other MFS users
- To find the types of Customer complaints received by bKash
- To identify the number of cases effectively solved by bKash
- To find bKash's USP from users
- To provide efficient and effective ways to reduce fraud and spread awareness against it

3.1.3 Significance of the study:

The findings of this study in my opinion will not only help bKash achieve greater heights in terms of competitiveness but will also help consumers through raising awareness regarding fraud in this platform and will be able to lower down the number of cases occurring within a period.

bKash had always been the market leader and they still are at the moment and there is a high probability that they will remain so but for that they must maintain their reputation and live up to the expectations of the brand and its customers. This study will not only help to maintain their reputation but at the same help keep the trust of the common people in bKash which they need if they want to remain no.1 forever.

3.2 Methodology:

Here in this particular section, we talk about the techniques which will be used in this report to come towards a conclusion of how bKash can use this fraudulent mitigation system to gain an upper hand over that of its competitors and maintain their market dominance.

This report has been prepared from information sources from various sources including both primary sources, in the form of questionnaire containing both open ended and close ended question to both victims as well as non-victims (users of the service) as well as a few employees

in the fraud and dispute management team of the external affairs of bKash limited who handle these cases alongside focus groups, surveys of stakeholders mostly customers and a few employees and of course first hand observation and personally witnessing the tasks carried out by the organization during this 3 month period. Secondary sources that has been internally collected and externals reports on bKash limited. Including articles and Journals published online alongside study articles and information available over the internet as well as the company website. I tried to analyze both qualitative and quantitative data to provide a more clear overview of the alalysis.

3.3 Findings and Analysis

This part of the report focuses on the findings from different stakeholders. The sole purpose of the survery and the questions is to understand how bKash can use the mitigation act that they are carrying out can help them build further reputation and win the trust of the people of the country.

Risk factors for bKash in the MFS industry.

Like any other finance service, there is always a risk of threat and fraudulence. MFS industry is in no way beyond that and the types of fraudulence that occurs regularly are as follows.

- Fraud selling platforms and individuals:
There are many such cases where a fake platform is created online promising to sell goods but their sole intension is to vanish once the order has been made and the payment has been done through bKash. Sometimes, it is also done by individuals trying to sell things on genuine platforms like bikroy or even facebook and social media platforms.
- Phishing sites: Fake links, websites and ads sometimes use this method to gain access to sensitive information and credentials of the customers by hacking or gaining access to their device.
- Fake calls or masking Calls: The most common cases of fraud involves the most simplistic but manipulative methods. Fraudsters use their convincing tone of speech alongside their wit and sometimes emotion to carry out fraudulence on customers and cash on their innocence. Sometimes calls are made where the fraudsters claim to be a bKash employee and try to fish out information and credentials out of customers and even agents in some cases.
- Mistaken transactions: A major portion of the customers of bkash had always been technologically lagging behind due to age and literacy, which is why mistakes take place regularly and in some cases there are dishonest individuals who deny to send back the money causing dispute.

Now, due to these factors, the business will be facing some problems, problems that can not only pull down the brand but affect its reputation that in the current day is required to be maintained since competition is more fierce, no such of the problems should arise.

The problems are listed below:

- Data theft: Since bKash account needs to be made using very sensitive and important credentials which is lost and gone into the wrong hands when such cases of fraudulence occurs.
- Compliance: With such a huge customer base and a network of agents, compliance is already very hard to maintain and any breach is very hard to monitor. However, in cases of fraudulence compliance becomes even harder to maintain since different levels of stakeholders are involved who are not happy since they became victims of fraud. (Haque, 2021)
- Money theft: The main intention behind fraud is to steal the money kept within the bKash account and since such cases occur, individuals and institutes are at risk of losing the money they have worked so hard to earn.
- Dispute: when an individual or an agent or even a institute will lead to dispute which will not only be hard to cool down but will be affecting the business in many ways like legally or in terms of reputation.

3.3.1 Competitive Scenario

There was a time when bKash had 100% of the market to themselves but that is not the scenario at the moment. Through my survey of a population of more than 100 people with diversified background, I noticed that MFS users are using other platforms like Nagad, Rocket and Upay. bKash carries out a great number of activities that can help to gain a competitive edge but for this report we will only focus on fraud risk and dispute management. 62% users surveyed were found to be bKash users – this suggests that users are starting to use other platforms. Therefore, competition is more fierce now and it is more important to understand the users' perspective –

- The USPs that attract them
- The types of fraudulent and risk issues they face while using the platform

It is also important now, more than before, to identify if bKash is being able to solve customer complaints and effectively and efficiently being able to mitigate risks and find better ways to solve them.

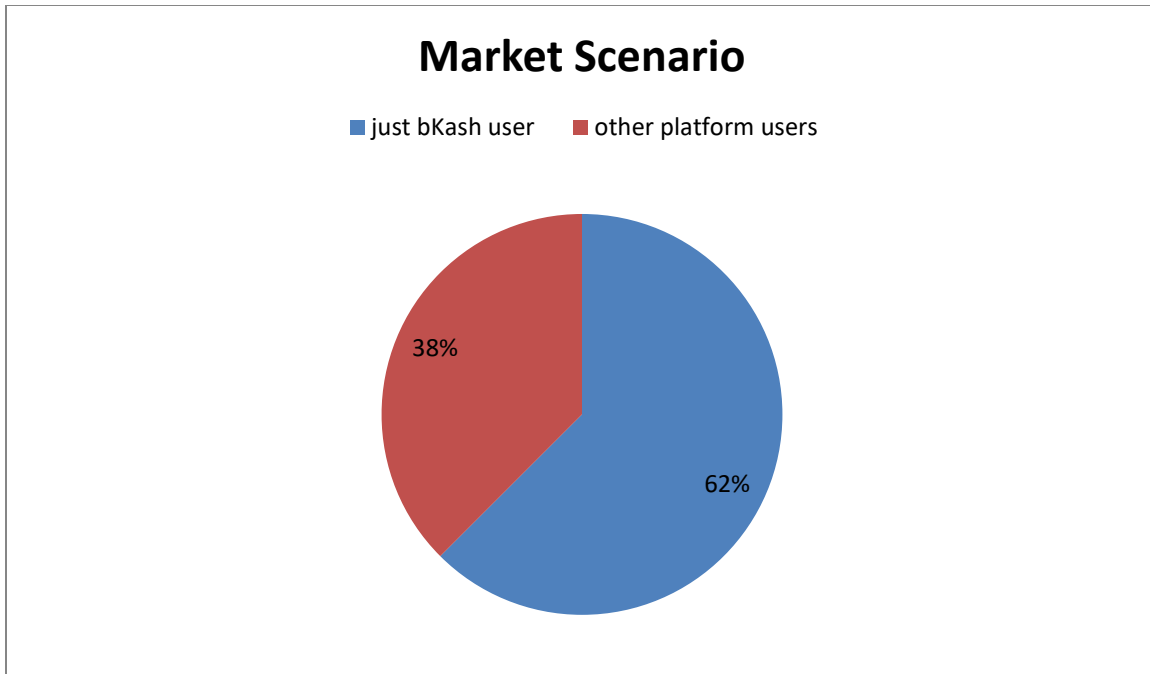


Fig-4 : Market Scenario

In the past 6 months during the pandemic situation a total of 140,000 complaints were received by the customer care service. Out of which 30% cases were of fraudulence in the form of actual fraud cases and attempted cases and account status. Another 40% relates to mistaken transactions.

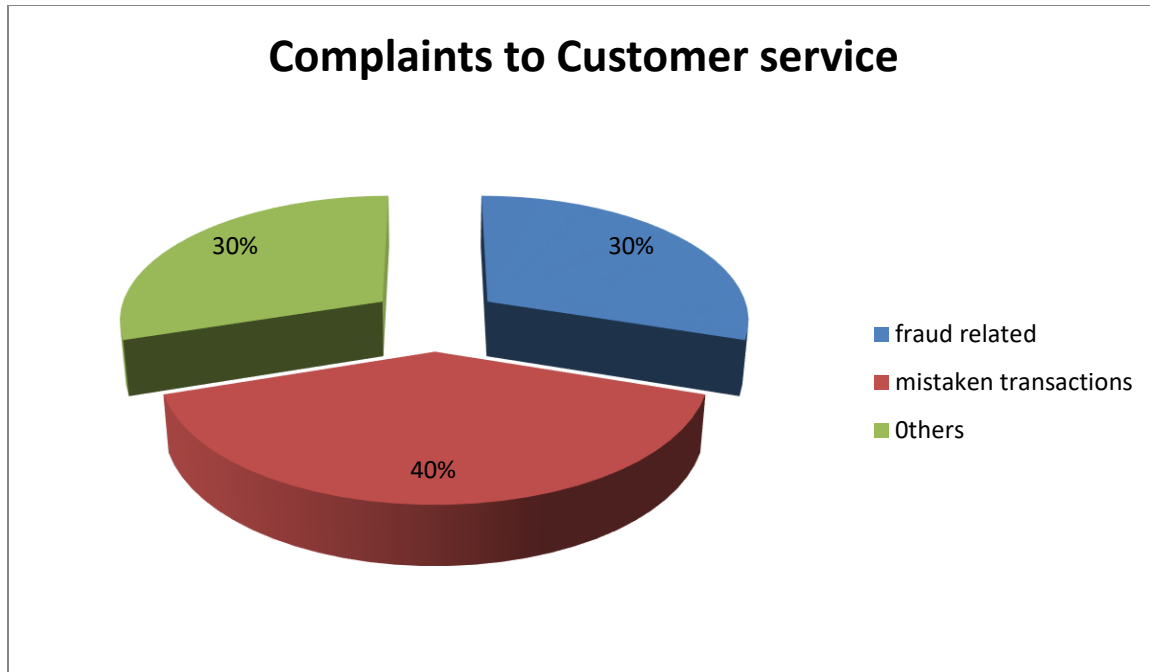


Fig- 5: Complaints to Customer Service

3.3.2 Solved Cases and effectivity:

Now here is what in my opinion should give bKash a competitive edge. I have mentioned before that how bKash caters to a large number of customer base so even if a small proportion of the customer base faces a problem, it is still very large and the FDM team is doing a great job to handle it. If we relate to data, bKash was able to tackle 94% of the total complaints logged and was able to fully and partially reimburse the amount embezzled in the period of past 6 months. This is mind blowing since the sheer number of fraud and its complications are huge.

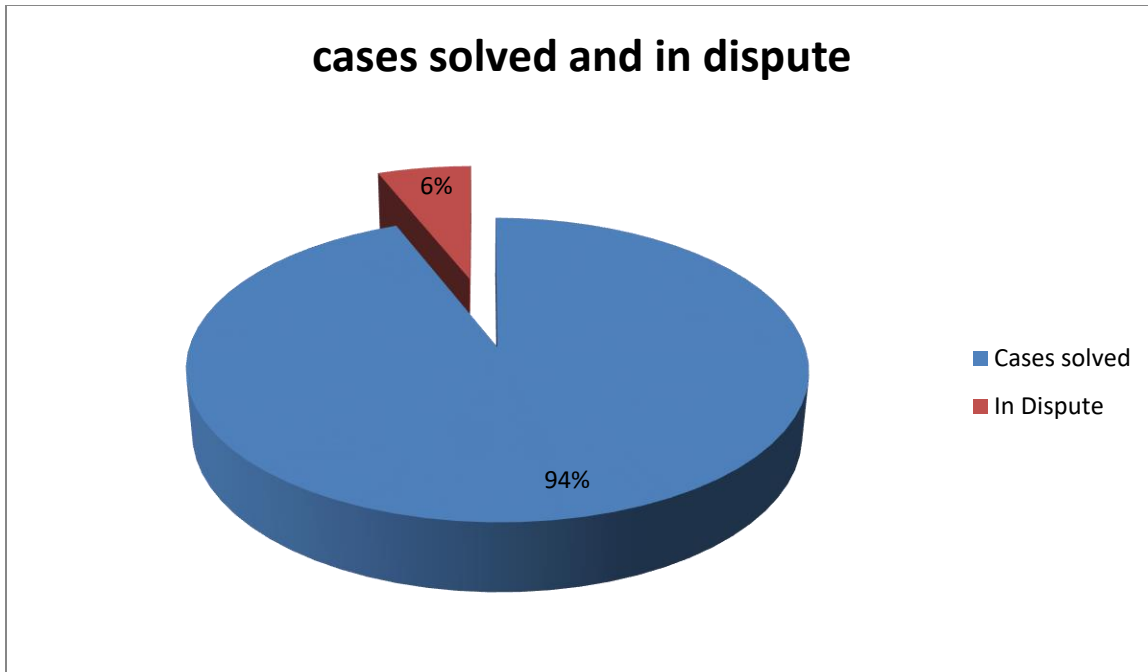


Fig – 6: Ration of cases solved in the past half yearly period

Out of these cases that are in dispute, a major proportion of those are almost done with all the processing and the minor proportion is still in process and requires bit time in processing.

In my survey, I also realized why people prefer bKash, most people considered trust and reliability and fraud risk management as the most important factor to consider as USP for the brand.

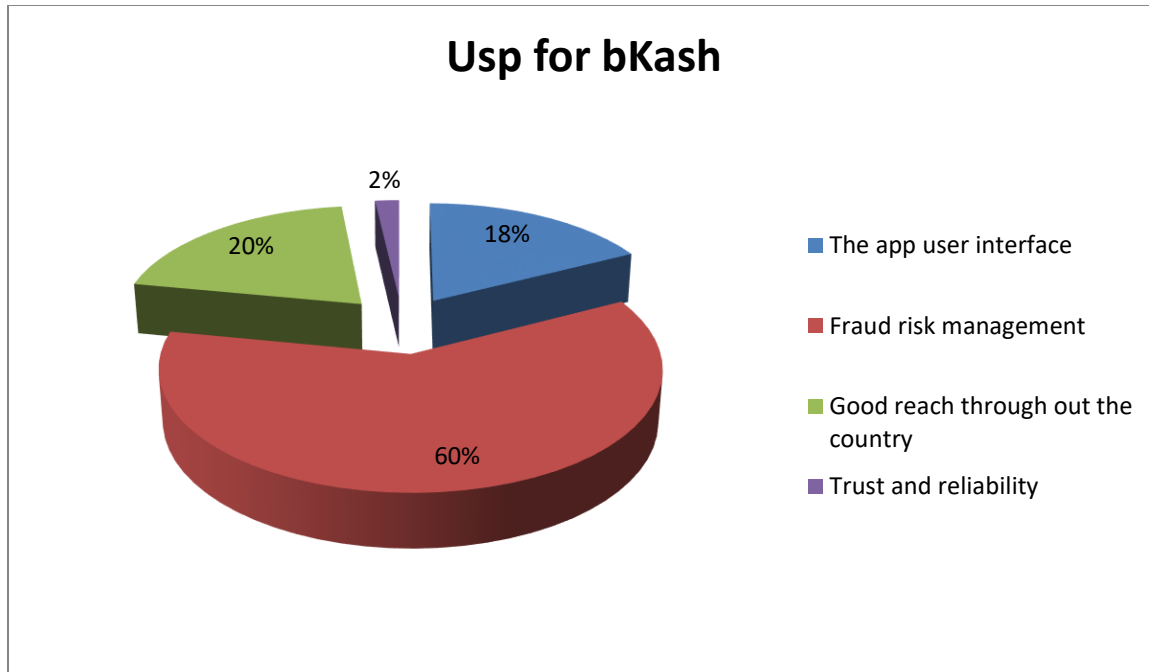


Fig-7: USP for bKash

And to my Utter surprise, 100% of the candidates stated that if they knew how hard bKash is trying to mitigate Risks by investing resources both monetary and physical they would surely prefer bKash above all else, even if the charge is a bit higher than that of competitors since there is added safety and reliability.

3.4 Summary & Conclusion

In this report, I tried to find out the impact of FDM on the business of bKash and how its operations can help the business gain competitive edge if the hard work that is put into the operations of the department is marketed properly. Without compliance, the MFS industry will not be able to operate at the first place. Also, because money is involved the risks involved cant also be fully eliminated however, as the results and analysis of this report shows, bkash, specifically the FDM team is doing a great job at mitigating the situation while reimbursing the amounts to its respective accounts. So, since they are already carrying out such activities, they should also consider marketing their efforts properly as it will help to differentiate and gain an upper hand over their competitors which they already have but now they can enhance that because it is possible due to its operations they carry out. As mentioned earlier, about 70% of all complaints relates to fraud or mistakes only and so this is like a weakness for the business and as they cant fully eliminate it they should rather focus on fully reimbursing the amount as efficiently and effectively as possible and try to push the ration of solved cases to 100% which will also be very hard as fraudsters cash out as soon as the money deposits into their account.

Lots of improvements can be added which can make the process better, however what they are doing currently can be used to improve the performance of the business because not only will this add value to the service they are providing but at the same time can be used to market themselves in this new competitive scenario.

3.5 Recommendations:

bKash is one of the very large businesses operating in this country and the largest one in the mfs industry. Even though they are such a large organization, but yet the steps they take are quite proactive and entrepreneurial. They had always been outstanding with their performance and the employees of bKash no matter what division they are working in, give all their efforts into the business only to add value to the lives of their customers. After completion of my internship and my analysis that I have conducted for this report, I realized FDM is now a very important part for bKash that the organization can never do without atleast not in this era. But like everything , the Fraud risk management process can also be improved if the following recommendations are taken under consideration.

- **Adding biometrics for smart phone users/ app users.**
Its expensive and will not cover all of the customer base. However, it will be able to ensure greater safety from the customer end. It is also very important to improve the technological infrastructure to tackle such situations automatically.
- **Educating customers and stakeholders on the basis of age, literacy and geographical location.** They should also consider awaring customers on regular basis but this process should start right at the initial point when the account is made. It is very important to train agents regarding the fraudulence that could cause theft of credentials and money. It also important to let know customers to avoid OTC transactions. (over the counter)
- **Shorten the total process of FDM so that cases can be solved more quickly.** Creating less dispute among customers and other stakeholders. This is the best policy to carry out for the organization since there was a spike in new users during the pandemic who had less knowledge regarding the service and were more prone to mistaken transactions and fraud.
- **Market** in every way possible be it over the line and below the line in the form of billboards, posters , advertisements the fact that how bKash tirelessly works day and night to mitigate such situations and cases. It will help the business gain a competitive edge since people will start to position the brand alongside safety and security.

Appendix:

Are you a bKash user? *

Yes
No

How old are you? *

15-20
20-30
30-45
45+

Do you use any Mobile Finance service other than bKash? *

yes
no
I Used to.

Do you think Mobile Finance service is a bit risky? *

YES
No
Maybe

Do you think bKash is the only organization in the mfs industry where there is risk of fraud? *

Yes
No
Maybe

How do you think bKash can tackle and mitigate cases of fraud? *

Raise Awareness and educate target groups
Design the app absolutely Risk and fraudulence free.
Collaborate with software Developers to ad biometrics to add to security.

If you hear that there is zero Fraud on a particular platform will you consider it better than its competitors? *

yes
No
maybe

In your opinion, do you consider that bKash will remain the Market leader even in the future? *

Yes, If they can lower their charges
Yes, if they can effectively mitigate Fraud
No
Maybe

In your opinion, what would you consider as a unique selling point for bKash? *

The app user interface
Fraud risk management
Good reach through out the country
Trust and reliability

bKash collaborated with law enforcement agency, just to reduce and mitigate fraud. Do you think what bKash has done is very proactive and out of the box? Since no other mfs firm is doing so. *

Yes
No

Do you think that bKash being proactive to solve cases of fraud can be used in their marketing efforts ? *

Yes
No
Maybe

In your opinion, Will all this help the firm gain competitive edge or be in a better position then they are currently at? *

yes
No

Have you seen any of the awareness raising campaign relating to fraud by bKash?

Yes
No

How Helpful do you think it is from a customer point of view?

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