The statement of the Central Bank of Armenia on the complaints related to possible fraud in the banking system

15.05.2025

With regard to the cases of potential financial fraud, that recently attracted public attention, we would like to inform you, that following initial alerts from citizens, representatives of the Central Bank of Armenia met with the affected individuals and their representatives on the 5th of March this year. The Central Bank of Armenia has received complaints from approximately 50 citizens, connected with abovementioned cases, primarily related to three commercial banks: “IDBank”, “Inecobank”, and “Ardshinbank”. During meetings with citizens and in subsequent communications, the Central Bank officials have consistently assured that each case presented will be examined individually by the Central Bank of Armenia. In all such cases:

> Where it is detectedthat banks have violated legislative requirements, the Central Bank of Armenia will initiate appropriate supervisory actions, including issuing orders to rectify theses violations;
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> where no violation of legislative requirements is detected, and it is determined that the potential fraud resulted from customers disclosing their personal data and banking passwords to third parties – whether through abuse of trust or other means – the Central Bank of Armeniam together with the respective banks will explore the possibility of implementing specific solutions. .

Accordingly, the Central Bank of Armenia has initiated inspections of remote services provided to costumers by the three aforementioned banks and all circumstances potentially related to the alleged fraud have been thoroughly examined and remain under investigation.

As a result of the examination of the majority of complaints received, it was determined that the fraud cases were primarily due to customers disclosing their personal information and respective bank-issued passwords to third parties. However, to mitigate the risks associated with increasingly widespread fraud schemes, the Central Bank of Armenia has recommended that banks implement more stringent measures in their remote customer

identification procedures – many of which have already been put into effect.

At the same time, as part of identifying interim solutions for customers affected by potential fraud, the aforementioned banks have decided to postpone the repayment of customer obligations for a period of three to five years (5 years offered for ", 3 years for ", and 3 years for "); the banks have initiated the process of informing their customers and made corresponding annoucnements. During this period, borrowers will not be required to make loan repayments, and no interest will accrue on the outstanding amounts, with the expectation that final legal assessments based on the outcomes of the relevant criminal proceedings will be made available within this timeframe.

The Central Bank of Armenia also held a series of meetings and discussions with representatives of law enforcement authorities – including the Prosecutor's Office and the Investigative Committee – during which potential short-term and long-term solutions to reduce fraud were examined.

The Central Bank of Armenia keeps a vigilant focus on issues related to the protection of rights of consumers of financial services and the prevention of fraud. Even though the number of fraud incidences in Armenia's financial system remains relatively low, every individual case and the losses of each affected citizen is of utmost importance for the Central Bank. The Central Bank fully recognizes that improving relevant regulations and developing effective solutions to address these risks is an ongoing process – one that must strike an effective and acceptable balance between innovation, customer convenience, and robust risk management systems. It should be noted that the majority of fraud cases identified during our inspections have been linked to instances where fraudsters unlawfully obtained customers' personal data, passwords, and access to other security credentials through deceptive means. The Central Bank of Armenia regularly conducts public awareness initiatives on this topic, urging citizens not to share their personal or banking information with third parties and, rather, to establish additional contact with their financial organization in case of any suspicious activity. Financial organizations, in turn, actively inform their customers about common fraud schemes and advise them not to disclose sensitive data to others. As fraud continues to rise globally, effective prevention requires a coordinated and sustained approach and assertive actions, including raising consumer financial literacy, enhancing the internal control systems and safeguards in financial organizations, and implementing appropriate standards and infrastructure. As part of a long-term solution, the Central Bank of Armenia is also considering introducing targeted changes to the relevant regulatory framework.

We encourage citizens who may have been affected by fraud to contact their respective banks to explore available solution options and to reach out to the Central Bank of Armenia with any concerns that may arise during the process (phone: 010 592 592, e-mail:).