The Properly Insured Title & Attorney Agent

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The Top 3 Schemes Heading into 2019

It's no secret the real estate services industry is being targeted by cyber criminals now more than ever. Here are the top three schemes that lead to compromised funds, how you can manage the risk and, ultimately, offset the exposures.

The Wire Out Scheme

One of the parties in your current transaction is being impersonated. With a similar, and sometimes exact persona, the criminal has sent instructions for you to "wire out" the money to a fraudulent account.

Manage the Risk: Use a different source to obtain contact information and verbally confirm any requests. Or, simply meet in person.

Offset the Exposure: Stewart Trusted Providers have access to offset this exposure through an Errors and Omissions policy, Cyber Liability policy or Escrow Security Bond.

The Wire In Scheme

In contrast to Wire Out, you are the one being impersonated. Believing they are in communication with you, your clients and partners follow the instruction to "wire in" funds to a fraudulent account.

Manage the Risk: Educate your partners and clients about the risk. Verbally communicate with clients about how they will receive wire instructions and that there will not be a change.

Offset the Exposure: This new development in wire schemes is not addressed in many policies. We've made sure Stewart Trusted Providers have access to this coverage on their cyber liability policy.

The Hacking Scheme

Wire schemes target your client's funds. The Hacking Scheme targets funds in all of your accounts. Someone has obtained access to your computer network and bank accounts to steal settlement or operating account funds.

Manage the Risk: Avoid open access wifi and be mindful of emails with links and attachments. Consider using email encryption, automated fraud detection tools and a dedicated computer for bank account transactions.

Offset the Exposure: The Escrow Security Bond, our enhancement to a crime policy, includes a computer systems component available for our Trusted Providers.

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