

SENATE

P.S. Res. No. 470

RECEIVED BY: 

INTRODUCED BY SENATOR RISA HONTIVEROS

RESOLUTION

**DIRECTING THE SENATE COMMITTEE ON BANKS, FINANCIAL INSTITUTIONS,
AND CURRENCIES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO
THE PROLIFERATION OF BANK-RELATED SCAMS AND FRAUDS RESULTING IN
LOSS OF BILLIONS OF PHILIPPINE PESOS AND ADVERSE IMPACTS ON
SENIOR CITIZENS**

WHEREAS, Civil Code of the Philippines Article 1338 declares that fraud occurs when “through insidious words or machinations of one of the contracting parties, the other is induced to enter into a contract which, without them, he would not have agreed to;”¹

WHEREAS, Republic Act No. 11449 or the Access Devices Regulation Act of 1998, recognizes that access devices, defined as “any card, plate, code, account number, electronic serial number, personal identification number, or other telecommunications service, equipment, or instrumental identifier, or other means of account access that can be used to obtain money, good, services, or any other thing of value or to initiate a transfer of funds (other than a transfer originated solely by paper instrument)”, are susceptible to fraud and theft. The act defines access device finance-related crimes and declares the punishments for the violations;²

WHEREAS, social engineering schemes that targeted Filipinos and identity theft increased by 302% and 2.5% respectively from 2019 to 2020.³ The Banko Sentral ng Pilipinas (BSP) received complaints about financial transactions amounting to ₱2B from 2019 to 2021 with some as a result of hacking and phishing.⁴ The Banko ng Sentral Pilipinas (BSP) received 42,456 complaints from victims of financial fraud in 2020 and 2021;⁵

WHEREAS, with the increase of digital financial transactions during the COVID-19 pandemic, there were 21% more credit card frauds instigated digitally;⁶

WHEREAS, bank fraud and scams disproportionately affect senior citizens who are targeted because of their accumulated savings and unawareness of the different methods used by perpetrators.⁷ The “grandparent scam” preys on the elderly to obtain monetary assistance by pretending to be the senior’s grandchild;⁸

¹<https://www.ilo.org/dyn/natlex/docs/ELECTRONIC/50160/102475/F1500145909/PHL50160.pdf>

² https://lawphil.net/statutes/repacts/ra2019/ra_11449_2019.html

³ <https://business.inquirer.net/338991/p2b-feared-lost-to-scams-fraud-bsp>

⁴ *Ibid.*

⁵ <https://www.bworldonline.com/opinion/2022/11/08/485848/ra-11765-the-financial-products-and-services-consumer-protection-act/>

⁶ <https://www.philstar.com/business/2022/08/17/2203090/credit-card-issuers-report-21-jump-fraud-cases>

⁷ <https://ncoa.org/article/top-5-financial-scams-targeting-older-adults>; <https://www.philippinepi.com/blog/financial-scams-target-seniors/>

⁸ <https://mb.com.ph/2021/10/15/protecting-the-elderly-from-online-scams/>

WHEREAS, the Philippines was classified by Kaspersky as the biggest financial phishing target in early 2022 compared to other Southeast Countries.⁹ 68.95% of phishing attempts were for financial gain;¹⁰

WHEREAS, the elderly became targets of phishing throughout the pandemic with text scams that request them to send personal information to claim COVID-19-related government benefits;¹¹

WHEREAS, senior victims face many obstacles including the loss of their hard-earned savings that will be difficult to recover through labor and can be unaware of how to file a report to seek justice; ¹²

WHEREAS, Republic Act No. 11765 or the Financial Products and Services Consumer Protection Act, states that the state must implement measures to protect the right of financial customers against financial fraud and misconduct. The act gave the BSP, Securities and Exchange Commission (SEC), Insurance Commission (IC), and the Cooperative Development Authority (CDA) financial regulatory powers, including but not limited to rulemaking and penalizing financial service providers;¹³

WHEREAS, new fraud and scam methods have arisen using the mandatory SIM registration to perform criminal acts. Emails sent by fraudsters reportedly posed as GCash and stated that users' transactions were restricted. Targets were instructed to pre-register their sim through a link to fix the issue which could have potentially compromised their personal information.¹⁴ Additionally, there were attempts to scam individuals into paying for their SIM registrations;¹⁵

WHEREAS, many efforts to prevent bank frauds and scams are centered on information campaigns launched digitally. A Pew Research study found that only 36% of 50+ year-olds used the internet in 2020; hence, a significant portion of individuals are excluded from online prevention initiatives to avoid being scammed and defrauded;¹⁶

WHEREAS, there is an increase in cases and methods of bank scams and frauds throughout the COVID-19 period. There is a need for the Senate to evaluate the effectiveness and inclusion of current policies toward the elderly to address the vulnerabilities of the banking systems, especially with the prominence of online banking and e-wallets;

NOW, THEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED TO DIRECT THE SENATE COMMITTEE ON BANKS, FINANCIAL INSTITUTIONS, AND CURRENCIES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE PROLIFERATION OF BANK-RELATED SCAMS AND FRAUDS RESULTING IN LOSS OF BILLIONS OF PHILIPPINE PESOS AND ADVERSE IMPACTS ON SENIOR CITIZENS

Adopted,


RISA HONTIVEROS

⁹ <https://newsinfo.inquirer.net/1615655/for-posting-edited-ph-biggest-target-of-phishing-in-southeast-asia-cybersecurity-report>

¹⁰ Ibid.

¹¹ <https://pia.gov.ph/press-releases/2022/01/20/dswd-reminds-public-to-be-wary-of-text-scams-on-cash-assistance>

¹² <https://lifestyle.inquirer.net/131519/seniors-are-more-vulnerable-to-fraud/>

¹³ https://lawphil.net/statutes/repacts/ra2022/ra_11765_2022.html

¹⁴ <https://mb.com.ph/2022/12/26/gatchalian-warns-pinoys-about-new-gcash-scam-ahead-of-sim-registration/>

¹⁵ <https://pia.gov.ph/news/2023/01/16/ntc-warns-public-be-cautious-vs-sim-registration-scams>

¹⁶ <https://www.rappler.com/technology/256902-pew-internet-use-report-philippines-march-2020/>