



Client



Find out how China Minsheng Bank is delivering value-added services for its corporate customers using the gpi Stop and Recall Payment service.

Since adopting the SWIFT gpi stop and recall payment service in 2019, China Minsheng Bank has gained significant value from having the ability to immediately stop payments and reduce the risk of fraudulent or erroneous transactions. This has become crucial as the growth in telecom-based fraud has become more common for financial institutions across the industry.

Preventing fraudulent transactions

By leveraging stop and recall, banks can send a request for cancellation by following the same route of the payment. Recently, China Minsheng Bank was able to recover a fraudulent payment worth over 1 million USD. The remittance to the fraudster's account was stopped and recalled before significant damage could be done.

"Minsheng Bank adopted stop and recall in January 2019. We've seen its great value during the pandemic, as telecom-based fraudulent activity has soared. The ability to immediately stop a payment at any point in the payment chain helps prevent loss," said Dr. Jie XU, Deputy General Manager of Transaction Banking Department, China Minsheng Bank (Head Office).

Immediately halt payments in flight

In February 2020, a strategic customer of China Minsheng Bank's Nanning branch, a specialist in importing mineral products, hired an overseas shipping company to transport manganese ore from South Africa to China. On 19 March 2020, the customer was asked to pay a USD 1.15 million charter fee by a fraudster. The fraudster pretended to be the shipping company by forging the email address and sending a fake email to the customer with manipulated account information. The actual shipping company's account is held with a German bank, while the fraudster's account was with a Spanish bank. Without immediately noticing the difference, the customer remitted the charter fee to the fraudster's account.



Both banks and state-owned companies in China are being targeted by fraudsters. More Chinese banks are now adopting the SWIFT gpi stop and recall service and the whole community is benefiting from this service.”

Dr. XU Jie

Deputy General Manager of Transaction Banking Department, China Minsheng Bank (Head Office)
Vice Chairman of ICC China Banking Commission

On 24 March 2020, the customer realised the fraud. They called China Minsheng Bank’s Document Centre at Guangzhou at 10:30pm that day asking whether they could recall this remittance. Fortunately, the bank’s team were able to quickly guide the customer to submit a stop and recall order through its internet banking app and the funds were successfully recalled and credited back to the customer’s account in less than 30 minutes.

“Fraudsters take advantage of two loopholes, the operating hours, and the different requirements between European and Chinese banks. Sometimes remittances can be credited without matching the account holder name and account number, which can create opportunities for fraudsters,”

Dr. Xu explained.

Beneficial to the whole community

As Vice Chairman of ICC China Banking Commission, Dr Xu also shared this case at the China Chamber of International Commerce Banking Committee.

“Both banks and state-owned companies in China are increasingly being targeted by fraudsters. More Chinese banks are now adopting stop and recall and the whole community is benefitting from this service,” Dr Xu commented.

This is because with the SWIFT gpi stop and recall payment service, banks are able to stop a payment instantly, regardless of where it is in the payment chain, thanks to the unique tracking code in each SWIFT transaction. In addition, every bank in the payment chain is notified at the

same time. If the payment has already been credited, the instructed bank receives an immediate recall of funds instruction.

Increase operational efficiency

China Minsheng Bank has also applied this service to its retail customers to increase operational efficiency and avoid administrative hassle. Earlier this year, a customer remitting some money overseas unfortunately filled in the incorrect payee information. However, the customer was able to recall the payment via China Minsheng Bank’s mobile app, saving a lot of time stress.

Future roadmap

Leveraging SWIFT gpi, China Minsheng Bank has developed a service which has solved their pain points for cross-border payments. “Cross-border payments are now faster, traceable, and more transparent. Customer experience has greatly improved and our intermediate businesses have also benefited from better customer relationships,” Dr Xu continued, “We will continue providing value-added services in partnership with SWIFT, including gpi for corporates, pre-validation and with the trade digitisation initiative.”

SWIFT is a member-owned cooperative, providing secure financial messaging services to more than 11,000 organisations, across the financial ecosystem, in almost every country in the world. For nearly five decades we have delivered certainty, continuity and excellence by constantly evolving in an everchanging landscape. In today’s fast moving, increasingly connected and challenging world, this approach has never been more relevant.

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