

How to Prevent Check Fraud

Tips to Keep Your Account Safe

Where to Start?

Checks remain a part of many people's everyday financial routines, regardless of the availability of digital payment options. While this traditional payment method continues to have a place in modern banking, it also carries the risk of fraud.

Understanding how to recognize and prevent check fraud can help you to take steps to safeguard your money and personal financial information. Below are tips to help reduce your risk of being a victim, and steps you can take if you suspect check fraud has occurred.

What is Check Fraud?

A check is written instruction to your financial institution to transfer a specific amount of money from your account to another person or business. If a check is stolen, altered, or counterfeited, funds could be withdrawn from your account without your knowledge or authorization.

Check fraud occurs when someone uses a check to unlawfully obtain money from an account. This may involve creating counterfeit checks, modifying legitimate checks, or stealing checks and attempting to cash or deposit them without the account holder's permission.

Types of Check Fraud

Check fraud can occur in several ways. While fraudsters continually develop new tactics, some types of check fraud are more common than others.

Stolen Checks

Criminals may steal checks from the mail, a mailbox, or another location and attempt to use them without the account holder's permission. For example, a stolen check may be altered or used to impersonate the intended recipient.

Altered Checks

Fraudsters modify information on a legitimate check, such as the payee's name or the dollar amount.



One method, sometimes referred to as "check washing", involves using chemicals to remove or alter the ink on the check and replace the original information with fraudulent details.

Counterfeit Checks

Counterfeit checks are designed to look like legitimate checks but are created fraudulently. Criminals may use personal information such as your name, address, or account number to create counterfeit checks that appear authentic.

Check Kiting

Check kiting is a type of financial fraud that takes advantage of the time it can take for financial institutions to process checks and transfer funds between accounts. A fraudster may write checks from an account with insufficient funds and use the processing delay to access funds before the financial institution identifies the problem.

In many cases of check fraud, the goal is to access funds before the account holder or financial institution realizes that fraudulent activity has occurred.

Tips for Preventing Check Fraud

Below are a few tips to help protect your accounts from check fraud and related scams.

Use Permanent Ink When Writing Checks

Writing checks with a permanent, non-erasable ink pen may make it more difficult for fraudsters to alter the information on the check.

Monitor Your Accounts Regularly

Review your account activity frequently through your financial institutions online or mobile banking platform. Report any unfamiliar or unauthorized transactions as soon as possible.

Even if you regularly monitor your account online, it is also good practice to review your monthly account statements each month. Comparing your records with your statement can help you identify any unauthorized checks, duplicate transactions, or discrepancies that may have otherwise gone unnoticed.

Consider Direct Deposit and Digital Payment Options

Using direct deposit, electronic transfers, or other digital payment methods can reduce the number of physical checks you need to write, handle, or mail. Depending on the payment method, digital transactions may also offer additional security features.

Complete Checks Carefully

When writing a check, fill in the payee's name and payment amount completely and avoid leaving unnecessary blank spaces that could be altered. Double-check the information before giving or mailing the check.

Properly Dispose of Unused or Outdated Checks

Shred old, voided, or unused checks before disposing of them. This can help prevent criminals from obtaining sensitive information, including your name and account number.

Mail Checks From a Secure Location

When mailing a check, consider sending it from inside a post office or another secure location rather than leaving it in an unused residential mailbox or outdoor collection box.

Set Up Account Alerts

Another effective way to protect your finances is to set up account alerts on your financial institution account. Many financial institutions offer account alerts which allow you to receive text, email, or push notifications whenever a specified activity takes place within your account.

Examples of account activities include when a check clears or when a transaction exceeds a specified dollar amount. These alerts can help you identify suspicious activity quickly, allowing you to respond before additional fraudulent transactions occur.

What to Do if You Suspect Check Fraud

If you believe a check has been stolen, altered, or used without your permission, contact your financial institution as soon as possible. Prompt reporting suspected fraud may help your financial institution investigate the activity and determine what steps may be available to help protect your account.

You should also monitor your account closely for additional unauthorized transactions and consider reporting suspected criminal activity to the appropriate authorities.

By taking precautions when writing, storing, and mailing checks, as well as regularly monitoring your accounts, you can help reduce your risk of becoming a victim of check fraud.