

# Press Release

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12 Dec 2019

## Mobile Money Public Awareness by the Central Bank of Lesotho and Mobile Money Issuers (Vodacom Lesotho, Econet Telecom Lesotho and Lesotho PostBank)

The Central Bank of Lesotho in collaboration with mobile money issuers (Vodacom Lesotho, Econet Telecom Lesotho and Lesotho PostBank) wishes to make the public aware of the following concerns perpetrated via mobile money platform:

### 1. Scams:

**a) Job Promise Scams:** There are fraudsters who lure mobile money users to send money through M-Pesa, EcoCash and Khetsi under the false pretence of being officials and/or employees of various companies, organisations or government ministries. In return, these fraudsters promise mobile money users jobs in these companies, organisations or government ministries. Members of the public are warned that no legitimate company, organisation or government ministry would request money from anyone when making a job offer.

The Central Bank of Lesotho, Vodacom Lesotho, Econet Telecom Lesotho and Lesotho PostBank advise members of the public, who may receive requests to send money to anyone claiming to be an employee or official from any company, organisation or government ministry in return for a job offer, to contact that company, organisation or government ministry in person in order to request more details about the job offer, instead of immediately sending monies.

**b) Mobile money agent/merchant short message service (SMS) Scams:** There are individuals who fabricate short message services (sms's) with the intention to defraud mobile money agents and merchants. In particular, these fraudsters issue false sms's indicating that they have withdrawn money from their mobile money wallets and in return, require mobile money agents to provide them with cash. In addition, the fraudsters also falsify sms's to give the impression that they have paid merchants for goods and services via their mobile money wallets and insist on taking possession of such goods and services from merchants. In light of this, mobile money agents and merchants are advised to verify confirmation sms's proving that customers have actually performed such transactions before rendering any mobile money services to customers. In particular, agents and merchants are advised to check their own mobile money statements or balances against customers' transaction messages in order to protect themselves against these scams.

**c) Foreign exchange investment Scams:** Mobile money users are warned that there are fraudulent individuals or companies that solicit money from the public with promises that the money would be paid back with unbelievably higher returns. Others solicit money from the public with promises that they would invest such money on behalf of the public in foreign exchange (forex) activities with extremely high yields (returns), which make them rich quickly. The Central Bank of Lesotho wishes to make the public aware that these individuals or companies are neither recognized nor authorised the Bank to provide financial services or advice to the public and that their operations are illegal. Therefore, members of the public are advised to steer clear of these "get rich quick schemes."

**2. Counterfeit banknotes:** There are also fraudulent individuals who cash-in (deposit) counterfeit banknotes into their mobile money wallets at the agents with a view to deceive them. After cashing-in these counterfeit banknotes, these fraudulent individuals go to the next agents to cash-out. Through this illegal practice, many agents have been defrauded. The mobile money agents and the general public are advised to familiarise themselves with the security features of both Maloti and South African Rand (ZAR) Banknotes with the view to protect themselves from these kinds of scams. Information on the security features of both Maloti and ZAR banknotes can be obtained from the Central Bank of Lesotho. The mobile money agents are also advised to report anyone transacting on M-Pesa, EcoCash and Khetsi using counterfeit banknotes to the nearest Lesotho Mounted Police Service (LMPS) station.

**3. Mobile money transfers:** The Central Bank of Lesotho and mobile money issuers wish to advise all mobile money issuers to treat each mobile money transaction with diligence and to exercise caution when sending money through mobile money platforms. Mobile money users are advised to verify mobile phone numbers and the names of the individuals they wish to send money to before confirming such transactions. All people who have received monies that do not belong to them by mistake, and subsequently receive requests from other mobile money issuers to reverse those transactions, are required to authorise those reversals requests. Failure to do so could result in legal action being taken against them. It is illegal for anyone to keep or use money that does not belong to him/her.