FIDReC

Scams and fraud overtake insurance payouts and investments gone wrong as the leading source of disputes between consumers and financial institutions

- From 2005 to 2020, the leading source of disputes between consumers and financial institutions was insurance policy payouts and failed investments.
- Since 2021, complaints involving fraud and scams such as phishing and impersonation scams have overtaken insurance and investments as the primary cause of claims handled by FIDReC.
- The number of claims handled by FIDReC has risen by nearly 200 percent from 2021 to 2025, reaching a peak this recent Financial Year exceeding numbers last seen during the global financial crisis in 2008.
- Unlike the brief spike in 2008 that normalised within two years, FIDReC expects the current all-time high to continue rising, as digital banking and online transactions become more widespread.

Singapore, 24 September 2025 – The Financial Industry Disputes Resolution Centre Ltd (FIDReC) the designated financial dispute resolution institution for consumers, small businesses, and charities, has observed a major shift in the types of disputes brought forward by consumers.

Since its establishment 20 years ago, FIDReC has primarily dealt with disputes involving insurance payouts and investments. In recent years, however, scams and fraud have emerged as the leading source of financial disputes.

From 2005 to 2020, the majority of cases handled by FIDReC involved disagreements over insurance claims and investments. Since 2021, complaints linked to scams such as phishing and impersonation scams have risen sharply, outnumbering traditional dispute categories.

The number of claims handled by FIDReC has increased by almost 200% from 2021 to 2025. This year's volume has reached a peak not seen since the global financial crisis of 2008.

FIDReC expects this upward trend to continue, with the number of scam-related disputes projected to continue rising, as digital banking and online transactions become even more deeply embedded in Singapore's financial landscape.

Eunice Chua, FIDReC CEO, said: "As FIDReC marks its 20th anniversary this year, we are reminded of how the nature of financial disputes has changed with time. In the next 20 years, we remain committed to raising awareness and strengthening public trust in FIDReC, so that consumers and financial institutions alike continue to see us as a fair, effective, and accessible alternative to the courts for resolving disputes in an increasingly digital age."

Why scam and fraud disputes are rising

Several systemic and behavioural factors have contributed to the sharp increase in scam-related complaints:

- **Transnational organised crime**: Increasing sophistication of scams, collaboration between criminal groups, and crime-as-a-service becoming more readily available have led to a proliferation of scams internationally.

- **Instant transfers**: E-wallet and online banking transactions are processed immediately, leaving little room to intercept or reverse fraudulent transfers.

- **Notification fatigue**: While alerts are sent, many consumers overlook them or mistake them for routine updates.

- **Expanding target pool**: Both younger digital natives (trusting online platforms) and elderly users (less familiar with scam tactics) are at risk. The middle-aged are also susceptible (overlooking scam signs).

- **Systemic gaps**: Current recovery frameworks remain limited, and scammers exploit loopholes in transaction controls, making use of international payment networks including cryptocurrency.

Common types of scams

Among the most frequent cases seen by FIDReC are:

- **Compromised credentials**: Stolen logins obtained through phishing and malware allow scammers to drain accounts and linked wallets. A growing tactic is card-to-wallet linking, where stolen credit or debit card details are registered to e-wallets. Victims often miss the initial linking alerts, and are only alerted to subsequent fraudulent wallet purchases by financial institutions.
- **Impersonation scams**: Fraudsters masquerade as banks, government agencies, or even friends and family, persuading victims to transfer funds under false pretences.

Challenges in redress

For consumers seeking redress, structural challenges remain significant:

- **Limited recovery mechanisms**: Once funds are transferred out, particularly through e-wallets, clawback options are scarce.
- **Scope of the Shared Responsibility Framework (SRF)**: SRF currently applies only to phishing cases involving fake sites, excluding other scam types such as authorised transactions and card-to-wallet fraud.
- **Consumer responsibilities**: Consumers need to monitor alerts, protect access credentials, and report cases promptly; delays or oversights may limit claims.
- **Institutional compliance**: Financial institutions are generally considered to have met their obligations when timely notifications, fraud detection tools, and reporting channels are provided.

As part of its 20th anniversary, FIDReC will be publishing a commemorative book on **10 October 2025**, titled "**Building Trust: 20 Years of Financial Dispute Resolution**". The publication celebrates a journey of growth, resilience, and commitment to building trust between consumers, financial institutions, and partners, while capturing the milestones that have shaped FIDReC's role in Singapore's financial landscape.

Through continued outreach, education, and trusted mediation processes, FIDReC remains committed to helping consumers and financial institutions resolve disputes fairly and effectively, and to strengthening confidence in Singapore's financial system for the years ahead.

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About FIDReC

Launched on 31 August 2005, the Financial Industry Disputes Resolution Centre Ltd (FIDReC) is a not-for-profit company limited by guarantee. We specialise in the resolution of consumer financial disputes through mediation and adjudication.

FIDReC's services are available to consumers who are individuals or sole proprietors, and from, to small businesses and charities. Consumers may come to FIDReC when they cannot resolve their issues with their financial institutions. Financial institutions include banks, finance companies, life insurers, general insurers, capital markets services licensees, licensed financial advisers, insurance brokers, and major payment institutions providing account issuance services.

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