

**SECURITY MECHANISMS AND CRIMINALITY IN SELECTED BANKS IN OSUN  
STATE, NIGERIA**

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**(B.Sc. Sociology, Unilorin)**

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## **ABSTRACT**

This study examined the types of criminality in selected banks, identified the types of security mechanisms in the selected banks, the relationship between security mechanisms and types of criminality, and assessed the human factor in the effectiveness of existing security mechanisms in the state.

The study employed secondary data (Banks' Crime Incident Reports) which were complemented by primary data sourced from banks' employees through questionnaire. The study adopted descriptive research design and its data were presented in Tables of frequencies.

The study found that armed robber and ATM fraud constituted the commonest types of conventional and online criminality respectively. It equally found over-dependence on inanimate security mechanisms such as CCTV, security doors, system security and alarm systems. These inanimate/mechanical security devices were, however, found to be incapable of preventing criminality in the participating banks. In addition, it was found that human or animate security agents were inadequate both in quantity and quality.

The study concluded that Nigerian banks should invest in dynamite neutralizer, set-up security on their e-platforms, recruit professionals designated to monitor existing security mechanisms as well as more armed security personnel to reduce their vulnerability to both conventional and non-conventional criminalities.

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background to the Study**

Criminality in Nigerian banks has been a predominant issue that cannot be overlooked. Going by the incessant armed robbery attacks in Osun state, especially in Ilesa, it appears banks have become easy targets. Nonetheless, criminality in Nigerian banks has become broadened with the emerging cases of e-theft, ATM fraud, impersonation, internal and external fraud, etc. Thus, the emerging criminality calls for re-strategized bank security.

Banks' security has been a major concern for operators of financial institutions (Ajekigbe, 2008). This endemic challenge resulted from unprecedented victimization of banks in Nigeria both from internal and external sources. The continuous advances in the information technology have significantly impacted banking operations and services across the globe. Financial institutions rely greatly on information technology infrastructure for financial services such as e-money, e-brokering, e-insurance, e-finance, e-exchange and e-banking among others. In particular, e-banking is known as the automated delivery of new and traditional banking product and services directly to customer through electronic interactive communication channels also referred to as online or internet banking. This innovation has led to e-theft involving the information theft and card cloning to carry out unauthorized transactions against customers and banks (Job, 2012).

Attacks on e-banking services threaten bank customers, their personal data and finances. Several attacks have led to the loss of huge fund to hackers (Bamidele, 2007). Jacob (2009) asserts that the internet provides fraudsters with more opportunities to attack customers who are not physically present on the web to authenticate transactions. Thus, e-banking services have led to new forms of criminality on the e-platforms such as ATM card cloning, pin theft, among others.

Banks in Nigeria became major target of armed robbers after the civil war (Ajekigbe, 2008). Nigerian banks have been and are still being targeted by armed robbers with the intention of stealing money in vault or counter cash as well as unarmed pen-robbers, who usually manipulate transactions to defraud banks (Nworisara, 2010). The state of insecurity in Nigeria banks creates fears in bank customers, many of whom have been victims and eye witnesses (Ajekigbe, 2008). The situation is so dire that bank-robberies have led to intermittent bank closures against customers' wish and increase the risk of working in the banking industry (Nworisara, 2010). Businesses are affected and sometimes people avoid passing through where banks are located for fear of being caught unaware in such attacks. Usually, robbers work in collaboration with some staff within the banks and at times, ex-staff (Ikeji 2011). In Nigeria, certain patterns are emerging. Recent studies have shown the use of dynamites by robbers to enable the easy access to the vaults (Nworisara, 2010). This report indicates most bank robberies occurred during Christmas and New Year celebrations. So, the need to introduce technology to enhance banking security system became important to put the situation under control (Ikeji 2011).

Contemporary studies (Nworisara, 2010; Onovo, 2010; Ebele, 2012) have revealed some reoccurring bank criminalities, among which are ATM cloning, ATM pin theft, fraud and so on. These have given dramatic rise to intensive use of digital security features (Otu, 2010). In Nigeria, government intervention in state security is minimal and this puts a huge responsibility on banks' management to invest heavily in the use of security mechanisms to secure their investments (Ikeji 2003). This calls for serious attention and underscores the need for banks to balance their business operations with safety. The predominant cash-based economy in Nigeria is in part responsible for vulnerability in the banks (Ajekigbe, 2008). Apart from the economic implications of bank robberies, the fear and moral panics they are likely to generate may have a much more negative

consequence on the society as a whole. There is need to correct the situation given the roles of banks in the socio-economic development of society.

Bank-security is a specialised issue that focuses on the protection of banks' internal and external facilities as well as risk (Ikeji, 2008). The introduction of security mechanisms in banking has revolutionized and re-defined the ways banks operate in order to minimize the rate of crime in the industry (Nworisara, 2010). The kinds of security mechanisms adopted by banks hampered or boosted its operations and services (Ajekigbe, 2008). In the case of post-robbery investigations, security mechanisms have helped police in their findings (Ikeji, 2008) and in some cases complicated investigations because of mechanical malfunctioning or human tampering. Bank security encompasses several levels and components, which include physical security (vault, lockers, boxes, security guards, police among others) and digital security such as ATM cameras, surveillance cameras, audio system, alarm systems, close circuit television/digital visual recorder (CCTV/ DVR), monitors, etc (Ou, 2003). These multi-level bank security systems are usually put in place to prevent potential fraud, detect on-going/concluded fraud, protect customer's assets and enhance returns on investment.

## **1.2 Statement of the Research Problem**

There is the need for an adequate security to protect both the internal and external facilities including the data, and data base of a bank. Despite this security availability in Nigerian banks, the bank still faces challenges of security both internally and externally such as fraud (internal and external fraud), Theft, armed robbery, ATM cloning among other forms of security challenges in banks. Security in banks is essential to profitability and safe banking environment.

The kind of security mechanisms required by any bank is determined by the kind of transactions such bank operates. Some banks in Nigeria are under-secured while some are

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