



How to Identify Fake Bank Statements

Whether you're a property manager screening prospective tenants or an employer verifying an applicant's income, it can be tough to know for certain whether a bank statement is the real deal or a clever forgery. While not infallible, knowing what to look for can help property managers better spot fake bank statements and help avoid evictions, which can cost as much as \$7,500 per case. Here are three strategies to identify them.

Look for Inconsistencies

The first potential red flag involves the bank statement's appearance. Are the font type and size consistent with what's on other bank documents? Do decimals and other elements on the statement line up correctly? Is the bank logo on the statement of low resolution different from the logo on the bank's website? Someone creating fake bank statements may get lazy or sloppy with any of these details.

Next, look at financial inconsistencies. Does the math make sense? Does the ending balance on one bank statement match the beginning balance of the following statement? Is there an excess of funds but also an excess of overdraft fees? Are there withdrawals that look suspicious? Any of these could mean more research is needed.

Make Sure the Numbers Check Out

Once you have the applicant's bank statements from the previous 30 to 90 days, compare the amount and employer on their direct deposits with the details on their bank stubs. If they deposit their paychecks themselves, compare their take-home pay with their check deposits. When considering their current rent, the amount on their bank statement should be consistent with the rent they listed in their rental application.

"You may find in the next year that more applicants have employment gaps, missed payments, or lower credit," writes the American Apartment Owners

Association. "What's most important is to find applicants who are honest with you. Accurate information and data can help you be more comfortable renting during this uncertain time." To further assess an applicant's ability to pay rent, look at the frequency of their direct deposits. It's a good sign if they have regular deposits from the same employer every two weeks or once a month. Additionally, consider what their average amount is over time. If it fluctuates significantly from month to month, you may want to ask for an explanation.

Lastly, people who create fake bank statements will often use round numbers. Whether we're talking about a paycheck amount or a rent payment, a rounded number is unlikely. A bank statement containing multiple rounded numbers could indicate something fishy.

According to Snappt's "2020 Effects of the COVID-19 Pandemic on Residential Rentals Survey," the percentage of fraudulently altered applications has **increased from 15%** before the pandemic to **29%** in September 2020. **One in 10 fraudulent applications used to go undetected. Now, it's one in four.**

Speak to a Bank Representative

Consider contacting a bank representative if you're uncertain whether you've received a fake statement. Call the bank – using a number you've obtained and not the one written on the application – and ask a representative to confirm the details in the bank statement supplied by the applicant.

If the representative isn't comfortable supplying that information, you can email the document to them and ask for confirmation that the bank issued the bank statement. Unfortunately, you may not get much support from the bank. While some banks try to prevent the manipulation of documents by applying security features to PDF files, these measures are typically centered around protecting investment accounts.

Even when used with bank statements, they are not infallible to a determined fraudster because “inevitably, all PDF files are editable,” writes Peter Davis, CPA, in the article “Fraudulent Manipulation of Bank Statements in Electronic Format.”

“Changes made to bank statements are virtually impossible to identify without having a copy of the original bank statement to compare them to,” he cautions.

To Sum Up...

Spotting a fake bank statement may seem daunting initially, but with the right tools and know-how, it's easier than you might think. By closely examining the document for inconsistencies, verifying the information with the bank, and using tools like Snappt to detect fraudulent activity, you can protect yourself from scammers trying to pull a fast one.

Detect Fake Bank Stubs With Snappt

Fraudsters are getting more crafty by creating fake bank stubs that dodge traditional inspection tactics. But no need to stress; Snappt is here to save the day! Our fraud detection software uses AI-powered image analysis to weed out counterfeit documents in rental applications. And the best part? You'll have the results certified in less than an hour.

By implementing our technology, property managers can spot these fraudulent financial documents that slip by other tenant screening tools. This can save time that would otherwise require people to study documents and saves your team unnecessary headaches.

Contact us for a free demo, or visit snappt.com to learn more.

