



Impact of Criminal Acts on Point of Sales (POS) Business Operations in Karu Local Government Area of Nasarawa State.

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Abstracts. This study examines Impact of criminal acts on Point of Sales (POS) Business Operations in Karu Local Government Area of Nasarawa State, Nigeria. Primary data were derived from questionnaires using twenty (20) businesses comprises of Medicine, Pharmaceuticals, Oil/Gas, Electronics, Electricals, Book Publishing, Bookshops, Agriculture, Agro-allied industry, Education, Telecommunication, Computer, Technology, Fashion design and Lifestyle, Event management, Entertainment, and Supermarket/Stores from the study area. The Technology Acceptance Model was adopted which states that an individual's behavioral intention to adopt a system is determined by the perceived usefulness and perceived ease of use. However, it was revealed that the importance of Point of Sales (POS) business operations cannot be overlooked because of its electronic means of carrying out transactions, and as critical factor for a successful business, the necessary infrastructure such as internet access should be made available. It is imperative to strengthen and support Government's strategy on financial inclusion compliance to rules and regulations on the management of agent banking so as to prevent financial and other predicate crimes that may be perpetrated by fraudsters due to the vulnerable nature of the business. Therefore, the paper recommends that competent authorities saddled with inspection responsibilities should ensure compliance on all guidelines and regulations by the CBN and other sector regulators on agent banking guidelines on adequate record keeping of transactions. Implore latest transaction monitoring systems for detecting transactions in line with international best practice and grant license to people of integrity to avoid abuse of the system, and CBN should ensure banks comply with their obligations to monitor agent's activities. The operators should be routinely trained and identify red flags and indicators of POS machine. They should keep proper records of transactions on customers and the procedure for

reporting suspicious activities of suspicious customers.

Keywords: Criminal Acts, Financial Crime, Point of Sales (POS)

1. Introduction

The need to develop effective and efficient payment systems that will guarantee transactions required for a sustainable economic development led to the introduction of Point of Sale (POS) system which has been cash driven. Yaqub et al (2013) asserts that the use of POS terminals to make financial payment in Nigeria was introduced by the Central Bank of Nigeria to promote its cashless policy with the aim of improving payment system. Ever since the introduction, there has been increasingly growth in the number of active POS terminals provided by banks to mobile money merchants (Ogunfuwa, 2018). Statistical figures from Nigeria Inter-Bank Settlement Scheme (NIBSS, 2015) indicated that the number of active POS terminals in Nigeria was 164,607. Point of Sale is a device that allows local debit cardholders to make withdrawals or make payment for product and services. This machine is mainly used in retail shops where customers pay for good or services using their ATM cards, it is also used to pay utility bills like electricity, airtime, cable or decoder subscription etc. However, because the services of the banks do not serve everybody in Nigeria especially those in remote areas, banks created POS business as terminals to bring financial services closer to the unbanked and under banked segment of the society which had led in decongesting the already crowded banks and the often crowd witnessed at ATM spots and also encourage entrepreneur who might have interest as bank agent while earning their own commission (NFIU, 2022).

Adeoti & Oshotimehin (2012) reported that despite the general increase on the rate of adoption of e-

payment instruments in Nigeria, the rate of adoption and use of Point of Sales (POS) is low compared to the rest of the e-payment system, and the factors attributed to the low adoption of POS in Nigeria is low level of awareness of the benefit of using POS, lack of adequate infrastructure, low internet penetration, network failure, absence of open standards or trust among banks and providers, awareness of POS availability, frequent power outage, limited numbers of POS per merchant store where they are available, preference for cash, as well as security of communication over the network, (Ayo & Babajide, 2006; Adeoti, 2013, NIBSS, 2015). In a survey carried out by NIBSS (2012), it was found that in spite of having POS terminals, avenue to electronic funds transfer, cheques payment remains a mirage as most merchants still accept cash above POS. Investigations on why merchant accepted cash over electronic payment while having POS terminals revealed that POS deployment was involuntary as they were deployed by banks without being solicited for by the merchants. Also, that non-use was due to delays associated with access to funds after sales from the POS, poor connectivity to POS usage etc. (NIBSS, 2012). Adeoti (2013) assert that the inefficient use of POS terminals in Nigeria indicates that Nigeria is challenged with issues such as; unreliable network, power outage and security of communication over transaction network. Therefore, the paper seeks to examine the Impact criminal acts on Point of Sales (POS) business operations in Karu Local Government Area of Nasarawa State.

2. Conceptual Framework

2.1 Concept of Criminal Acts

Criminals are people who carry out acts that are against the law. The extant literature on point of sales business operation recognizes that financial crimes negatively affect both the economy, organizations and individuals as criminals are known to target all economic entities, as long as they exhibit weakness in their structure that can be exploited. Adegbe & Fakile, (2012) holds that economic and financial crimes are the greatest obstacles to national economic development considering its effects on revenue. Similarly, Akenbor & Oghoghme, (2013) notes that financial crimes in any organization leads to economic loss, loss of goodwill, loss of staff and in extreme case; business failure. They also noted that financial crimes can result in loss of livelihood to individuals. Thus, financial crimes as used in this study involves the crime committed against property, it entails the illegal conversion of ownership of the property specifically committed through electronic

payment systems which include fraud, embezzlement, forgery, counterfeiting, and identity theft, electronic accounting high-jacking, payment fraud, scams or confidence tricks, among others. Financial crimes in Nigeria, has been perceived to have greatly increased in volume since the introduction of the electronic payment system. With the growth in the use of electronic payments, criminals have found yet another means to increase their nefarious ways of fleecing innocent victims of their money.

2.2 Concept of Point of Sales (POS)

Point of Sales (POS) is a payment-processing system or terminal that allows users to perform several financial transactions and those who run this enterprise are often seen in shops, kiosks and big shades or umbrellas with the device where funds are withdrawn, payments made, and money deposited into accounts without visiting the bank. POS transaction may occur physically or online, with receipts generated either in print or electronically. Wada & Odulaja (2012) asserts that despite the advantages of POS business and obvious guidelines on their management, the sector is still susceptible to Money Laundering and Terrorism Financing. Due to the cash-based economy a high proportion of POS transactions involve cash. Customers deposit and withdraw huge amounts of cash which makes the business vulnerable or attractive to money laundering. An agent can accept deposit into customers' bank account from any location in Nigeria. Though there are limits to such deposits but cash-in can be structured between an agent and the customer involved to suit an unusual circumstance that may not be easily acceptable by the bank.

Edori (2018) asserts that professional money launderers can provide unscrupulous banking agents with huge illicit sums of money to move into the financial sector through series of transfers to different bank accounts. He further states that money mules can be used to easily transfer proceeds of crime to criminal organizations or terrorists. Similarly, Adeoti, (2013) holds that customers can easily get value in cash immediately the accounts of the merchants are credited without knowing the source and destination of the funds, and that compromised banking details could be used by fraudsters to transfer funds from victim accounts to the POS merchant, and thereafter receive cash. Adeoti, (2013) further asserts that some POS operators overcharged customers on their commission by charging higher than the agreed amount. They also carry out skimming fraud by stealing card details of customers to clone their cards

which will be used to make unauthorized withdrawals from their accounts. Also, there could be network issues resulting to failure or reversal of transaction after the customer has received value and left the premises of the agent. Modern internet-enabled POS system allow users do much more like clocking in and out. To authorize and perform transactions using the channel, the operator requires you inserting your readable ATM card and key in your password after which it process the payment and a certain amount of fee is charged depending on the nature of transaction (Adeoti & Oshotimehin, 2012).

Braimah & Okonkwo (2016) in a study titled: statistical monitoring of electronic fraud occurring in Nigerian banks revealed that there was an increase trend in the occurrence of fraud in Nigerian banks. Olaleye & Fashina (2019) explored the effects and controls of electronic banking fraud in Nigeria; the research examined the nature of electronic banking related fraud on deposit money banks, its effects and controls put in place to prevent financial loss and was observed that the year 2016 witnessed a significant increase in electronic fraud cases, but with marginal reduction in attempted fraud value and actual loss which shows that there is a significant relationship between e-banking practices and the rate of increase in the security of bank transactions. Maitanmi et al (2013) used structured questionnaire as a means of data collection which were analyzed using simple percentage to study the drivers and challenges of adoption of cashless policy in Nigeria; the results indicate that majority of Nigerians are already aware of the policy and agree that the policy will help fight against corruption/ money laundering, and reduce the risk of carrying cash. In addition to fostering economic growth, Maitanmi et al (2013) enumerated the major problems that can hinder the implementation of the policy to include: cyber fraud, limited POS, numeracy and illiteracy.

3. Empirical Review

3.1 Evolution of the Payment System in Nigeria

The payments system in Nigeria has evolved over the past few decades, but the modern payments system started with the use of banks notes, payment orders, and cheque. In 1996, the payments system was modified to include card-based e-payment products which was followed by the introduction of pay card in 1997. By 1999, card-based payment products assumed an open platform with authorization from the CBN for the floating of two card service companies by a consortium of over 20 banks. CBN in collaboration with the Bankers Committee, launched

the first major initiative to modernize the payment system, granting approval to a number of banks to introduce international money transfer products, telephone banking, and online banking via the internet on a limited scale (CBN 2012). Today, virtually all banks have introduced electronic funds transfers (EFT), debit and credit cards, internet banking, mobile banking and deployed Automated Teller Machines (ATM). The Nigerian payments system has further evolved with the introduction of the Payments System Vision 2020, launched in 2007 to facilitate a wider range of electronic payment methods such as POS terminals, facilitated by a wider range of service providers. By 2007, the payment system had transitioned from being cash-heavy to a bulk payer status, which is a combination of cash, and some electronic instruments, mainly Automated Teller Machine (ATM). Post 2007, Nigeria embarked on measures to increase the use of electronic channels in its journey to a cashless society with efficient payment systems. The CBN (2011), launched a cashless policy to modernize Nigeria's payment system (in line with the country's vision 2020), reduce the cost of banking, foster economic growth and improve the effectiveness of monetary policy.

The cashless economy, as explained by NIBSS (2015) is aimed at reducing and not eliminating the stock of paper currency circulating within the economy. It does not refer to an outright absence of cash transactions in the economic setting but one in which the amount of cash-based transactions is kept to the barest minimum. Several electronic payment systems such as payment cards (smart card) and paper-based instrument that were introduced by the CBN gave rise to significant growth in the use of electronic payment systems. The CBN strategic plan on e-payment system is to ensure that a larger proportion of currency in circulation is captured within the banking system, thereby enhancing the efficacy of monetary policy operations and economic stabilization measures. E-payment initiatives such as the establishment of switching companies that facilitate interconnectivity, introduction of payment instruments such as Automated Teller Machine (ATM), web transaction, e-money products such as credit and debit cards and Point of Sales (POS) have drastically helped reduce the volume of cash transactions and the flow of cash in the Nigeria economy. Electronic payment systems that have been introduced in Nigeria are Automated Teller Machine (ATM), web transaction, electronic money products (such as credit and debit cards), and POS. These e-payment systems provide a better audit trail than transactions which involve physical cash and thus

reduce the amount of currency in circulation (Adeoti & Oshotimehin, 2012).

According to Asaolu et al. (2011), a payment system implies any system that is used to settle payments in financial transactions through the transfer of monetary value. This includes the instruments, institutions, people, standards, rules, procedures and technologies that make the exchange possible. Okoro & Kigho (2013) described a payment system as an operational network governed by laws, rules and standards that link bank accounts and provides the functionality of monetary exchange, using bank deposits. Thus, it is any electronic payment system that is designed and operated through the use of electronic / computing devices for financial and monetary transactions and exchanges. The electronic payment system, in addition to being guided by the inherent technological rules and procedures of its development, also adheres to the basic rules that govern the non-electronic payment system. Asaolu et al. (2011) stated that electronic payment (also referred to as e-payment) involves effecting payments from one end to another, through the medium of the computer without manual intervention, beyond inputting the payment data. Through the adoption of electronic payment systems, the delays and other inefficiencies associated with the traditional payment system has been largely eliminated. For example, business transactions involving monetary exchanges are no longer bound by banking hours. In essence, transactions can be carried out at any-time of the day or night without recourse to constraints imposed by banking hours.

Okifo & Igbunu, (2016) asserted that electronic payment systems boast a number of economic benefits which include efficient mobilization of savings and ensuring that most of the cash available in the economy are controlled by banks. This allows for efficient and effective transmission of monetary policy by the Central Bank, whenever necessary. An electronic payment system also has the ability to reduce cash handling and printing costs. Olaleye (2019) described electronic payment as an exchange of digital financial instruments between buyers and sellers, which takes place online, as payments by direct credit, electronic transfer of payment card details or through other electronic channels. Olaleye (2019) further opined that electronic payment system is one in which monetary value, as represented by a claim on the issuer, is stored on an electronic device and accepted as means of payment by undertakings other than the issuing authority. Thus, the use of electronic means for financial transactions has greatly accelerated the

emergence of the much-touted cashless society, as it accentuates transactions, via speed and ease of payments. The development has greatly improved financial services by the institutions involved, in terms of reduced costs of operations, increased volume of transactions, faster services and fostered more financial liberalization in the economy. Wada & Odulaja (2012) assert that electronic banking has enabled banks to overcome borders, adopt strategic outlook, and bring in new possibilities. Thus, electronic payment systems adopted by banks have reduced the cost of processing and facilitating the transmission of information, leading to changes in the banking business.

Also, the introduction of cashless policy by the Central Bank of Nigeria (CBN) has led to a boom in Point of Sales (POS) businesses, especially in remote areas, however, these POS agents are becoming easy targets for miscreants, who rob and sometimes kill them. Agbi & Yusuf (2018) argued that standing in queues in banking halls or at Automated Teller Machines (ATMs) is something the average Nigerian can do without if they can help it. This is why many find it more convenient to patronise Point of Sales (POS) agents who handle cash withdrawal, deposit, payment of utility bills, among other services for a fee but with relative ease and to the satisfaction of clients. Agbi & Yusuf (2018) further stated that the services of these POS agents are more appreciated in remote villages and areas where banks are not close to settlements. Most bank customers in such places naturally prefer to pay a token of N200 to deposit or withdraw money from their accounts within few minutes, instead of spending more money and time going to banks for the same purpose. However, despite the financial services the agents render they are often targets of attack by armed robbers and fraudsters, who rob and sometimes kill them.

Also, report by International Centre for Investigative Reporting (ICIR) exposed the threat faced by the thriving multi-billion-naira business due to the activities of fraudsters and the unguaranteed safety of operators and customers. The ICIR called on the CBN to immediately review its policy regarding POS system, stressing that the apex bank must be proactive and intelligent to ensure fraudsters and criminals are prevented from undermining the innovation. Maitanmi et al. (2013) added that a policy audit would help CBN monitor the loopholes in the POS innovation to be a step ahead of the exploiters. Maitanmi et al. (2013) further maintained that Government needs to be more proactive, government need to think ahead of these guys (POS fraudsters) are smarter in the sense that they are tech-

savvy. As an era of technology, where most of them research how to manipulate the system, the government needs to be ahead, not playing from behind. They need to be ahead of such that each policy should be able to address from time to time some of these problems unravelled in the report. There must be a strategy to audit policies and how it affected the lives of the people because policies are for the people, and when policies are not audited in this technology era, fraudsters would exploit any loophole seen in the system (Maitanmi et al. 2013).

3.2 Criminal Acts and Point of Sales (POS) Business Operations in Nigeria

It is no longer news that fraudsters have been deploying criminal strategies to rob point of sales vendors. This criminal who sometimes appears as point of sales operators, also obtain the details of Automated Teller Machine (ATM) cards of persons who use their machines and, in a few hours, or days, empty their bank accounts. Maitanmi et al. (2013) have argued that point of sales (POS) is a fast-rising business in Nigeria as criminals and armed robbers now have significant number of POS deployed in their network. They further states that this network is fed by some illegal merchants stealing terminals from accredited dealers. This situation is very disturbing as armed robbers now go about cities with POS machines forcing their victims to effect cash transfers to designated accounts. Davis (2020) asserts that the digital revolution in the banking has resulted in an equivalent revolution in e-banking frauds. Davis (2020) further stated that in order to meet the need for financial inclusion, there is needs for expansion of new technologies and innovations which would help in making it more economically viable for banks to reach the unbanked or underbanked populations. Technology has leap frogged from branch banking to e-banking and now, mobile money, which has helped to create pockets of strength even among the less financially inclusive countries.

Adeoti, & Oshotimehin, (2011) notes that armed criminals who specializes in swindling and attacking POS operators are on the prowl across the country, dispossessing innocent POS operators of money and other items, a development that excluded many residents from financial inclusion. They further stated that hoodlums perpetrate their evil acts in broad daylight, particularly in areas that are not close to police stations and other security agencies. Also, apart from using buses for their evil acts, it was further revealed that the criminals also use bikes to carry out their attacks. The development has forced many POS operators to keep the money they use for

transactions in places that are very far from POS machines. Often times, these POS operators abandon their shops and run away for fear of being attacked by the criminals. In addition, Wada, & Odulaja, (2012) asserts that the activities of these criminals have instilled fear in most of the operators as they now scrutinize their customers before attending to them. Apart from stealing the cash belonging to the operators, most times the criminals at gun point force their victims to transfer the remaining money in the bank to their accounts.

Studies have further revealed that the situation is even worse in rural communities and the outskirts of the communities as operators in these areas are complaining of incessant attacks. Adeoti, (2013) asserts that some of the POS operators decried incessant attacks on them by unknown gunmen. He noted that the robbers have continued to attack them in broad daylight, stealing their money and most times, taking their POS machines. All these is attributed to the high level of unemployment in the country (Adeoti, 2013). Similarly, Adegbie, & Fakile, (2012) observed that there are gaps in the banking system which fraudsters take advantage of to rob unsuspecting individuals. They noted that illegal POS operators can get a terminal in two ways; one is that they may steal it from petty traders who are now seen having POS terminals. When such terminal is stolen, the thief can send a mail to the bank that he has opened a new account which should be linked to the POS machine. Also, they stated that the criminals can disguise as merchants and forge documents knowing that some banks are negligent in the thorough assessment of customers. Adegbie, & Fakile, (2012) asserts that banks should be able to visit the said business location to verify if it exists or if its legal or illegal before giving out the POS machine. For Bankole (2010), asserts that some fraudulent POS agents installed chips that read and copy users' account information and use such to have unauthorized access to their accounts.

Furthermore, with the growth in the use of electronic payments, criminals have found yet another means to increase their nefarious activities of fleecing innocent victims of their money. They employ methods such as counterfeiting, cloning, malware attack, identity theft, card trapping, and phishing, among many other methods to defraud and steal from users of electronic payment platforms. Most criminals are known to target all economic entities, as long as they exhibit weakness in their structure that can be exploited. Adegbie & Fakile, (2012) holds that economic and financial crimes are the greatest obstacles to national economic development

considering its effects on revenue. Akenbor & Oghoghomeh (2013) notes that financial crimes in any organization leads to economic loss, loss of goodwill, loss of staff and in extreme cases-business failure. The adoption and widespread use of electronic payment platforms have come with benefits and related challenges. Wada & Odulaja (2012) states that the proliferation of electronic payment platforms has considerable impact on the Nigerian financial system by expanding financial services, improving speed of transactions and reducing cash handling with its attendant costs. Also, Ibanichuka (2019) studies shows the relationship between electronic frauds and financial performance of commercial banks in Nigeria and asserted that the desire to reduce banks' operating costs and improve financial performance led to the deployment of electronic banking channels.

Edori (2018) stated that financial crimes are carried out by individuals, corporate institutions, as well as organized crime groups with a view to obtaining criminal prosperity. Often, the victims can be individuals, government, institutions or the entire economy. Financial crimes are not peculiar to any country because it is a global problem. The prevalence of financial crimes in Nigeria was one of the over-riding justifications for the establishment of the Economic and Financial Crimes Commission (EFCC) and Independent Corrupt Practices and other related offences Commission (ICPC) and the Nigeria Financial Intelligence Unit (NFIU). Edori (2018) further notes that economic and financial crime in Nigeria is deeply rooted in almost all the aspects and levels of the economy, with the attendant negative effects on the economy. With electronic-banking gaining ground in Nigeria and other parts of Sub-Saharan Africa, through the myriad of electronic payment platforms, customers and online buyers are facing greater risk of unwittingly passing on their personal information to fraudsters. Hackers defraud people illegally and frequently via deploying various schemes to obtain the information needed to access the peoples' accounts who may have unwittingly disclosed their card details, as well as giving access to those who have taken a career in fleecing people. This ugly scenario has been accentuated by the absence of enabling laws, specifically dealing with card-related crimes which has led to creating loopholes for criminals to operate without check.

4. Theoretical Framework

4.1 Technology Acceptance Model

This model was introduced by Venkatesh & Davis (2000) to explain why users adopt or reject an innovative information system that offers an explanation for acceptance and usage behavior of information technology. The theory states that an individual's behavioral intention to adopt a system is determined by the perceived usefulness and perceived ease of use. The theory extended the constructs and included additional determinants of perceived usefulness and usage intention constructs. This model helps to understand how the effects of these determinants change with increasing user experience over time with the target system. The model incorporates additional theoretical constructs spanning social influence processes and cognitive instrumental processes and explained that the additional constructs- social influence processes (subjective norm, voluntariness, and image) and cognitive instrumental processes (job relevance, output quality and result demonstrability) significantly influenced user acceptance (Venkatesh & Davis, 2000). The model framework holds that the characteristics of the business organizations such as the size of the organization, and the year of establishment could influence the adoption of Point of Sales (POS). According to Bankole (2010), the age and size of an enterprise are determining variables in adoption decision, the age in this case means the number of years of establishment of the business organization, while the size is whether the organization is small, medium or large scale.

The subjective norm is a person's perception that most people who are important to him think he should or should not perform the behavior in question (Fishbein & Ajzen, 1975). These norms represent the expectations of other people regarding the performance of a particular behavior. Thus Subjective Norm represent how a person is influenced by the perception of his/her behavior by reference people such as family, friends, colleagues, business counterparts, competitors, etc. Fishbein & Ajzen further explained that intention originates from two determining factors; the first factor is personal in nature and is reflected in one's attitude, while the second factor is subjective norm which reflects social influence. There is a significant body of theoretical and empirical evidence regarding the importance of the role of subjective norm on technology use, directly or indirectly (Haghighi, Rahrovv & Vaezi, 2012; Hsu & Lu, 2004; Kim, Shin & Kim, 2011; Venkatesh & Davis, 2000). Therefore, the paper

suggests that subjective norm influences the adoption of Point of Sales (POS) by business organizations. It is for this reason that the theory was adopted as a guide for the study.

5. Research Methodology

Karu is one of the Local Government Areas created in 1991 out of Keffi Local Government Area of Nasarawa State. Karu Local Government Area has five indigenous ethnic groups - Gbagyi, Koro, Gwandara, Yeskwa and Gade. Karu Local Government Area shares boundaries with Nasarawa Local Government Area in the Southeast, Panda in the North and Abuja (the Federal Capital Territory of Nigeria) in the West. The population of Karu has been projected to be 1,068,480 (NPC Projection, 2022), The population of study comprised of twenty

(20) businesses from the study area, comprises of Medicine, Pharmaceuticals, Oil/Gas, Electronics, Electricals, Book Publishing/Shops, Bookstore, Agriculture, Agro-allied industry, Education, Telecommunication, Computer, Technology, Fashion design and Lifestyle, Event management, Entertainment, and Supermarket/Stores etc. In this study, the sampled population was 680, with this population and the margin of error of 0.05 confidence level of 95% and with the recommended sample size of the study based on the total population of the selected Point of Sales (POS) Business Operations is 246 using the Research Advisors (2006). 246 questionnaires were administered to respondents in the study area, and only 215 were filled and returned. Chi square was used for the analysis at 0.05 level of significance as well as in-depth summary and code used for the analysis.

6. Analysis and Discussion of Findings

Respondent Responses on Criminal Acts and Point of Sales (POS) Business Operations in Karu LGA.

Responses	Christians	Islam	ATR	Total
Yes	100	85	3	188
No	10	15	2	27
Total	110	100	5	215

Source: Field Survey, 2023.

Contingency Table

Cells	O	E	O - E	$\Sigma(O - E)^2$	$(O - E)^2/E$
1	100	96.2	3.8	14.44	0.15
2	85	87.4	-2.4	5.76	0.07
3	3	4.4	-1.4	1.96	0.45
4	10	13.8	-3.8	14.44	1.05
5	15	12.6	2.4	5.76	0.46
6	2	0.6	1.4	1.96	3.27
Total	215				$\Sigma 5.45$

Based on the statistical analysis, finding indicates that there is no significance relationship between criminal acts and Point of Sales (POS) business operations in Karu Local Government Area of Nasarawa State, Nigeria. Although previous studies have shown that there is a significance relationship between criminal acts and point of sales operation. These findings were in line with Edori (2018) who stated that financial crimes are carried out by individuals, corporate institutions, and organized crime groups with a view to obtaining criminal prosperity. Edori (2018) further noted that hackers defraud people illegally and frequently via deploying various schemes to obtain information needed to access peoples' accounts and that this ugly scenario has been accentuated by the absence of enabling laws, specifically dealing with card-related crimes which has led to creating loopholes for criminals to operate without checks. In addition, Adegbie &

Fakile, (2012) holds that economic and financial crimes are the greatest obstacles to national economic development considering its effects on revenue. Akenbor & Oghoghomeh, (2013) who also note that financial crimes in any organization leads to economic loss, loss of goodwill, loss of staff and in extreme cases- business failure. They further noted that financial crimes can also result in loss of livelihood to individuals. Interview carried out with Point of Sales (POS) Business Operators in Karu Local Government Area of Nasarawa State have shown that robbers break into houses of these operators at midnight or anytime of the day with guns in their hands, and victims are ordered to furnish their ATM cards, as well as disclose their pin numbers, which are then confirmed with POS device before the cards are taken away. The robbers proceed to withdraw as much cash as possible before daybreak until when the incident is reported to designated

banks and cash withdrawal stopped. All this may sound incredible, as it seems to defeat the purpose of Central Bank of Nigeria's (CBN) cashless policy, aimed at reducing the volume of physical cash in the system and protect bank customers in their transactions. The CBN in exercise of its powers in Section 47 (3) of the CBN Act 2007 (as amended) issued guidelines on the maintenance of adequate and reasonable financial services for the public, ensure high standards of conduct and management throughout the banking system, as regards the Point of Sales (POS) (CBN, 2013).

7. Conclusion and Recommendations

The importance of Point of Sales (POS) business operations cannot be overemphasized because of its electronic means of carrying out transaction in Nigeria. As a critical factor for any successful business, the necessary infrastructure such as internet access that would make the cash-less policy not to work should be made available. It is imperative to strengthen and support Government's strategy on financial inclusion compliance to rules and regulations on the management of agent banking so as to prevent money laundering, terrorism financing and other predatory crimes that may be perpetrated by fraudsters due to the vulnerable nature of the business. The paper therefore recommends that:

- Competent authorities saddled with inspection responsibilities should ensure compliance on all guidelines and regulations issued by CBN and other sector regulators on agent banking guidelines on adequate record keeping of transactions.
- Implore latest transaction monitoring systems for detecting anomalous transactions in line with international best practice and grant license to people of integrity to avoid abuse of the system, and CBN should ensure banks comply with their obligations to monitor agent's activities.
- The operators should be routinely trained and re-trained to identify red flags and indicators of POS machine. They should keep proper records of transactions on customers and the procedure for reporting suspicious activities of suspicious customers.
- Report suspicious activities through relevant channels, and liaise with banks to acquire electronic record tracking devices such as the biometric authentication machine that would help verify customers in case of any fraudulent acts and maintain integrity and professional ethics in the

course of their work with a continuous review of products and services with the risks associated.

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