

Wire Validation Guide

Tips to Protecting the Real Estate EcoSystem

Fraudsters are actively trying to direct lawyer and law clerks to wire money to them by pretending to be:

- A lawyer in the firm directing staff to wire funds to a client or to complete a transaction;
- A lawyer or staff acting for a seller in a transaction directing the other side to wire funds;
- A financial institution directing wire payment to itself;
- A client seeking payment of funds by wire.

Increase communication when verifying wire payments

In today's digital age, we depend more than ever on technology to carry out our daily tasks. As a result, communication platforms like email have become prime targets for fraudsters and have been known to be vulnerable entry points for scammers. When verifying wire payments, whether by phone or video call, remember to always ensure you're using a verified and trusted contact number, obtained independently.

As part of our ongoing efforts to protect all parties involved in a transaction from wire fraud, we're asking more questions on real estate transactions that have wire payouts to prior registered encumbrancers. Here's what you can expect:

1. We'll connect with you to obtain the contact details of the lawyer acting on behalf of the payee.
2. We'll call the lawyer acting on behalf of the payee to ask for validation confirmation of the payout statement.
3. If you've ordered the payout statement directly from the payee and the payee is a financial Institution, we'll call you to get confirmation that the payout statement and the account information has been validated in accordance with best financial practices.
4. If the payee is a private lender or other 3rd party, we'll ask you for a copy of the payout statement and we may call the payee directly to verify the payout information.

While we may be double-checking these steps, it is important that all transaction participants themselves follow best financial practices to ensure they are not victims of fraud.

Fraud prevention resources

To stay informed about the latest fraud trends, make sure to follow your law society and financial institutions' best practices. Also visit FCT's Fraud Insights Centre to view the latest in fraud prevention resources and information.

With over 30 years' experience in Canada, we have the knowledge and expertise to help close deals as planned. For more information on our products and services, please contact your business development manager or give us a call.

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