EXAMINING SOCIAL MEDIA USE IN MITIGATING FINANCIAL FRAUD AMONGST BANK USERS IN ODA TOWN, ONDO STATE

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Abstract

The study takes a critical look at the use of social media in mitigating financial fraud among bank users in Oda town, Ondo state. The study adopted the survey research method and questionnaire served as an instrument for data collection. The data was analyzed through simple percentage and frequency tables. The theory used for the study is the uses and gratification theory. Upon analysis of data, it was discovered that residents of local communities are yet to meet up with the social media trend in our world today and consequently, they miss out on vital information that could save them from becoming fraud victims. The study revealed that although Oda town residents prefer and pay more attention to messages disseminated through town hall meetings and radio stations, they barely receive fraud sensitization messages through these preferred communication channels. It is therefore recommended that financial institutions should focus more on utilizing the traditional media and its platforms as the primary communication channel to sensitize local dwellers about fraudsters and their activities. The apex bank in Nigeria (CBN) should also make it a compulsory corporate social responsibility for commercial banks to utilize traditional media and also complement it with social media in organizing sensitization campaigns for target audiences in rural communities.

Keywords: Social media, Traditional media, financial fraud, Customer Sensitization, Oda town.

Introduction

Due to advancement of more digital technological inventions across all spheres of human life, especially in the financial sector, the emergence of social media with its numerous platforms and applications has turned the world into a global village in the 21st century. This media vehicle has enhanced a quick and more effective mode of communication and information sharing with its numerous digital applications for the audience to use and navigate their journey into the digital financial world. Deng (2020) opined that social media users engage with social media via a computer, tablet, or smartphone by utilizing web-based software or applications, as some of the largest social media networks include Twitter, Facebook, Instagram, Whatsapp, YouTube and several others. The 21st century media vehicle has been embraced and put into use by governments and institutions, most especially financial institutions whose goals include customers' satisfaction, good communication with their customers, and effective information dissemination with instant feedback, customer sensitization and many others.

In recent years, the use of social media platforms and applications for financial activities in Nigeria has increased by 40%, as more connectivity becomes available throughout the country. Nigeria is rated as one of the first African countries to invest on internet access and they have experienced a significant growth in internet usage (Nimako, 2013). After major upgrades were made to the Information and Communications Technology (ICT) infrastructure, the government started to promote social media as a tool capable of improving the quality of life of the citizens. Global social media statistics (2023), further revealed that as at 2023, the number of social media users globally stands at 4.80 billion while 31.6million Nigerians are active social media users (Statista, 2023). According to the World Bank's Global Findex database of 2017, approximately 1.7 billion adults worldwide are "unbanked" which simply means they are lacking an account either of at a financial institution or with a mobile money provider. The recent upsurge in the development of financial technology in Nigeria, has made the number of active bank accounts to rise to over 151 million as at 2022 and today's criminals are constantly innovating to find new opportunities to commit financial fraud as the public engages in more digital financial activities.

Over the last century, social media has been espoused as a seriatim when it comes to the aspect of intelligence systems in financial institutions. Financial institutions today use social media for specific marketing functions which include customer relations, advertising, sales promotion, market research and analysis, customer sensitization, branding, product management, planning and many others. However, one of the most prominent uses of social media by financial institutions is customer sensitization. Financial institutions disseminate sensitization messages to inform their customers about financial fraud and how to avoid being victims of the social vice (Agichtein, 2021). For the smooth running of the money market and national development of a country, an efficient and good banking system is important (Kaur and Kiran, 2014). In the second quarter of 2023, Financial Institutions Training Center (FITC 2023), revealed that Deposit money banks in Nigeria reported a sharp rise in fraud cases as over N9.75billion was lost as fraud rises to 277% with over 101,688 cases of financial fraud in Nigeria. According to the Nigeria Electronic Fraud Forum 2016 annual report, actual fraud loss on ATM, internet banking, POS and web stood at N464.5million, N320.7m, N243.3m and N83.8million respectively. A report by Nigerian Deposit Insurance Commission (NDIC) 2019, shows that between 2015 and 2019, the number of reported fraud cases in the banking industry in Nigeria tripled. Further to this, in its 1989 – 1997 report, the NDIC classified perpetrators of bank fraud into two main groups: bank employees and non-employees.

Through the use of social media and the new banking technology, it has become an easy task for bank users to manage and access their bank accounts at any day and time. Fortunately, the banks have more technology and more incentive than ever to combat fraud in their electronic banking services. But whether these incentives are enough to effectively protect consumers from frauds and various headaches arising from compromised accounts, payment card and identity is still in doubt (Nguyen *et al*, 2013). Despite the advantages associated with financial technology (fintech) through the use of social media applications and information accessed on its numerous platforms, it has also enhanced the perpetration of bank fraud and other various fraudulent practices. It is against this backdrop that this study intends to find out whether bank users have uninterrupted access to sensitization messages and also if these sensitization messages disseminated through social media platforms protect their financial activities.

Problem Statement

The advent of social media use in the financial sector is characterized by many advantages ranging from availability of necessary and timely information as well as ease of transaction consummation among others. It is widely acknowledged and affirmed that social media provides new and distinctive opportunities; this has paved the way for various innovations in the financial industry. Establishing healthy boundaries, managing screen time, and being mindful of the content they consume and share online can help mitigate the adverse effects especially fraudulent investment (Yadav & Reddy, 2023). It has become a necessity in recent years for marketers to investigate the perceptions on the use of social media in the banking industry (Norris and Lecavalier, 2009). This great challenge has necessitated the need to determine the perceptions that are held regarding the use of social media and mitigating financial fraud among members of rural communities. There have been numerous studies such as Apeanti, and Danso (2014), Assaad and Gómez (2011), Awdeh (2012) Betts and Spencer (2017), Mbaeri (2015), Burrell (2012), Manjunath (2012) on social media but little attention has been given to finding out the relationship between social media and financial fraud among bank users. There is a rapid increase in the rise of internet usage, most especially the social media where financial information of unsuspecting victims are stolen and used. This has led to a proportional increase in the scams, fraud and hacking in the country. Some say that the ICT network was developed faster than policies or laws that can protect or ensure the online safety of citizens in Nigeria (Fosu and Akpojivi, 2015). It is against this backdrop that this study intends to examine the use of social media in mitigating financial fraud with a focus on Oda town in Akure, Ondo state.

Objectives of the Study

This study intends to:

1. highlight and discuss the most employed social media platforms used for customer sensitization by the residents of Oda town in Akure, Ondo state.
2. investigate if the sensitization messages on financial fraud disseminated through social media to the residents of Oda town in Akure, Ondo state are effective or not.

Literature Review

Social Media

The ontogeny and proliferation of social media has made several scholars to study the effects of social media use. Due to the advent of social media and how this media vehicle is widely used compared to other mass media vehicles has made scholars collegiate it as “liberation technology”. Adapa (2022) affirmed that this popular new communication method reaches out to the public at a comparatively cheaper cost. Through social media, bank operators have the ability and also the privilege of communicating and sharing their views and ideas with their bank users. Social media emerged with the advent of the internet and the World Wide Web. They are usually associated with the term “web 2.0” which is used to describe websites that provide an opportunity for a user to interact with the sender of a message. Mbaeri (2022) defined social media as a computer-based technology that facilitates the sharing of ideas, thoughts, and information through virtual networks and communities. Social media platforms such as Twitter, Instagram, Facebook, Youtube, Whatsapp etc have billions of active users, and the numbers keep growing every day, thereby making all and sundry to be social media users most especially for information sharing and communication. Financial institutions use these social media platforms, which is not limited to social networks and also mobile applications blogs, business networks, collaborative projects, enterprise social networks, forums, microblogs, photo sharing, product/services reviews, social bookmarking, social gaming, and also video sharing and virtual worlds.

Some individuals or groups manipulate information on social media for their benefit (Nathanael et al., 2023). Undesirable users called spammers pose challenges for social media platforms by invading privacy, disrupting search results, and undermining the accuracy of data (Ramli et.al., 2023). The use of social media with its immense benefits over the years has directly and indirectly made some users turn this media vehicle especially in the area of financial sector into an unlawful means of money making which has become a hydra-headed cancer in the global village with the Nigerian state becoming a targeted victim. It is imperative to know also that asides financial fraud, Nigeria still battles the archfoes of her national development which are insecurity, poor and dwindling economy and an epileptic power supply. These three forms of cancers fall under the United Nations (2024) Sustainable Development Goals (SDGs) 1, 16, and 2 which are “No poverty, Peace and Justice, and Zero hunger. For example, Kaul (2012) had earlier observed that various customers rely heavily on the web for their banking operations, which has led to a rapid increase in the number of online transactions and ultimately, an overwhelming increase in number of fraud victims.

Evolution of the Nigerian Banking System

Banking system in Nigeria came into existence during the colonial era with the establishment of African Banking Corporation and British West Africa in 1892 and 1894. These leading banking industries in Nigeria were started as colonial banks by the colonial government for the purpose of achieving its commercial purposes. The first indigenous bank in Nigeria was the Industrial and Commercial bank which was established in 1929, but the bank went into liquidation fifteen months later which was around 1930 due to mismanagement, accounting incompetence, embezzlement among several others. The year 1947 shows the emergence of an agricultural bank called the Nigerian Farmers and Commercial Bank. In 1948, the British and French Bank for commerce and industry was established and was later repositioned to the United Bank for Africa. The era of unregulated banking came into limelight around 1945 to 1952 as over 145 banks were established by local and foreign investors. Draft legislation for the establishment of Central Bank of Nigeria was presented to the House of Representatives later in March, 1958. It was passed and fully implemented on the 1st of July 1959 establishing the full operation of the Central Bank of Nigeria. In 1988, the government established Nigeria Deposit Insurance Corporation (NDIC) with the responsibility of carrying out some sort of financial reforms and assisting the Central Bank of Nigeria in formulation of policies. It was charged with the responsibility of ensuring safe and sound banking services and insuring bank deposits through effective supervision.

The evolution of banking in Nigeria can thus be divided into three different phases. The first phase was between 1892-1954 which can be regarded as the period of “free banking era” because this was the period when there was absence of sustainable banking legislation, as anyone could set up a bank, provided it is registered under the Companies’ Ordinance Act. The second phase was between 1954-1985 which was a period when there was an upsurge in the establishment of banks such as community banks, finance and short loan houses. The period was also when the Structural Adjustment Programme (SAT) was created and this was inspired through the Bretton Woods conference, while in 1977 the CBN introduced the Rural Banking Programme to facilitate rural development and this encouraged commercial banks to open branches in rural areas. The third phase which was the period between 1986 till date brought about the emergence of structural changes and massive expansion in the banking sector, as there were about sixty-six commercial and fifty-five merchant banks as at 1991. The Nigerian Banking sector is primarily regulated by two bodies. The first is Central Bank of Nigeria, (CBN) which has the superior regulatory power, and then, the Nigerian Deposit Insurance Company (NDIC), and external auditors (EA). These bodies are used by the government to regulate and supervise the Banking sector. They are set up through an Act of Parliament to regulate and control financial activities and monitor actors within the Nigerian banking system.

Fraud

Fraud is a worldwide phenomenon that affects all the continents and all the various sectors of the economy. Fraud can be defined as an intentional misrepresentation of the record or manipulations calculated at cheating the other party (Joloko & Audu, 2019). Fraud can also be described as "any behavior by which one person intends to gain a dishonest advantage over another." Fraud contains a wide-range of illicit practices and illegal acts involving intentional deception or misrepresentation (Mamman, and Hashim, 2014). Card frauds are also one of the most common frauds perpetuated by criminals online. Elumaro & Obamuyi (2018) explains that card frauds are frauds perpetrated with card or card information. The commonest types of card frauds are lost or stolen card fraud, counterfeit card fraud, card not present fraud and identity theft on cards.

Historical evidence shows that whether the agency (or individual) committing the fraud works for the bank or deals with it, the culprit usually does very careful and detailed planning before he finally attacks the system at its most vulnerable point. As financial transactions become increasingly technology driven, they seem to have become the weapon of choice when it comes to fraudsters. The embattled governor of Central Bank of Nigeria (CBN) Godwin Emefiele was recently arrested and probed for allegedly forging the signature of the immediate past president. In the charges, the Economic Financial Crime Commission (EFCC) alleged that on February 8, 2023, Godwin Emefiele connived with one Odoh Ocheme, to obtain \$6.2m from the CBN, claiming that it was requested by the SGF "vide a letter dated 26th January 2023 with Ref No. SGF.43/L.01/ to fund the foreign election observers. The immediate-past SGF, Boss Mustapha, appeared as a witness to testify against Emefiele. Mustapha, in his testimony, told the court that neither he nor ex-President Muhammadu Buhari was aware of the \$6.2m, adding that Buhari's signature was forged to move the money out (Punch Newspaper, 13th, February 2024).

Furthermore, fraud in the banking industry has been broadly classified into two which are fraud carried out by employees and fraud carried out by non-employees (Abiola & Oyewole, 2013). In mitigating the menaces of financial fraud and scams across all sectors, the employment of latest technological applications, customer sensitization, among several others can be adopted. Kheng, Mahamad, & Ramayah, (2010) had earlier suggested that internal auditors can continue to win the battle against frauds and scams through the continued application of fundamentals, such as education, technological proficiency, and support of good management practices. According to Danquah and Longe, (2011), "Fraud Mitigation Best Practices" include: (a) Fraud Risk Management Policies and Procedures, (b) Regulatory Compliance, (c) Ethical Conduct, (d) New Employee Awareness, and (e) Training. Fraud detection in banking is a critical activity that can span a series of fraud schemes and fraudulent activity from bank employees and customers alike. It may be noted at the outset that all the major operational areas in the banking industry offer a good opportunity for fraudsters, with growing fraud and financial malpractices being reported under deposit, loan, and inter-branch accounting transactions (including remittances). As Agichtein (2018) observed, "Frauds generally take place in a financial system when safeguards and procedural controls are inadequate, or when they are not scrupulously adhered to, thus, leaving the system vulnerable to the perpetrators." Most of the time, it is difficult to detect frauds well-in time, and even more difficult to book the offenders because of intricate and lengthy legal requirements and processes. In the fear of damaging the bank's reputation, these kinds of incidents are often not brought to light.

Financial Fraud and Investment Scams

The economic growth of a country is greatly influenced by the banking industry and it affects the Gross Domestic Product (GDP) growth and helps to lower the unemployment rate being experienced. Financial fraud can lead to untimely death of affected bank users and reduction in customer spending. Oseni (2006) had earlier noted that customers are losing their trust and confidence in the banking system due to incessant frauds. It is imperative to note that during the COVID-19 pandemic, there were significant changes in social norms worldwide, providing fraudsters with opportunities to exploit available resources through various online fraudulent methods (Ma & McKinnon, 2022). In 2021, there was a notable trend indicating that Gen Xers, Millennials, and Gen Z young adults (ages 18-59) had a 34% higher likelihood than older adults (ages 60 and over) of reporting financial losses caused by fraudulent activities. Younger adults were more than four times as likely as older adults to report losses associated with investment scams (US Federal Trade Commission, 2022 cited in Ramli, Muda, Kasim, Md. Zin, Ismail &, Padil 2023). It is also worrisome that over the years, several discoveries have been made on bank management staff, who colludes with non-employees to commit financial fraud thereby avoiding any form of detection, and this has even made the youths to involve in cybercrime popularly known as yahoo scam as this is evident in the kind of lavish lifestyle they flaunt in public.

Several investment scammers in Nigeria were exposed and published by the Foundation for Investigative Journalism (FIJ) in 2023, they include cases of Tobi Ifabiyi of Fabz Capital which is an Abija based forex trading company and defrauded investors of 80 million naira. Over 100 of investors lost several billions of naira to Farmfund Agropartnership, which is an agricultural investment platform owned by Osayi Osazuwa and Uyi Osayimwense. Marksman Ijiomah's Chinmark group based in Enugu state also defrauded over 5,000 investors to a tune of billions of naira, and it emerged that Ijiomah had once been arrested for fraud in 2015. Founder and CEO of Ovaioza Farm Produce Storage Business (OFPSB) Imu Ovaioza Yunusa swindled her investors of several billions of naira and was said to have courted social media influencers like Ada Ujaligwa, Lami Tanko, Okafor Christabel, Nwa Okpokpo and Gail Chukwu to promote her business. She was said to have released well-articulated quotes that preached love, kindness, hardwork and sincerity to win her investors' trust and also used her social media profiles to do giveaways and released a few gospel albums just to make her investors and followers see her spiritual side, as SEC revealed to the general public that she ran a business that was not duly registered. The fraud perpetrated by Eatrich Farms owned by Sam Afolabi was carried out after he was able to convince investors to invest huge capitals in Eatrich farm's investment plans between 2021 and 2022. After receiving billions of naira from the unsuspecting investors, he disappeared with their billions in early 2022, and was arrested by the Nigerian Police and imprisoned after his cover was blown by his younger brother who was aware of his disappearance plan but had no idea of his fraudulent acts. Afolabi was also accused of obtaining a loan of N88million from banks using his employees account without their consent. In January 2022, the social media was awash with the story of Enitan Bello Let's Farm who stole several millions of naira from unsuspecting investors to invest in his agro-investment company. He ended up disappearing with the millions without a trace. All these investment scams and financial fraud were circulated on various social media platforms for the public to be aware and report any other suspicious investment plans

The Nigeria Deposit Insurance Company (NDIC) recently disclosed that no less than N911.45 billion has been lost to various Ponzi schemes or investment platforms and related frauds across Nigeria in the last 23 years. These investment platforms dwindled unsuspicious investors such as MMM which swindled investors of N18 Billion in 2016, MBA Forex also defrauded investors of N171 billion, Nospecto defrauded investors of N22.45 billion and several other investment scam such as affinity fraud, advance fee fraud (419), Pre-IPO/private placement investment scams among others. The investors engaged with these investment schemes due to current desperation, the quick rich syndrome, financial illiteracy, ignorance and regulatory arbitrage continue. With this high rate of financial fraud happening in all sectors, the CBN, NDIC and Securities and Exchange Commission (SEC) among other agencies still work to mitigate the activities of Ponzi Schemes.

YEAR	Card Present Fraud (ATM and POS)	Card Not Present Fraud (Online and Web)
2012	1539	314
2013	1739	316
2014	7181	1271
2015	8039	1471
2016	11180	3374

Source: NDIC annual reports (2011-2015) and Nigeria Electronic Fraud Forum annual report (2016).

Electronic Fraud (Cyber Fraud)

Information and Communication Technology (ICT) has greatly contributed to the economic development of Nigeria including finance and banking. The internet remains one of the fastest-growing areas of technical infrastructure development. Today information and communication technologies (ICTs) are found everywhere and the trend towards digitization is growing very fast (Kolapo *et al*, 2012). Due to the major roles of banks in the growth and economic development of any nation, it has become very necessary to protect these institutions from the tricks of fraudsters. However, it is worth knowing that the same ICT systems used by the banks are negatively utilized by perpetrators of fraud. The increase in the usage of ICT such as computers, mobile phones, internet and other associated technologies are the routes which gave rise to a lot of constructive work as well as destructive work. The destructive activities are considered as 'electronic crime' which includes spamming, credit card fraud, ATM frauds, money laundering, phishing, identity theft, denial of service and other host contributing crimes (De Vries *et al*, 2012).

Credit card/debit card fraud and identity theft are two forms of e-fraud which are normally used interchangeably. It involves impersonation and theft of identity (name, social insurance number (SIN), credit card number or other identifying information) to carry out fraudulent activities. It is the unlawful use of a credit/debit card to falsely obtain money or belongings without the awareness of the credit/debit card owner. Theft of someone's identity can be done through different ways.

In advance fee fraud, offenders send out scam emails asking for recipients' help in transferring large amounts of money to third parties and promise them a percentage, if they agree to process the transfer using their personal accounts. (Fosu, and Akpojivi, 2015). The dynamics of advance fee fraud is to trick prospective victims into parting with funds by persuading them that they will receive a substantial benefit, in return for providing some modest payment in advance. In essence, advance fee fraud encompasses mass marketing frauds and consumer scams, including advance fee scams such as 419 frauds, inheritance frauds, fake charity or disaster relief frauds, fake lotteries and various pyramid schemes.

The Role of Banks in combating Fraud among Local Dwellers

The banking industry plays a significant role in the growth of the economy by raising GDP growth. Banks are the engines that drive the operations in the financial sector, money markets and growth of an economy. With the rapidly growing banking industry in Nigeria, frauds in banks are also increasing very fast, and fraudsters have started using innovative methods (Manerikar and Manerikar, 2014). Banks are the engines that drive the operations in the financial sector, money markets and growth of an economy. With the rapidly growing banking industry in India, frauds in banks are also increasing very fast, and fraudsters have started using innovative methods. (Gundecha *et al*, 2011). For the smooth functioning of a money market and economic growth of a country, an efficient and good banking system is a must (Boateng and Okoe, 2015).

There are various challenges faced by banks and they mainly include technical disadvantages, lack of knowledge and awareness, and lack of legislation. In emerging and developing economies the issue of fighting electronic fraud is a major problem as a result of a number of reasons. Mostly, advances in technology are fast-paced, as are fraudsters, however some organizations are left behind and the easy availability of new technologies with high operational speeds, capacity and connectivity make unlawful activities easier to escape detection (Karim and Chowdhury, 2014). Cyber users in Africa do not have up-to-date technical security measures like anti-virus packages, and many of the operating systems used are not regularly patched. Generally there is a lack of resources to investigate cyber-crime and beef up required instruments to combat electronic fraud.

In the wake of ever increasing ICT advances banking stakeholders need to engage cyber fraud awareness and education. The lack of awareness among the general public of how to maintain a minimum level of security with regard to personal information or electronic property, and it is vital not only to educate the people involved in the fight against cybercrime, but also draft adequate and effective legislation. This is a very risky situation and means therefore that there is a clear, but certainly not deliberate lack of cyber security awareness and education to make cyber users aware of all possible cyber threats and risks (Kritzinger & Solms, 2012).

Customer Sensitization

Customers are presumed to be one of the most important stakeholders in: any organisation because without them, organisations are not likely to succeed. The banking business in the world is solely based on trust, for a customer to allow a bank to be in the custody of his hard-earned money is an indication that the customer has confidence and trust in the bank. The success of a bank depends on how much trust the customer or the public have in the bank to perform banking functions well. The success of a bank would, therefore, depend on how much trust the customer or the public have in the bank to perform banking functions well. How the banks build these trusts in the minds of the public would ordinarily be the next question. As a result of financial sector liberalization in Nigeria in the 1980s, the banking sector experienced a boom. Low entry requirements by the regulatory authority and the high premiums that could be earned through foreign exchange business led to the quick entry by new players into the lucrative banking industry. Between the period of 1985 and. 1993 the number of licensed banks rose astronomically from 41 to 120 (Central Bank of Nigeria, 1995). Elumaro & Obamuyi (2018) also affirmed that cost reduction drives, increased need to improve customer satisfaction and the need to keep pace with global banking trends, the need to electronically settle transactions with the use of electronic gadgets such as Automated Teller Machines (ATMs), Point of Sales (POS) terminals and Mobile phones become popular in the Nigerian banking industry.

There is the urgent need in this digital age and economy to ensure all latest trends in the banking aspect are timely disseminated to the customers most especially customers that reside in the rural areas through any effective media vehicles. It is worrisome that even with the use of traditional media to pass across information to the heterogeneous local dwellers, there is still the need to educate the rural dwellers on how they should be wary of fraudsters who uses social media to wipe out the accounts of unsuspecting victims simply because they are still lagging behind with the use of social media for quick information, awareness and confirmation among several others of banking activities.

Empirical Literature

Various studies had been undertaken by researchers on financial frauds and ways to curb related problems. However, Manjunath (2012) had earlier examined the reasons for frauds, the magnitude of frauds in banks, and the manner in which the expertise of internal auditors can be integrated in order to detect and prevent frauds in banks. In addition to considering the various types of fraud signals, auditors can take some actions to curb frauds (Mbaeri, 2015). A major challenge for banks in recent years is the examination of new technology applications used in the control and security section. In another study, Burrell (2012) examined in-depth the corporate accounting fraud perpetuated by the Satyam management team in collusion with the auditor. Apeanti, and Danso (2014) examined 910 cases submitted to the "Internal Auditor" from the year 2001 to 2021 period so as to assess the specific risk factors cited in the Treadway Commission Report. About 63 percent of the 910 cases are classified under the internal control risks. They found that limited separation of duties, false documentation, and inadequate or nonexistent control account for 60 percent of the fraud cases. The study shows that professional and managerial employees were involved in 45% of the cases (Assaad, and Gómez, 2011). Awdeh, (2012) performed a study to determine the amount and type of fraud occurring in state and local government. Betts and Spencer, (2017) examined the causes that led to the breakdown of 'Barring' Bank, in his case study, "the collapse of Barring Banks". The collapse resulted due to the failures in management, financial and operational controls of Baring Banks. Having reviewed some relevant literature related to this study, the major gap identified is that there is not much data to reveal if the rural communities employ the use of social media to mitigate financial fraud. Hence, this great challenge has necessitated the need to determine the perceptions that are held regarding the use of social media and mitigating financial fraud among members of rural communities.

Theoretical Framework

The study adopted Uses and Gratifications theory followed by the proponents and the main thrust of the paper and its application to the present study. The Uses and Gratifications theory, which has its roots in the communications literature, can be an integral part of developing better scales and measurement instruments for social financial institutions, not only in relation to marketing and advertising, but also in dissemination of sensitization messages. The theory was propounded in 1974 by the trio of Elihu Katz, Jay Blumler and Michael Gurevitch. It was developed to explain why audiences do not passively wait for the mass media messages to arrive, but actively and deliberately seek out forms of content that provide them with information that they need, like and use. Analyzing uses and gratifications theory, Defleur and Dennis (1994), submit that it presupposes that members of the public will actively select and use specific forms of media contents to fulfill their needs and provide gratifications of their interests and motives. By directly applying these assumptions to this study, a few customized observations can be made. First, the average social media user is active as he/she has willingly created an account, and is a member of the site. Next, the user chooses any of the social media platforms as a means to fulfill his/her wants and goals over other sources and also the user came to any of the social media site for a unique purpose. Hence, financial institutions and other corporate firms employ this medium to reach out to their audience and ascertain and nullify claims that may be arising from inquests or requests about the brand they represent or portray.

Methodology

The study adopted the survey research method. The instrument used for data collection was the online questionnaire. Structured questionnaire was randomly distributed to residents of Oda community located in Akure South Local Government area of Ondo state. The questionnaire consisted of three parts: Part A for demographic information, Part B for social media, and Part C for financial fraud amongst bank users in Oda town.

Population of Study

The population of the study was drawn from respondents who are residents of Oda community located in Akure South Local Government area of Ondo state. Based on data from the 2006 national census, the community has a total of 3,521 residents as obtained from the National Population Commission in Akure, Ondo state.

Sample Size and Sampling Technique

The sample size of this study was calculated using the Taro Yamane sampling size and the total sample size derived for this study was three hundred and fifty-nine (359). This number represents the respondents who are residents of Oda community. The simple random sampling technique was adopted to get the respondents for this study and all data obtained from distribution of questionnaire were calculated and analyzed using the descriptive statistics.

Results and Discussions

The study administered 359 copies of the questionnaire to residents of Oda community in Akure, Ondo state. Out of the 359 copies administered, 280 copies were retrieved and well answered which represents a good number that can be used for analysis, 36 copies of the questionnaire were wrongly filled and could not be used while 43 copies could not be retrieved. This data would be presented using a table of simple percentages. The following table presented below addresses the issues raised in the research questions.

Table 1

Distribution of Respondents According to Sex.

Sex	Frequency	Percentage
Male	112	40%
Female	168	60%
Total	280	100%

From the table above, 112 which represent 40% are male, while 168 representing 60% are female. This reveals that a larger part of the respondents is of the female gender.

Table 2

Showing the number of respondents who operate a bank account

Question: Do you operate a bank account?

Options	Frequency	Percentage(%)
Yes	210	75
No	70	25
Total	280	100

Field Survey 2023

From the above table, 210 respondents representing 75 % of the total respondents stated that they operate a bank account while 70 respondents representing 25% of the respondents stated that they do not operate a bank account.

WHAT IS THE LEVEL OF EXPOSURE OF ODA TOWN RESIDENTS TO SOCIAL MEDIA?

To answer research question one above, four conditions were considered, which are:

a. Number of respondents who use a smartphone.
b. Number of respondents who are on any social media platform
c. Preferred communication medium
d. Which platform are mostly employed by Oda residents to receive sensitization messages

Table 3

Showing the Number of Respondents Who Use Smartphones

Question: Do you use a smartphone?

Options	Frequency	Percentage
Yes	79	28.2%
No	201	71.8%
Total	280	100

The above table 3 shows that out of a total of 280 responses, only 79 (28.2%) of the respondents own smartphones while 201 (71.8%) of the respondents do not own smartphones.

Table 4

Showing the Number of Respondents who are on social media

Question: Are you active on any of the social media platforms?

Options	Frequency	Percentage
Yes	58	20.7%
No	222	79.3%
Total	280	100

The above table 4 shows that 58 respondents (20.7%) use social media while 222 (79.3%) do not use social media. Based on this data 1 and 2 above, it is discovered that a majority of Oda residents do not have smartphones and do not use social media.

Table 5

Showing the Preferred Communication Medium of Oda Residents

Question: Which of the following is your preferred information channel?

Options	Frequency	Percentage
Social media	5	1.7%
Radio	90	32.1%
Television	86	30.7%
Townhall /Village Square Meeting	97	34.6%
Newspaper	2	0.9
Total	280	100

Field Survey 2023

From the table above, 1.7% of respondents prefer social media, 32.1% prefer radio, 30.7% prefer television, 34.6% prefer town hall and village square meeting, while 0.9% prefers newspaper.

Table 6

Showing the channels through which previous messages were disseminated to respondents

Question: How did you receive previous sensitization messages?

Options	Frequency	Percentage (%)
Social media	5	1.79
Radio	35	12.5
Television	6	2.4
Family and Friends	64	22.8
Not sure	170	60.71
Total	280	100

Field Survey 2023

From the table 6 above, 5 respondents representing 1.79% stated that they received previous senstitization messages through social media. 35 respondents representing 12.9% and 6 respondents representing 2.4% indicated that they received previous sensitization messages through radio and television respectively. Also, 64 respondents representing 22.8% indicated that they received previous sensitization messages through family and friends, while 170 respondents representing 60.71 respondents stated that are not sure.

How effective are Sensitization Messages sent through social media on Oda Residents?

To answer research question one above, three conditions were considered, which are:

a. Frequency of the sensitization messages received through social media
b. Respondents' level of understanding of the sensitization messages received through their social media platforms
c. Frequency of respondents who have being a victim of financial fraud

Table 7

Showing the number of respondents who have been sensitized about financial fraud before

Question: Have you ever received sensitization messages about fraud before?

Options	Frequency	Percentage (%)
Yes	112	40
No	168	60
Total	280	100

Field Survey 2023

From table 7 above, 112 respondents representing 40% indicated that they or someone they know have been sensitized about financial fraud before, while 168 respondents representing 60% of total respondents stated that they have never been sensitized about financial fraud before.

Table 8

Showing Frequency of the Sensitization Messages Received Through Social Media

Question: How often do you receive sensitization messages through your social media platform?

Options	Frequency	Percentage
Very Often	15	5.4%
Often	15	5.4%
Not Often	30	10.7%
Never	220	78.5
Total	280	100

From the above table, 5.4% of the respondents stated that they get fraud sensitization messages very often, 5.4% stated that they get the messages often. However, 10.71 % indicated that they do not get the messages often while 78.5% stated that they never get the messages about fraud sensitization.

Table 9

Showing Respondents' Level of Understanding of the Sensitization Messages Received Through Their Social Media Platforms

Question: Do you always understand the sensitization messages sent from your bank through social media to you?

Options	Frequency	Percentage
Yes	18	6.4%
Sometimes	32	11.4%
No	230	82.2%
Total	280	100

Field Survey 2023

The Table 9 above shows that 18 respondents (6.4%) always understand the sensitization messages sent through social media, while 11.4% sometimes understand the messages.230 respondents representing 82.2% do not understand the messages.

Table 10

Showing the number of respondents who have fallen victims of financial fraud

Question: Have you or anyone you know fallen victim of financial fraud before?

Options	Frequency	Percentage (%)
Yes	154	55
No	126	45
Total	280	100

Field Survey 2023

From table 10 above, 154 respondents representing 55% indicated that they or someone they know have been victim of financial fraud, while 126 respondents representing 45% of total respondents stated that they have not been victims of financial fraud before.

Discussion of Findings

A discussion of the research findings through the responses gathered from 280 respondents who are residents of Oda Community is given below. Findings revealed that the level of exposure of Oda town residents to social media is very low, only a few percentages of the community is exposed to social media. As recorded in table 3, out of the total 280 respondents who are members of Oda community, only 79 (representing 28.2%) are using smartphones while 201 respondents (91.8%) do not use smartphones. It was also observed in table 4 that only 58 respondents (20.7%) are active on social media, while 222 respondents (79.3%) are not active. Furthermore, findings also revealed that fraud sensitization messages disseminated through social media are not very effective as only a few percentages of the population actually receive and understand the messages. In table 5, it was observed that only 5.4% of the respondents get fraud sensitization messages very often, but 78.5% stated that they never get the messages about fraud sensitization while 10.71 % indicated that they do not get the messages often and 5.4% get it often. On the level of understanding of the messages, it was observed as shown in table 6 that only 18 respondents (6.4%) always understand the sensitization messages sent through social media, while 38 respondents (11.4%) sometimes understand the messages. However, 30 respondents representing 82.2% do not understand the messages. Hence, it is deduced that fraud sensitization messages sent through social media to members of Oda community are not very effective. Based on the analysis of data presented in table 7, only 5 respondents (representing 1.7%) of total respondents prefer social media, 32.1% prefer radio, 30.7% prefer television, 34.6% prefer town hall and village square meeting, while 0.9% prefer newspaper. Based on this analysis, it is observed that a majority of members of Oda community actually prefer traditional media (radio, television and town hall meetings) as their communication channels. Relating these findings to the theoretical underpinnings of Uses and Gratifications which is the theory adopted for this study, Oda residents have not used social media and most especially its numerous platforms to fulfill their thirst for mitigating financial fraud since majority of them do not even possess a social media account as seen in table 4 which shows that only 58 respondents (20.7%) are active on social media, while 222 respondents (79.3%) are not active on social media. The world is going more digital due to the advancement of technology and rural dwellers are being left out due to inability to attune themselves to this latest media technology of the 21st century. Failure to choose any of the social media platforms, attune to social media trends and sensitization messages puts dwellers of Oda town at a very high risk, hence there is no application of Uses and Gratifications theory.

Summary

This study examined social media use in mitigating financial fraud amongst bank users in local communities with a focus on Oda town. The result of the analysis indicated that social media have not been very effective in sensitizing residents of Oda about activities of fraudsters. Also, analysis showed that traditional communication channels such as local radio, television, newspapers and town hall meetings among others when adopted by financial institutions to help reduce the rate at which people fall victims to fraudsters should also be supported by using social media. Enlightening and assisting the residents of Oda town on how to use the social media adequately can also go a long way in mitigating financial fraud from unsuspecting victims.

It is not enough for financial institutions to open branches in local areas in the name of "financial inclusion" but engaging community members in problem-solving solutions to issues that affect them is a good strategy. Also, much attention should be paid to the channel of communication because it is as important as the message being disseminated.

Conclusion

It is true that social media is the new trend for almost everything but a sad reality is that most residents of local villages and towns in a developing country like Nigeria are yet to meet up to speed with this new norm. As a result, they are more likely to fall victims to fraudsters. While social media can be extremely useful for communication and engagement, it’s important to pay attention to the limitations of social media especially as it relates to reaching uneducated members of local communities. Although the world is going digital in the 21st century, there is a need to still enlighten people in the rural areas on the need to embrace digital technology also to complement the traditional media that is still being embraced by people in local communities.

Recommendations

Based on the research findings, the following recommendations were made:

1. Financial institutions should give priority to the use of traditional media in sensitizing their customers who reside in local communities about possible financial fraud and how to avoid falling victims to fraudsters.

2. If commercial banks can spend millions of naira doing media advertisements on social and traditional media to attract and retain more customers, surely,

spending a few thousands to sensitize local, uneducated customers on how best to protect their bank accounts would do even greater good.

3. The apex Bank (CBN) has a big role to play in ensuring that all bank users, irrespective of their physical location and level of technological exposure, get the best possible orientation about how to safeguard themselves from bank fraud. A specific way to do this is by making fraud sensitization within local communities a compulsory corporate social responsibility of all commercial banks and set up measures to check that the directive is followed.

4. While it is true that an increasing number of people utilize social media, worthy of greater consideration is that not everyone uses these media and in a developing country like Nigeria, people in rural communities are yet to meet up to speed of social media. By concentrating more on social media, financial institutions limit themselves and miss out on an opportunity to expand their reach significantly to members of local communities who may not have access to social media due to obvious reasons.

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