

# Supplementing Fraud Detection Standards for WEB Debits

## EFFECTIVE DATE

March 19, 2021

## RULE STATUS

Implemented

The WEB Debit Account Validation Rule became effective March 19, 2021. The rule was originally approved by Nacha members in November 2018 to become effective January 1, 2020. The Nacha Board of Directors approved an extension in effective date to allow for additional time, education and guidance to be provided to the industry. This effective date was recently affirmed in [ACH Operations Bulletin #7-2020](#).

Nacha will not enforce this rule for an additional period of one year from the effective date with respect to covered entities that are working in good faith toward compliance, but that require additional time to implement solutions. Nacha strongly encourages all such covered entities to work towards compliance as soon as possible.

## Resources

Additional resources and information on account validation are available through the [Account Validation Resource Center](#).

## Details

ACH Originators of WEB debit entries are required to use a “commercially reasonable fraudulent transaction detection system” to screen WEB debits for fraud. This existing screening requirement is being supplemented to make it explicit that “account validation” is part of a “commercially reasonable fraudulent transaction detection system.” The supplemental requirement applies to the first use of an account number, or changes to the account number.

## Technical

This Rule modifies the following areas of the *Nacha Operating Rules*:

Article Two, Subsection 2.5.17.4 (Additional ODFI Warranties for Debit WEB Entries) to make explicit that a fraudulent transaction detection system must, at a minimum, validate the account to be debited.

## Impact

Effective Date: March 19, 2021

Potential Impacts:

- Possible re-tooling of ACH Originators' fraud detection systems
  - Or implementation of a system for Originators who currently do not perform any fraud detection for WEB debits
  - These impacts could increase the cost of originating WEB debits for some parties
- RDFIs could receive a greater volume of ACH prenotifications, micro-transactions, or other account validation requests
  - Some could be in lieu of receiving live-dollar transactions initially