

4 Tips to Protect Yourself Against Wire Fraud in Leasing

Nov 02, 2021

Wire fraud can result in significant loss, and it is permeating all types of transactions, including leasing. With tenants more frequently wiring funds to pay for security deposits and rents, it is important to take precautions against wire fraud to ensure the safety of payments and to avoid potential disputes between landlords and tenants over who is responsible for such a loss. Ideally, payments should not be considered to have been made until they actually reach the recipient.

While there are various forms of wire fraud with different scenarios, it most often begins with a person receiving an email that contains fraudulent wiring instructions related to an actual business deal. The wire transfer is then sent to a fraudulent account, only for the relevant parties to later find out that the instructions were not authentic. Frequently these emails are coupled with claims that "there is no time to talk" or "I am not reachable," both of which are hallmarks of fraud.

The point is that these frauds are real, are increasing in frequency and sophistication, and can happen to you if you're not careful. Here are four tips to help landlords and tenants avoid becoming victims of wire fraud:

1. Include in the lease how wire instructions are going to be sent, received and changed (unless wires are specifically prohibited by the lease). Preferably the discussion of such a clause includes how the tenant will communicate with the landlord about wires, and also how wires are to be handled...[\[Read more\]](#)

This blog was originally posted on [Lowndes Leasing Lawyers](#).