

NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY



**AN INVESTIGATION OF THE IMPACT OF POS FRAUD TO THE RETAIL
SECTOR IN ZIMBABWE-A CASE OF BULAWAYO CBD**

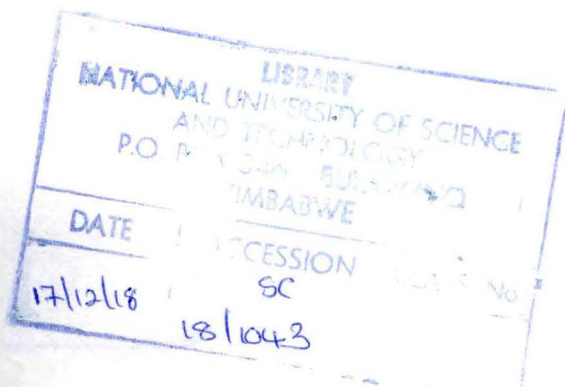
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[N0166043H]

**A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENTS FOR THE DEGREE OF MASTER OF SCIENCE IN
INFORMATION SYSTEMS**

2018



Abstract

POS fraud has become a significant problem to the business operations as cases are reportedly increasing with the increase in the use of plastic money in Zimbabwe. The main purpose of this study was to investigate the impact of POS payment system fraud to the retail sector in Zimbabwe. The study explored various POS fraud techniques most prevalent in the retail sector and assessed the sufficiency of operational response strategies in place to combat the identified threats. Fraud detection and prevention strategies critical in curbing POS fraud were also recommended to improve on those operationalised by retailers. A mixed methods approach involving both quantitative and qualitative methods was used in the study in order to collect both statistical and non-statistical data using questionnaires and interviews as instruments respectively. A total of sixty participants were selected using purposive sampling from supermarkets, food outlets, clothing shops, service stations and furniture shops. Data that was gathered using the questionnaires was analysed using SPSS to answer the research questions and objectives. Interviews were also used to corroborate information gathered through Questionnaires. The results of data analysed indicated that counterfeit card and stolen card fraud were the most prevalent techniques in use. The study concluded that retail businesses had a mix of POS fraud operational response strategies. However it was established they were not sufficient. Retailers were being impacted through reputational damage, reduced turnover and loss of productivity. In order to address POS fraud risk and minimise impact to the retailers, recommendations were made for financial Institutions issuing POS machines to fully adopt the Europay, MasterCard and Visa (EMV) chip standard and also introduce biometric authentication on POS machines.