

Precision Computer Services Wins Negligence Lawsuit Against Newtown Savings Bank



Bank's failed procedures enabled a fraudster to transfer \$67,000 to an overseas account

NEWS RELEASE BY PRECISION COMPUTER SERVICES

Newtown, Conn. | March 29, 2022 08:22 AM Eastern Daylight Time

Technology firm Precision Computer Services, Inc. recently won **summary judgment** in its negligence lawsuit against Newtown Savings Bank. In 2017, the bank failed to identify a fraudulent wire transfer order, and bank employees sent \$67,560 from Precision's account to a bank in Hungary. Despite this failure, the bank refused to reimburse Precision for the unauthorized withdrawal.

In 2017, the bank received an email from an individual pretending to be Precision president Michael FitzSimons. The email was sent from an email account with a similar but fraudulent domain name, a tactic known as "spoofing." The email requested that funds be sent urgently to a bank in Hungary. Precision had never previously wired funds to Hungary nor did it have any payment history or business relationship with the recipient of the funds. The original lawsuit contended that the bank did not follow guidance concerning fraudulent spoofing schemes that was distributed in 2016 by the Financial Crimes Enforcement Network of the United States Department of Treasury.

In its ruling, the district court noted that the bank failed to comply with reasonable commercial standards of fair dealing when it did not require multi-factor authentication of the wire transfer order, stating that "multifactor authentication is the lodestar of reasonableness in wire transfer transactions."

The judgment stated the bank "did not call FitzSimons to confirm that the payment originated from him, require FitzSimons to answer security questions, require the provision of identifying word or numbers, or the use of a passcode." The bank failed to authenticate the payment order and failed to have the fraudster who purported to be FitzSimons prove his identity.

"For nearly five years, Newtown Savings Bank's leadership did not reimburse our company for the fraudulent wire transfer that it failed to authenticate," said FitzSimons. "I'm deeply saddened that I put my trust in the leadership of my hometown bank that, in the end, failed to protect one of its longtime customers."

For more than 33 years, Precision Computer Services, Inc. has strategically partnered with technology providers to bring top-tier IT products and industry-leading innovations to the

marketplace. More information is available at precisiongroup.com.

The **judgment** is **available here** and at www.LawsuitPressRelease.com. Further information on the case is available at www.NSBLAWSUIT.com.

Contact Details

LawsuitPressRelease.com

John P. David

+1 888-859-6637

john@lawsuitpressrelease.com

Company Website

<https://precisiongroup.com/>

Tags

NEWTOWN SAVINGS BANK

PRECISION COMPUTER SERVICES

LAWSUITPRESSRELEASE.COM

LITIGATION

JUDGMENT

FRAUD