

**EXAMINE THE IMPACT OF ATM SKIMMING ON PERFORMANCE OF  
COMMERCIAL BANKS IN UGANDA. A CASE STUDY OF BACLAYS BANK OF  
UGANDA (U) LTD**

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## ABSTRACT

This study assessed the impact of atm skimming on the performance of commercial banks in Uganda, case study being Barclays Bank of Uganda limited. The study was guided by three objectives namely. To establish why there is an increase in ATM Skimming in Uganda commercial banks. To assess impact of ATM skimming on performance of commercial banks in Uganda. To propose measures of curbing down ATM skimming in commercial banks.

Participants were 10 senior managers, 30 staff and 46 customers from various Barclays Bank Uganda ltd branches.

Purposive sampling was used by the researcher to select the samples. Purposive sampling was preferred by the researcher because it was more convenient compared to other sampling techniques. The sample was stratified according to a respondent's seniority in the banking profession.

The researcher used both primary and secondary sources of data to generate the necessary information. It involved collection of data from respondents through use of questionnaires. The questionnaire included both close and open ended questions. It was both qualitative and quantitative in nature. In addition, the researcher used existing information from the journals, newspapers and magazines to generate data and inform the study.

Research findings revealed why there is an increase in ATM Skimming in Uganda commercial banks. Reasons behind increase of ATM skimming in commercial banks in accordance to this study include; Poor monitoring systems, influence of advanced technology, inappropriate banking systems, and staff intentions to skim among others.

This implies that commercial banks in Uganda should employ various measures in a bid to curb down the negative consequences of ATM skimming. The study came out with strategies which include; Increased Sensitization on ATM Skimming amongst staff, clients and employees, introduction of new technology by commercial banks meant to track ATM skimmers, Government intervention to assist in terms of resources and moral support, improved working conditions by commercial banks to avoid their workforce get involved in ATM skimming deals, introduction of more training programs and refresher courses meant to curb down ATM skimming, improved monitoring systems by commercial banks.

In order to improve service delivery in commercial banks, the study recommended that, Commercial banks in collaboration with other stakeholders should take an extra step to sensitize the public on ATM Skimming, its dangers and how it can be prevented. For instance all employees should be sensitized on dangers of the phenomenon and how it can be avoided. All commercial banks and other financial institutions in the country should take an initiative to procure and introduce new technology meant to track ATM skimmers. This would in turn reduce ATM skimming and its related evils.

There should be a Government intervention policy to assist in terms of resources and moral support to the upcoming commercial institutions experiencing ATM skimming. This can be done through tax exemptions in a bid to enable such institutions to grow and generate more profits. This lays fertile grounds for such commercial banks explore their potential in line with public demands.

Commercial banks should organize themselves and create strong networks that can easily identify ATM skimmers in advance. This would help commercial institutions to restore hopes to their clients, staff and other key stakeholders for that matter.