

# The impact of cybercrimes on the efficiency of banking sectors of pakistan

[Business](#), [Industries](#)



Historical Background Cybercrime or computer crime has become an important area of interest these days. Recent media coverage has dealt with the widespread stories of substantial scale information ruptures, hacking and numerous online monetary wrongdoings. Currently, the number of cybercrime occurrence is in increasing day by day, as this number is almost always depicted in either absolute 1000 attacks per year or this percentage may change year-over-year (50% more attacks in 2014 than in 2013).

Recent discussions of ' cybercrime' focus upon the apparent novelty or otherwise of the phenomenon. The major actions regarding the usage of computers and computer networks to commit criminal activities started in 1970's and are continues to the present day.

The first Cybercrime started in 1820 with hackers trying to break into computer networks. It is not surprising that it is Abacus, about 3500 BC. One of the oldest forms of computer presented earlier in China, India and Japan. In 1820, a person named Joseph Jacquard, who was a textile manufacturer in France, created the loom. This was a special device that allowed the repetition of a series of various steps within the weaving of some special materials. All this resulted in an exceedingly worry amongst all the workers of the organization that their employment and resource is also vulnerable. They started thinking about that. And finally they were committed with the acts of sabotage tom which discouraged Jacquard from more use of latest technologies. This was the first time in the history that any cybercrime occurred! Today, computers have been modified due to new technology, with the neural networks and nano computing systems promising to show

every and each jot in an exceedingly glass of water into a laptop that is capable of acting billions of operations per second.

A serious crime occurred within the recent past, was the Citibank dupe. An enormous quantity (US \$ ten million) was fraudulently transferred out of the bank into a checking account in European country. In Russia, a famous hacker named Vladimir Kevin lead a hacker group which committed a cybercrimes attack. This hacker group conciliated the bank's security systems. Vladimir asserted to use his office computer to break into Citibank computers at AO Saturn which was a computer firm in St. Petersburg, Russia. Because of this big cybercrimes, he was finally in remission on Heathrow field on his way to European country. Several questions have been raised to know the impact of cybercrimes on the efficiency of banking sectors of Pakistan. The cybercrime occurrence rate in Pakistan is rising day by day. Cybercrime cell receives 10 to 12 complaints daily. Limited researches have been conducted on cybercrimes in Pakistan. Results of all previous studies encouraged the researchers to conduct more new related researches in the light of these studies to fill the gaps. The purpose of this research is the same that how cybercrimes impact the efficiency of five banking sectors of Pakistan.

In today's world, cybercrimes are a big threat to the whole business world. In fact, not a single company is completely immune to it (Olorunsegun, 2010). Public expects complete responsibility, fairness, transparency and effective communication from banks. All the banks expect to make sure that they fulfill their responsibilities with sincerity which can be innocent of

dishonorable activities. Instead of great care, there are many known cases of online frauds in the banking sectors of Pakistan. A main question arises that what is the impact of cybercrimes on the efficiency of banks of Pakistan?

Cybercrimes are the major challenge to the whole working organizations. All the businesses worldwide have been affected through cybercrimes.

According to a study currently done, the cybercrime occurrence rate in Pakistan is lower than US and other developed countries. This study is useful for identifying the impact of cyber crimes on the efficiency of five banking sectors of Pakistan. In previous studies this research is not conducted on this topic in Pakistan if done then overall working organizations are taken as sampling or population; research is not conducted just on the banking sectors of Pakistan. This is proved from the research conducted by M Shahnawaz Sheikh, Binish Hanif, Abdul Aziz and Raheela Azad in the year 2012. Most of the researches have been conducted on this topic in developed countries. As in the case of Pakistan a very few researches have been conducted related to this topic. On June 1, 2016 a research report was presented by Sama Tanveer and Ufaq Manzar on the incidence of cyber crimes in Pakistan. This report clarifies that how the increase in usage of internet has amplified the incidence of cybercrime in the society? But we are trying to know the impact of cyber crimes on the efficiency of banking sectors of Pakistan. So by this study we are able to learn more new concepts and information.

## What is Crime?

The word 'Crime' has an origin 'Crimean' that means 'offence' or 'charge' so crime is a social fact. A crime is an unlawful act or breach of public rights for which someone may be punished by the Government. Crime is not national or international illegal act but worldwide spreading fact. New definition of crime by Charles Montaldo in 14-12-2017 is: "A crime occurs when someone breaks the law by an overt act, omission or neglect that can result in punishment. A person who has violated a law, or has breached a rule, is said to have committed a Criminal Offence". Dr. Gillian J. L says about crime, "More important is the feeling of danger to ourselves and our property than the criminal-induces". (Gillian J. L. Criminology and Penology (1945). James Anthony Froude (1818-1894) mentioned, "Crime is not punished as offence against God, but as prejudicial to society". John Hare (1844-1921) writes "Crimes sometimes shock us too much: Vices always too little". Adler says, Crime is just "an instance of behavior prohibited by criminal law". Criminal statistics 1st created in France in 1827 was once control to replicate the incidence of crime in society in a right way.

Now all the statistics including all official statistics are interpreted with great caution. Punishments against any criminal act can range from the payment of fine to imprisonment in jail. Robbing someone at gun point is a very severe crime that may result in a heavy prison punishment. Once an American Baptist Minister, Martin Luther King was unfree for his role in U. S. Civil Rights Movement (1960). During this tenure when he was in jail; he wrote a letter from jail in Birmingham. This was an essay which is one of the

classic writings on civil violation. In this essay, he argued that each person contains a duty to refuse unjust laws whereas enduring by the lawful processes of the State together with ordered punishments. Similarly, solon was condemned for activities against the social policy State of African nation and remained in jail for twenty six years before unharness. At that time he became the primary democratically elective President of African nation.

Crimes have many different types. In some type of crimes, just an individual is involved while in many other crimes a number of people are involved who are organized in the form of group to commit a particular crime. It is not only the male persons who commit crime but female and children also commit criminal acts. So, for classifying the crimes we should have idea about the criminal, his purpose and type of crimes he commits. Crimes may be ordinary or serious crime.

An expert named Mr. Bojore classifies crimes into four main types on the basis of purpose or objective of committing crime.

1. Monetary Crimes: These crimes are committed for the sake of money. These may include fraud, theft, contraband currency and forgery etc. Cybercrime is an online monetary crime
2. Sexual Crime: It includes rapes and homosexuality.
3. Political Crimes: These include surveillance internationally, disloyalty or duplicity and treachery etc.

4. Miscellaneous or other crimes: These are crimes other than all above mentioned crimes of such as quarrels, kidnapping, fights or addiction to narcotics etc.