

Stronger & Secure Banking

Problem statement : How can we solve the problem of forged signature on the cheque where signature verification is manual ?

Problem

Situation : A issued the cheque to B

A: Issuer of the cheque

B : Beneficiary of the cheque

Valid transaction : B deposited the cheque in his bank – the cheque went through clearing process . A's bank confirm the signatures and cheque gets cleared and b gets the money

Fraudulent transaction : B gets a blank cheque of A and he forged his signature and deposited the cheque and gets the money

Current solution : Bank requests individuals to keep their cheque books safe

Solution - Blockchain

Each cheque when issued will have a cryptographic key or code (you can say)

That cryptographic key is system generated and can only be generated when the account owner will request the system to do so

Cryptographic key will have all the relevant information pertaining to that particular cheque

In case of any fraudulent transaction bank will follow the same process, but at the first stage it will check if the cryptographic key is generated and valid for that particular cheque, if not the cheque will get bounced and client will get notified

- Two way authentication will make the transaction secure , cheque book misuse will be reduced
- Legitimacy of the transaction will increase . Issuer can not deny if he has issued the cheque and generated the key . Beneficiary can demand the key while accepting the cheque – Key can be validated by the blockchain network no manual intervention is allowed and key cannot be forged
- Blockchain System can be developed and altered in different ways to protect the interest of both issuer and beneficiary
- Once the cheque is passed all the relevant details of the transaction will be stored forever in the block which can be viewed and never can be altered
- creates a strong database of each record

