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ADMINISTRATIVE FRAMEWORK FOR THE PREVENTION AND PUNISHMENT OF BANKING MALPRACTICE IN NIGERIA

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ABSTRACT

This Article examines the activities of the bodies established under the Chartered Institute of Bankers Act in Nigeria for the prevention of malpractice in the Nigerian banking sub-sector. This inquiry aligns with the broader research objective of assessing the adequacy of the institutional arrangements designed to prevent and punish banking malpractice. Specifically, the Article evaluates whether these bodies perform their functions in accordance with the statutes that created them. The institutions under review are: the Chartered Institute of Bankers of Nigeria (CIBN) Investigating Panel and the CIBN Disciplinary Tribunal. The Article also examines the Bankers' Committee and its complementary role within the administrative framework for preventing and punishing banking malpractice. This article administrative framework for preventing banking malpractice is also anchored by the Central Bank of Nigeria (CBN) Chartered Institute of Baking in Nigeria (CIBN) and the Nigeria Deposit Insurance Corporation (NDIC) operating under the Banks and Other Financial Institutions Act (BOFIA). It combines strict regulatory oversight, digitized consumer protection, and internal compliance controls to safeguard the banking sector. Also, the administrative framework for preventing banking malpractice in Nigeria relies on a multi-layered structure enforced by the Central Bank of Nigeria (CBN) and the Nigeria Deposit Insurance Corporation (NDIC). This framework mitigates fraud and unethical practices through risk-based supervision, strict consumer protection mandates, data tracking, and law enforcement collaboration.

Keywords*:* *Administrative, Framework, Prevention, Banking, Malpractice, Nigeria*

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1. INTRODUCTION

Nigeria's administrative framework for preventing and punishing banking malpractice is anchored on the Central Bank of Nigeria (Establishment) Act 2007 and the Banks and Other Financial Institutions Act (BOFIA) 2020. These statutory powers are carried out through stringent regulatory guidelines, systemic audits, and collaborative enforcement to safeguard depositors, prosecute fraud, and maintain financial stability. The framework operates through primary regulators, deposit insurers, and anti-corruption agencies**.** Central Bank of Nigeria (CBN): The apex regulatory body. It conducts routine, risk-based examinations, issues directives to freeze suspicious accounts, and sets strict fraud-management timelines**.** Nigeria Deposit Insurance Corporation (NDIC) focuses on deposit guarantees and failure resolution. Governed by the NDIC Act 2023, it collaborates with the police to investigate malpractices and prosecute directors responsible for bank failures. The Economic and Financial Crimes Commission (EFCC) investigates and prosecutes serious financial crimes, including money laundering and high-profile insider abuse in the banking sector. Statutory Laws and Punishments: Malpractice is criminalised under several core legislations, with stiff penalties for offenders. Failed Bank (Recovery of Debts) and Financial Malpractices in Banks Act (Cap F2, LFN 2004) imposes severe criminal sanctions, including long prison terms and asset forfeiture, on bank directors, staff, and customers who contribute to the collapse of a financial institution. Money Laundering (Prevention and Prohibition) Act 2022**:** Mandates financial institutions to conduct due diligence, report suspicious transactions, and penalises institutional failure to prevent money laundering. Bank Employees Etc. (Declaration of Assets) Act. Requires bank employees to declare their assets. Unexplained wealth can trigger investigations into corruption or malpractice. Consumer Protection and Dispute Resolution: To prevent internal fraud and protect customers, the CBN has enacted frameworks detailing strict operational and consumer protection requirements**:** Authorised Push-Payment (APP) Fraud Guidelines: Mandates banks to acknowledge fraud complaints within 24 hours, conclude investigations within 14 working days, and process mandatory refunds within 48 hours for confirmed fraud where the customer was not negligent. Consumer Protection Regulations: Set strict requirements for transparent banking, data privacy, and require banks to maintain 24/7 fraud-reporting and resolution channels. Complaint Management: Directs that disputes must first be escalated to the branch level, but unresolved issues can be escalated to the CBN Consumer Protection Department for binding mediation.

1.1 Conceptual Clarification

Legal framework: Many scholars have provided several definitions of legal framework and malpractice. However, for this study, definitions will suffice. From the statutory dimension, the Banking Ordinance 1952 defined legal framework as: statutory enactments such as the Banking Acts of 1958, 1969, and the Banks and Other Financial Institutions Act 1991; the Central Bank Decree no. 24, Central Bank of Nigeria Act, 2007, issuing guidelines or financial policy to any person or institution providing financial services.

By and large, legal frameworks are legislation, rules or regulations lawfully created by law and apt to be obeyed. Also, according to *Lord Denning*[1] "one cannot place something on nothing and expect it to stand". This position confirms that the legal framework is the basis and fulcrum on which laws are regulated.

Black's Law Dictionary defined the word *legal* as: Conforming to the law; according to law; required or permitted by law; not forbidden or discountenanced by law; good and effectual in law; or pertaining to the law; lawful,[2] *Mohammed*[3] defined *Legal*, within the province of law as: established, required or permitted by law, lawful, or of or relating to law as opposed to equity.[4] *Framework*: involves, plans, shapes, or constructs; especially to draft or otherwise draw up.[5] *Legal* refers to a set of beliefs, ideas, or rules connected with the law that serve as a basis for judgments, discretion, etc.[6]

This study elaborates on the definition of the Banking Ordinance of 1952 established above for the purposes of this research, as it is relevant to this discourse. Finally, this study opines that legal framework can be defined as a body of rules and regulations, legislation, and authority, as a structure, usually rigid, basis serving to hold the part of something or body of regulation together or support something constructed, the basic structure or system especially as draft or otherwise draw up.

Prevention: It is observed that neither the *Bank and Other Financial Institution Act, Nigeria Deposit Insurance Corporation Act,* nor the Constitution of the Federal Republic of Nigeria, define the term "prevention" Also we have not come across judicial definition of the concept of "prevention" However, there are dictionary definitions of the concept of "prevention"

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1 *Macfoy v UAC* (1962) AC 152.
2 Garner, A.B., *Black Law Dictionary, (*8th edition West Publishing Company, United State of America,1990) p.894. See *Freeman v Fowler Packing Company,* 135.Kan.378, 11 p.2d 2d76, 277.
3 Mohammed op cit p.553.
4 Patrick D., the Judge, (1979) Pp.32-33.
5 Ibid p.728.
6 Ibid p.471.

Black's Law Dictionary defines the term prevention as: to hinder or prelude, to stop or intercept the approach, access, or performance of a thing.[7]*Black's Law Dictionary* further defined prevention as: the practice of law that seeks to minimize a client's risk of litigation or secure more certainty with regards to the client's legal rights and duties.[8] Prevention doctrine is the principle that each contracting party has an implied duty not to do anything that hinders the other party from performing its obligation.[9] Here, the definition did not specifically define prevention.

The provision in the *Bank and Other Financial Institutions Act* adds further clarity to the definition of prevention from the standpoint of restricting certain banking activities. It explains the term from the perspective that a bank, specialised bank or other financial institution shall not, without the prior approval in writing of the Bank, grant to any person any advance loan or credit facilities or give any financial guarantee or incur any other liability on behalf of any person so that the total value of the advance, loan, credit facility, financial guarantee or liability in respect of the person is at any time more than 20% of the shareholders' funds unimpaired by losses in the case of a commercial bank, and 50% of the shareholders' funds unimpaired by losses in the case of merchant bank, and in the case of specialised banks and other financial institutions, such percentage as the Bank may determine.[10]

From the above definitions, we consider the definition of *Black's Law Dictionary* more elaborate for the purpose of this research work because of the emphasis on the act of hindering, precluding, stopping or intercepting the access or performance of a thing considered inimical to the instant rules and regulations of a given state of affairs of the organisation or society as a whole.

*Punishment***:** In the contemporary banking subsector, punishment remains the mainstay of ethical, disciplined, and sustainable, result-oriented banking.[11]There have been judicial and dictionary definitions of the concept of punishment which are aptly considered hereunder:

Black's Law Dictionary defined punishment as: any fine, penalty, or confinement, inflicted upon a person by the authority of the law and the judgement and sentence of a court, for some crime or offence committed by him, or for his omission of a duty enjoined by law.[12] Black's Law Dictionary defined punishment as: sanction, such as fine, penalty, confinement,

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7 What is PREVENT? Definition of PREVENT *(Black's Law Dictionary), available at PREVENT,* accessed 14 August 2019.
8 Garner, B. A., *Black Law Dictionary* (9th Ed printed in United State, 1999) P.977.
9 Ibid p.1308.
10 Section 19 (1) BOFIA 2020. As amended.
11 Bashir, T., & Koholga, O., *'Application of Ethical Approach to Accounting Thought in Financial Reporting By Nigerian Banks',* NDIC quarterly, Vol.28, May/June, 2016. P.92.
12 Henry C.B., *'Black's Law Dictionary'* (6th ed West Publishing Company1990), P.1188.

or loss of property, right, or privilege, assessed against a person who has violated the law".[13] Punishment is the infliction of some kind of pain or loss upon a person for a misdeed. Punishment, in the sense of a sanction imposed for a criminal offence, consists of five elements[14]: (a) it must involve an unpleasantness to the offender; (b) It must be for an offence; (c) It must be an offender; (d) It must be a natural consequence of an action; and (e) It must be imposed by an authority or an organisation against whose rules the offence has been committed.

*Malpractice***:** Despite being firmly embedded in the international lexicon, there is a question as to whether "malpractice" has become a term of art or a social science; therefore, different ideas as to what is meant by "malpractice" have emerged, defined by various views. The concept has generated significant controversy in Nigeria of late. From a statutory dimension, *the Economic and Financial Crimes (Establishment) Act 2004* defines malpractice as:

> The non-violent criminal and illicit activity committed with the objective of earning wealth illegally either individually or in a group or organised manner thereby violating existing legislation governing the economic/financial activities of government and its administration and includes any form of corruption or corrupt practices, fraud, narcotic, drug trafficking, money laundering, embezzlement of public funds, bribery and looting, illegal arms deal, any form of corrupt practices, dumping of toxic waste and prohibited goods, etc.*[15]*

It is pertinent to quote *Oche in* his book,[16] herein extensor, as recorded in the House of Representatives on the 8th day of April 1952, reading in the House. He said: *"... the fact of the matter is, sir, there are many malpractices and practices which are below what is normally considered normal banking practice among many bank/ institutions in this country styling themselves banks, and it was with this knowledge that Government some years ago decided to consider the introduction of legislation to control banking".*

Black's Law Dictionary defines malpractice as:

> Professional misconduct or unreasonable lack of skill, this term is usually applied to conduct such as Doctors, lawyers, and Accountants. Failure of one rendering professional service to exercise that degree of skill and learning commonly applied under all the circumstances in the community by the average prudent reputable members of a profession with the result of injury, loss or damage to the recipient of those entitled to rely upon them. It is any professional misconduct, unreasonable lack

13Garner,B.A. , *op cit p.1269.*

14 Kingsley E., and Ekwuru N., Crime and Punishment in Nigeria, at https://freebook summary.com/crime-and-punishment-Nigeria, accessed December 3rd, 2019.

15 Section 46 of the *Economic and Financial Crime Commission (Establishment) Act. Cap. E1 Laws of the Federation of Nigeria (LFN) 2004.*

16 Oche, P.N., *Banking Law and Practice in Nigeria*, Heirs Great Commission Jos, (2002) p.7

> of skill or fidelity in professional or fiduciary duties, evil practice or illegal or immoral conduct.[17]

Similarly, in *Katsina-Alu, JSC* placed emphasis on malpractice in Samson *Babatunde Olarewaju v Afribank Nigeria plc,[18] the court defined malpractice as*:

> ... Irregularity and 'malpractice' do not constitute any offence known to our criminal law. These have been defined at pages 662 and 767 of the Chambers' 20th Century Dictionary (1983 edition) respectively as follows: 'irregularity', a rough place or bump on an even surface; an instance of action, behaviour, etc. not conforming to rules or regulations. And 'malpractices', an evil or improper practice; professional; misconduct; treatment falling short of reasonable skill or care; illegal attempt of a person in position of trust to benefit himself at others' loss.[19] He stated further that for an irregularity or a malpractice to amount to an offence, it must be one that is known to law.

On this note, it can be safely said that the various definitions offered above clearly leave no doubt that our working definition of malpractice is not only unethical, improper practice, and anti-social, but it taints, spoils, vitiates, and debases, and above all, morally degenerates a legally thriving system. This research paper would adopt the definition of malpractice given by the court in *Samson Babatunde Olarewaju v Afribank Nigeria plc[20]* and the Black's Law Dictionary definition because they are elaborate and acceptable for their comprehensiveness in relation to this study. In addition, they capture the essence of this study.

2. CHARTERED INSTITUTE OF BANKERS OF NIGERIA INVESTIGATING PANEL

The Chartered Institute of Bankers of Nigeria (CIBN) Investigating Panel is charged with conducting preliminary investigations into allegations that a member has violated the Institute's Code of Conduct or otherwise warrants proceedings before the CIBN Disciplinary Tribunal.[21] The Code of Conduct outlines the following procedure for handling complaints against members:[22]

> All complaints or petitions involving members must be duly signed and addressed to the Registrar/Chief Executive of the institute in triplicate. The complaint or petition shall be acknowledged in writing within seven (7) days of receipt. The acknowledgement letter shall include a clause prohibiting all parties, pending determination of the case, from:

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17 Garner., *Op cit, See Mathew v Walker*, 34 Ohio App.2d 128, 296 N.E 2nd 569, 571, 63 0.02nd 208

18 (2000-2001) 10 N.BL.R (Part II) 401, particularly at 420.

19 Samson Babatunde Olarewaju v Afribank plc (2000-2001) 10 N.B.L (Part II) 401, particularly at p.410, paragraphs e-g.

20 Ibid p. 410 paragrahs e-g.

21Section 5, *Code of Conduct in the Nigerian Banking Industry* (Professional Code of Ethics and Business Conduct), 2013.

22Ibid., Section 4.3.2.

> commenting on the matter in the mass media; and initiating legal proceedings or referring the matter to any other dispute resolution body. A copy of the complaint shall be forwarded to the defendant and/or other named parties for their response(s), also in triplicate. The Institute shall collate the petition and the defendant's submission(s) and refer the matter to the CIBN Investigating Panel. The Investigating Panel shall investigate the case and determine whether it should be referred to the CIBN Disciplinary Tribunal.[23]

It should be noted that the CIBN administrative framework for preventing banking malpractice centres on strict ethical regulation, mandatory professional certification, and a structured, investigative approach to misconduct, supported by the CIBN Act[24]. It enforces adherence to codes of conduct, utilises a tribunal for adjudication, and mandates whistle-blowing procedures. The CIBN mandates strict adherence to the Code of Conduct in the Nigerian Banking Industry for all members, prohibiting actions that bring disrepute to the profession, including fraud, collusion, and conflict of interest.

Complaints of malpractice are submitted to a specialised investigative subcommittee. This body manages the investigation, acknowledges complaints, and restricts public commentary on ongoing cases. A formal whistleblowing framework encourages reporting of unethical behaviour and protects internal and external stakeholders from reprisals. The CIBN ensures that only licensed professionals manage technical departments, enforcing professional competence and accountability. The CIBN sets standards for knowledge and behaviour within the industry to prevent malpractice stemming from incompetence or lack of ethical training.

The Investigating Panel handles administrative functions related to ethical and professional misconduct by licensed members, including:[25]

(a) receiving complaints and evidence of ethical or professional breaches;
(b) investigating reported cases;
(c) substantiating cases to the Disciplinary Tribunal for sanctions;
(d) monitoring the use of practice licenses;
(e) ensuring compliance with the CIBN Code of Conduct and relevant provisions of the CIBN Act[26]

The Panel investigates allegations of unethical or unprofessional conduct by CIBN members and decides whether a prima facie case/sufficient evidence exists to warrant referral to the Disciplinary Tribunal, which may impose sanctions ranging from warnings to suspension

23Ibid.
24 N0.5 2007.
25Segun, Aina. *"Paper Delivered at the Maiden Public Presentation of CIBN Practice License*." Ijewere Hall, "Bakers" House, Lagos, 20 May 2011. https://portal.cibn.org. Accessed 30 July 2025.
26Ibid.

or expulsion from the Institute.[27] The CIBN, through its Ethics and Professionalism Division, serves as the secretariat for the Sub-Committee on Ethics and Professionalism, which also addresses disputes and misconduct in the banking industry.[28] Its primary role is to conduct preliminary investigations into alleged violations of the Institute's Code of Conduct or other ethical provisions and determine whether the matter merits formal adjudication by the Disciplinary Tribunal. The process begins when a complaint, allegation, or petition is submitted to the Registrar/Chief Executive Officer of the CIBN. If the Panel finds sufficient evidence of misconduct, it refers the case to the Tribunal for hearing and sanction.[29]The Governing Council appoints the Investigating Panel, which comprises five (5) members: two of whom are members of the Governing Council (one serving as Chairman), and three who are not.[30] Members serve a two-year term, renewable once for an additional two years. The Panel operates independently and may receive complaints directly from any individual or organisation.[31] However, the Central Bank of Nigeria (CBN) and the Nigeria Deposit Insurance Corporation (NDIC) are expressly excluded from the Panel's jurisdiction.[32]

In carrying out its investigations, the Panel may seek assistance from personnel or departments such as the CBN's Banking Supervision Department and Other Financial Institutions Department (OFID), the NDIC's Bank Examination Department and Special Insured Institutions Department (SIID), the Committee of Chief Inspectors of Banks, and various professional banking associations.[33] The Commission issues summonses to all relevant parties and witnesses during investigations. As at the end of 2022, over 2,281 aggrieved bank customers had lodged complaints with the CIBN's Ethics and Governance Directorate, claiming a total of ₦377.6 billion and $428.7 million (approximately ₦197.2 billion at prevailing exchange rates).[34] In 2022 alone, the Directorate received 25 petitions amounting to about ₦8.7 billion.[35] This underscores the Panel's role in addressing breaches of professional ethics and referring culpable members to the Disciplinary Tribunal to determine liability. The Code of Conduct serves several key purposes:[36]

27Ibid.
28Section 13(1), Chartered Institute of Bankers of Nigeria Act, 2007.
29Ibid.
30Ibid., Section 1(a).
31Ibid.
32Section 13(1), CIBN Act, 2007.
33Ibid.
34Segun, Aina., op. cit. P.2
35Nike.,Popoola. *"Aggrieved Customers Demand ₦575bn from Banks CIBN* Punch Newspapers". 22 May 2023. https://punchng.com. Accessed 30 July 2025.
36Section 3.0, Code of Conduct in the Nigerian Banking Industry, 2013.

(a) Guiding individual and corporate members in fulfilling obligations to customers and stakeholders by maintaining high standards of service, performance, and product quality;
(b) Ensuring bank employees conduct their duties fairly and honestly;
(c) Promoting best banking practices and a strong commitment to ethical and professional standards;
(d) Encouraging compliance with applicable laws and regulations; and
(e) Clarifying the rights and obligations of members.

The Code of Conduct complements the CIBN Act[37] which establishes the administrative framework for professional banking practice[38] Section 1 of the Core Principles mandates every member to "conduct himself in relation to customers and third parties on principles of Honesty, Integrity, Diligence, Credibility, Transparency, Fairness and Trust."[39] Members must also exercise care and caution in their duties and refrain from verbal or physical assaults on customers, colleagues, or other stakeholders.[40]

To further its mandate, the CIBN Investigative Panel investigated the case of Mrs Cecilia Ibru following her removal by the CBN[41]. The CIBN Investigative Panel did not lead the initial investigation into Ibru's actions; rather, it reviewed her conduct against ethical and professional standards after the CBN and NDIC formed a special audit team in 2009. That audit uncovered financial improprieties at Oceanic Bank, including improper loan grants and the use of shell companies to acquire shares in other banks, leading to Ibru's dismissal along with five other bank Chief Executive Officers.[42] This case illustrates the Panel's function in upholding professional ethics in the public interest.[43] Similarly, in the case of Skye Bank, the Chartered Institute of Bankers of Nigeria (CIBN) had an investigation Panel for Skye Bank, but their work was hindered by the CBN's intervention, which included a Bridge Bank solution in 2018 that created Polaris Bank and led to the revocation of Skye Bank's license.[44]

Furthermore, risk Assessment and Forensic Investigation Reports: Risk assessment and forensic reporting in the Nigerian banking sector are critical functions overseen by the Central

37CIBN Act.5 of 2007.
38Preamble and Article 1, *Policy Rules and Regulations on Practice Licence and Seal, Governing Council of CIBN*, 6 October 2008.
39Section 1, Core Principles, *Code of Conduct in the Nigerian Banking Industry*, 2014.
40Section 1.1, ibid.
41 Nike.,Popoola. Op.cit P.4.
42 Ibid.
43Policy, Rules and Regulations on Practice Licence and Seal, op.cit.P..5
44Timileyin Omilana and Babajide, Komolafe., *"CBN revokes Skyne Bank License", The Guardian Nigeria News*, at https://guardian.or>business-services>investigation-u> ... accessed 18 October 2025. See Osaretin *Enobon Osazuwa v Polaris Bank Limited* Suit No. NICN/PHC/147/2014.

Bank of Nigeria (CBN) and enforced through professional guidelines, including those from The Chartered Institute of Bankers of Nigeria (CIBN). These processes are designed to detect financial fraud, prevent non-performing loans (NPLs), and maintain the integrity of the financial system; it was revealed that the erstwhile management of Skye Bank Plc. contributed to its failure by engaging in insider abuse, poor corporate governance and banking malpractices. The reports identified malpractices such as manipulating accounting records to present false profits and ratios, unlawful loan and credit facilities, non-disclosure of directors' interests, and lending beyond the single obligor limit. The NDIC Boss noted that the Corporation's implementation of the bridge bank resolution option that established Polaris Bank Ltd, which assumed the assets and liabilities of the defunct Skye Bank Plc, resulted in depositors' unhindered access to their funds, the continuity of the operations of about 300 branches and the preservation of over 6,000 jobs.[45]

Following from the above, it is pertinent to state that there are areas of friction among the CIBN, CBN, and NDIC which hampered the CIBN Investigating Panel from performing its function in line with its mandate created by the statute.[46] These areas often revolve around the challenges of adapting to rapid technological change and the lack of defined synergy/collaboration among the aforementioned institutions, particularly in their primary roles created by statute, digital banking, and cybersecurity. Other challenges include overlaps in regulatory roles, the need for constant capacity building to keep pace with evolving financial landscapes, and ensuring effective collaboration between the professional body (CIBN) and the two primary regulators (CBN and NDIC) on issues such as failure resolution strategies and risk management. By and large, the CIBN Investigative Panel, it is our position in this work that the body's performance is relatively low; this hinges on the aforementioned challenges already discussed. The work, however, commends the CIBN Investigative Panel for its professionalism and contributions to the growth of Nigeria's banking industry, urging the body to collaborate more closely with regulators to design innovative failure-resolution strategies that will enhance the stability of the financial sector. The panel's existence is considered a deterrent to unethical behaviour among bank employees, both corporate members and non-corporate members, who are subject to the CIBN Investigative Panel. The threat of investigation and subsequent sanction by the Disciplinary Tribunal encourages compliance with the CIBN Code of Conduct and other regulations.

45 Ololugbuyi, Janet., "Conversion from the old to new banking Professional Examination Syllabus", at <https://cibng.org>upload>2025/03 PDF and janetolugbuyi@cibng.org > accessed 12 February 2026.
46 CIBN Act No. 5, 2007.

To support the Panel's function, disputes are resolved between banks and their customers outside the court system. This provides a more accessible and professional avenue for redress, a function acknowledged by the Nigerian judicial system, which has referred cases to the institute. An evidence-based report showed that the Panel has successfully resolved customer disputes.[47] A 2023 report noted that the CIBN helped refund N575 billion to aggrieved petitioners, demonstrating the Panel's tangible impact.[48] The Panel operates within a clear legal framework established by the CIBN Act[49], which gives it the power to investigate alleged code of conduct violations and refer cases to the Disciplinary Tribunal. However, the Panel's operations are not transparent enough for the public to understand. While the CIBN notes that its work is not always publicised, this lack of visibility can lead to a public perception of inaction or ineffectiveness. The Panel has constraints on the cases it can handle, including infractions older than six years and disputes valued at less than N5 million. These limitations exclude many smaller customer complaints and potentially older, unresolved issues.[50] This work argues that the sanctions are insufficient to serve as a strong deterrent, especially if they are not consistently enforced. A 2019 report highlighted the issue of penalties and recommended stricter enforcement of existing codes. The Panel's effectiveness can be undermined by broader banking-sector issues, such as a poor socio-economic environment. Outdated ethical codes are a significant challenge because they create a gap between established rules and the rapidly evolving reality of modern banking, and management interference prevents effective internal controls from functioning properly. Since the CIBN is the professional body for bankers, there is a perception of potential bias in favour of its members during investigations.[51]

Ultimately, the CIBN Investigating Panel is functioning as a body that actively investigates and resolves disputes and professional misconduct cases. However, it operates with significant constraints that prevent it from being a fully comprehensive channel for redress. Its limited jurisdiction, potential for internal bank interference, lack of public

47 Chartered Institute of Bankers of Nigeria (CIBN) "Ethics and Professionalism Reports" at, https://cibng.org/ethics-professionalism > accessed 18 February 2026. See also Ganiyu Adewale Ogunleye., "Perspectives on the Nigerian Safety-Net", 2009-2020, p.22.

48Olovette Osavie-Patrick., "Alternative Dispute Resolution" (*Journals Volume 2 Issue 3-ISSN 2583-682X Quartely Edition*, July-September 2023, at< https://www.scribd.com>Osavie-Patrick-JADR> accessed 18 February 2026. See Nike, Poloola., Op.cit. P.4

49 No.5, 2007.

50 Pius, Olanrewaju., Chairman CIBN, "Communique Issued at end of the Generation Next-Forum 2.0 Digital Transformation and Sustainable Development:Empowering Next Generation" July 25, 2024, at: https://cibng.org/wp-content/uploads/2025/05/Nigeria-Bankers-October-December-2024.pdf> accessed 18 February 2026. And also at: https://cibng.org>uploads>2025/05>nigeria---(PDF0 >, accessed 18 February 2026.

51 Akin, Morakayo, Journal of Banking, 2023, CIBN, Banker House, pc 19 Adeola Hopewell Street, Victoria Island, Lagos, Nigeria.

transparency, and procedural hurdles are all valid concerns. A key limitation is its inability to act as a regulatory enforcement body with punitive power beyond its recommendations to the Bankers' Committee; its effectiveness depends on the larger committee's approval. This work may further point to its procedural limitations, such as its inability to handle cases older than six years, those below N5 million, or those already before courts. Some reports suggest that the Panel's operations are not always made public, which can lead to a perception that it is not functioning adequately. While this may be for confidentiality reasons, it reduces public visibility of the panel's actions. Multiple institutions with overlapping consumer protection mandates can create confusion and reduce the CIBN Panel's impact. This lack of coordination can hinder a coordinated approach to resolving complaints. The CIBN's complaint process is quite formal, requiring a sworn affidavit and supporting documents. This can be a barrier for some customers, especially those with limited resources or knowledge of law of banking.

Generally, the current administrative framework for banking malpractice in Nigeria is designed to protect the general public,[52] enhance financial stability and ensure fair treatment of consumers. The CBN primarily drives this framework by regulating, supervising, and penalising financial institutions that engage in, or allow, fraudulent practices. The framework operates through strict regulatory guidelines, mandatory complaint-resolution timelines, and, in severe cases, criminal prosecution of bank officials. The Central Bank of Nigeria (CBN), through its Consumer Protection Department (CPD), sets standards for fair treatment, disclosure, and complaint handling, while the Nigeria Deposit Insurance Corporation (NDIC) prosecutes banking malpractices, particularly when banks fail. Federal Competition and Consumer Protection Commission (FCCPC) enforce consumer rights,[53] including regulating digital lending and protecting consumers against unfair market practices. The Police and EFCC handle criminal cases such as fraud, forgery, and theft involving bank staff or customers.

Administrative framework for malpractice redress requires a structured approach to resolving complaints. Consumers must first lodge complaints with their bank/branch. Banks must acknowledge complaints within 24 hours and provide a unique tracking number. Under the CBN Consumer Protection Regulations 2019, banks have specific resolution timelines. Three working days for electronic/fraud issues; 30 days for Excess Charges/loans; and 60 working days for International ATM fraud.[54] If a bank fails to resolve the complaint within the

52 Goldface-Irokalibe, I.J., "Eradication of Banking Malpractices in Nigeria: Will Law Alone Succeed", *CBN Article on Economic & Financial Review Vol.33*, No.1, March, 1995, Ahmadu Bello, Zaria. Pp. 62-82.
53 Aderonke Alex-Adedipe & Ebikeniye Best, "*Consumer Protection Regulation in Nigeria: The Role of the Federal Competition and Consumer Protection Commission*", August 9, 2024, Pavestone Newsletters.
54 Okolie E.Q., "Legal Regime for E-Banking Customer Protection in Nigeria", COOUPPL Vol.5, No.1, 2023, < at: https://www.Nigerianjournalsonline.com>Download PDF>, accessed 4 March 2026.

stipulated timeline or if the customer is dissatisfied, the complaint can be escalated to the CBN's Consumer Protection Department (CPD). Second-Level Review: Banks must have an internal mechanism for a 2nd-level review within 30 days of the customer receiving the initial resolution.

The CBN imposes significant administrative sanctions on defaulting banks, including Direct Financial Fines**.** Penalties can reach millions of Naira per branch for infractions like cash hoarding or aiding illegal transactions. Public Naming and Shaming: The CBN has adopted a policy of publicly listing banks that violate consumer protection regulations. Banks are ordered to refund excess charges or funds lost due to their negligence. The framework applies to all institutions under the CBN's purview, including Commercial Banks, Microfinance Banks, Fintechs, and Mobile Money Operators. It covers various malpractices, such as unauthorised transactions, erroneous electronic fund transfers, breach of data confidentiality, and unfair contract terms.

In 2025 and early 2026, the Chartered Institute of Bankers of Nigeria (CIBN), in collaboration with the Bankers' Committee and regulatory authorities, focused on strengthening ethical standards, enhancing digital security, and combating fraud in Nigeria's banking sector. Here are the specific administrative issues and complaints handled or targeted for prevention during this period: Combating Cyber Fraud[55] and "Insider Facilitators" Following a surge in electronic fraud, the CIBN and the Body of Bank Chief Executive Officers held a strategic meeting with the Inspector General of Police (IGP) in February 2026 to address security vulnerabilities. The banking industry was designated a "strategic national asset," prompting a proactive crackdown on cybercriminal networks and "insider facilitators" within banks. The focus shifted to curbing fraud incidents, which previously surged by 45% (mid-2025), with 70% of ₦11 billion in losses originating from digital platforms. Implementation of 30-Minute Fraud Response Rule[56]. To prevent financial losses, the CIBN supported the Central Bank of Nigeria (CBN) in enforcing a new directive requiring banks to reduce fraud response times to less than 30 minutes[57]. This aimed to rapidly freeze fraudulent transactions,

55 Part iv-Duties of Financial Institutions, particularly Section 37 (1), (2) & (3), Cybercrimes (Prohibition, Prevention, etc.) Act, 2015.

56 Bukola Aro-Lambo, "Move to curb e-fraud, set 30-minute Response Time for Banks", *Leadership Newspaper* at: https://leadership.ng>Business> , accessed 4 March 2026.

57 Cardoso, Olayemi, CBN Reforms Initiatives (Jan 2026), at: https://www.cbn.gov.ng>AboutCBN>Reform >, received 3 March 2026.

specifically Authorised Push Payment (APP) fraud. In response to rising malpractice in digital banking, the CIBN supported the October 2025 Revised Guidelines for Agent Banking.[58]

Fraud investigations now trigger immediate suspension of implicated agents, with convictions leading to permanent blacklisting. The administrative issue strengthens the security of agent-led services by requiring agents to adhere to strict regulatory, governance, and reporting obligations (monthly returns on fraud incidents).[59] The CIBN continued to enforce its Code of Conduct, which handles complaints against corporate members (banks) and individuals regarding unethical behaviour. The CIBN Ethics and Professionalism Subcommittee handled complaints, with a requirement that cases must not be older than six years and must not be currently in court. The key focus is addressing "weak corporate governance" and "insider abuse" in loan and credit facility approvals, and mandatory Geotagging of POS Terminals. To prevent unauthorised POS transactions and fraud, the CIBN facilitated the enforcement of mandatory geographical identification of all payment terminals.[60]The preventive measure requires all POS devices to have GPS systems connected to the National Central Switch to monitor and verify each device's location.

The CIBN collaborated with regulatory authorities to identify and sanction individuals and organisations involved in illegal forex activities that undermined the Nigerian naira. The CIBN handles complaints through its Ethics and Professionalism Subcommittee with the following protocol: A non-refundable deposit of ₦50,000.00 or 5% of the claim, whichever is lower.[61] Once approved by the Bankers' Committee, decisions are final. Parties are prohibited from commenting on the matter in the media pending the determination of the case.

This work is based on reports from 2024 through early 2026. The Chartered Institute of Bankers of Nigeria (CIBN) Investigating Panel and its related Ethics and Professionalism Sub-Committee have focused on addressing breaches of the Code of Conduct, including disputes between banks and customers, and cases of insider collaboration in fraudulent activities[62] The Panel has seen an increase in digital fraud cases, following a rise in fraudulent activities

58 Aderonke, Alex-Adedepe & Mark Imonite, "Regulatory Update: Key Legal and Compliance changes in the CBN Guideline for the Operation"-13 October 2025.Available at, < https://chambers.com/articles/regulatory-update-key-legal-and-compliance-changes-in-the-cbn-guidelines-for-the-operation>, accessed 17 March 2026.

59 Augustine Eguavuon Ainabor, "Office Ethics and Professionalism in the Nigeria Polytechnic system"- *International Journal of Social Science and Humanities Research* ISSN2348-3164, Vol.13, Issue 2, April-June-2025, pp. 140-146.

60 "CBN Bank of Nigeria Reform of October 31, 2025", at: https://www.cbn.gov.ng>AboutCBN>CBNReform> , accessed 28 March 2026.

61 Hope Moses Shike, "CBN Plan Legal action against FX rules violators after forensic audit", *Business Day*, August 7, 2025. See Clay Jones, "Code of Ethics and Conduct: How we do Business", Heritage Commerce Corp., pp. 1- 10.

62 "Ethics and Professionalism", *CIBN Report 2024.* at: https://cibng.org/ethics-professionalism,> accessed 1 March 2026.

reported in 2024.[63] The Investigative Panel has also focused on bad loans resulting from fraudulent collaboration by bank employees and breaches of trust. The panel has investigated instances of under-reporting transaction rates and financial institutions submitting misleading information.

Similarly, after the CIBN revoked Heritage Bank's license in June 2024, it maintained oversight, focusing on stabilising the industry in 2025. This period has highlighted a sharp rise in fraud losses, with a 603% year-on-year increase in loss value in Quarterly Report 1, 2025, compared to 2024[64] In 2026, CIBN has partnered with the Nigeria Police Force to target insider facilitation and identity compromises in banking[65]. The CIBN Investigating Panel typically handles, under the ethics and professional committee, complaints regarding breaches in banking operations, including those transferred from the CBN or NDIC.

3. CHARTERED INSTITUTE OF BANKERS DISCIPLINARY TRIBUNAL

The CIBN Disciplinary Tribunal adjudicates cases referred by the CIBN Investigating Panel. It reviews allegations of ethical or professional misconduct and may impose sanctions, including striking a member's name from the register.[66] Sanctions may also include suspension from CIBN examinations, reporting to employers, or referral to law enforcement if criminal conduct is suspected. The Tribunal's procedures govern how complaints are filed, hearings conducted, and decisions rendered. A person is deemed guilty of unprofessional conduct if convicted by any court (Nigerian or foreign) of an offence (whether punishable by imprisonment or not) that the Tribunal considers incompatible with banking professionalism.[67] The Disciplinary Tribunal handles breaches of the Code and can sanction members for misconduct, including suspension or expulsion. These measures complement CBN regulation on consumer protection and fraud prevention.

The CIBN Governing Council appoints the Tribunal, which consists of the Institute's Second Vice President as Chairman, three other Governing Council members, and three non-council members.[68] Members serve two-year terms, renewable once. The Tribunal may defer its decision for up to three months after concluding proceedings, but only members present at

63 Chizor Mailize., "Rising Cases of digital fraud threaten Nigeria's Financial inclusion goals",2024, at https://dpi.africa/rising-cases-of-digital-fraud-threaten-nigerias-financial-inclusion-goals>, accessed 1 March 2026.

64 Adeola Kolawale., "Heritage Bank's License Revocation by CBN", *Published June 4, 2024*, at <https://www.linkedin.com/pulse/heritage-banks-license-revocation-cbn-legal-adeola-kolawole-ibwef> ,accessed 1 March 2026.

65 Benjamin Hundeyin., "Nigeria Police Force and Banking Sector Leaders deepen collaboration to strengthen Financial Stability", Louise Edet House, Force Headquarters Abuja, February, 12 2026, at: https://www.ngf.gov.ng>Details> , accessed 1 March 2026.

66 Nike, Op.cit p.7.

67Ibid.

68CIBN Act No. 5, 2007

the time of deferral may participate in the final decision.[69]A person whose name is struck from the register may not reapply for membership unless specifically permitted by the Tribunal. If the striking-off results from fraud or criminal conduct, restoration is barred unless a court of competent jurisdiction fully acquits the individual.[70]Appeals against Tribunal decisions must be filed within 28 days at the Federal High Court, with further appeals possible at the Court of Appeal. The Tribunal acts as respondent in such appeals and is deemed a party.[71]Sanctions against corporate members are guided by principles of restoration, retribution, deterrence, and equity, with specific compliance timeframes.[72] Non-compliance triggers referral to the CBN for enforcement. For unprecedented offences, the Bankers' Committee Sub-Committee on Ethics and Professionalism (BCSEP) applies its best judgment and recommends sanctions to the full Bankers' Committee.[73]

The Tribunal's functions include:[74]

(a) Adjudicating cases referred by the Investigating Panel;
(b) Reporting decisions to the Governing Council for confirmation;
(c) Communicating directions to concerned parties; and
(d) Referring cases back to the Investigating Panel or summoning witnesses as needed.

Corporate members may appeal to an Independent Appeal Committee (IPC) composed of four former practitioners and three BCSEP members, chaired by a former CBN Governor/Deputy Governor, NDIC Managing Director/Executive Director, or ex-bank CEO.[75] However, this paper contends that the sanctions prescribed under the Code are inadequate because they rely on abstract principles of equity rather than clearly defined sanction/penalties.[76]

This position was affirmed in *FRN v. Eratus Akingbola,*[77] where the defendant, as MD/CEO of Intercontinental Bank Plc, was accused of orchestrating fictitious offshore transfers of $11.8 million and £8.54 million, bypassing standard banking protocols and violating the Code of Conduct. Later, the umbrella body of Nigerian bankers, the CIBN, announced on Thursday, 27 August 2009, that it had replaced its president, who the country's Central Bank had recently sacked for running his own bank into insolvency.

69Sections 14(2), (3)(a)–(b), CIBN Act, 2007.
70Ibid., Section 14(8).
71Ibid., Section 14(c).
72Practice License Rules, CIBN, Section 4.4.4.
73Ibid.
74Ibid.
75Ibid.
76Ibid.
77 (2012) LD-CA-35.

The Chartered Institute of Bankers of Nigeria said in a statement published in the local media that it was replacing Erastus Akingbola with its first vice president, Laoye Jaiyeola, following a shakeup across the sector[78]Erastus Akingbola's removal by the CBN underscored a drastic regulatory crackdown on corporate governance failures, high-risk lending, and unethical practices in Nigeria's banking sector. Furthermore, it signalled a shift towards strengthening the financial system, restoring depositor confidence, and enforcing stricter accountability, resulting in industry consolidation and the rescue of distressed lenders; it also showed distress and liquidity issues, as well as the inappropriate use of the Enterprise Data Warehouse (EDW) and engaging in business activities prejudicial to the interests of its creditors and customers. It was discovered that, despite the bank's financial distress, the board repeatedly approved holiday packages worth $10,000 for its non-executive directors. This was contrary to the Code of Corporate Governance for banks, which limits non-executive directors to sitting allowances and can be seen as a mechanism devised to bribe them and get them on board, using fat pay packages to command subordination.[79] We further state that this specifically contravenes the Central Bank's Code of Conduct and lacks proper authorisation; this was part of the allegations that arose after a bank bailout and related to accusations of improperly using bank funds. The former CEO was also found to have granted loans to customers without accurate financial statements and with less valuable collateral.

Similarly, the Disciplinary Tribunal in the case of *Dr. (Mrs.) Cecilia Ibru*, following confirmation by the Governing Council, ordered her name to be struck from the CIBN register.[80] This action, taken in December 2011, meant she could no longer hold herself out as banking professional.[81] The CIBN stated this measure was necessary to uphold ethical standards and professionalism in the Nigerian banking profession[82] further clarified, the case against *Cecilia Ibru* did not proceed before the Chartered Institute of Bankers of Nigeria (CIBN) Tribunal, but rather in a Nigerian High Court. Following an investigation by the Central Bank of Nigeria (CBN), Ibru was charged with financial crimes, pleaded guilty to a reduced number of charges, and received a 18-month prison sentence. She forfeited assets

78 Eratus Akingbola, "CIBN Removes Eratus Akingbola" at *Nairaland,* <https://www.nairaland.com>cbn-removes-eratus-aking>, accessed 19 October 2025. See Simisola Imelda Akintoye, "Corporate Governance Regulation and Control Fraud in Nigerian Banks, School of law, University of Sheffield" <at: Stanbic IBTC Bank-https://www.stanbicibtcbank,com>PDF> accessed 10 December 2025.

79 Owolabi, M., Bakare, "The unethical practices of accountants and auditors and the compromising g stance of professional bodies in the corporate world: Evidence from Corporate Nigeria". *Accounting Forum, Volume 31, Issue 3, September 2007,* Pp.277-303. See also Charges against Nigeria's bank executives, at <https://www.reuters.com>world>factbox-the> , accessed 27 October 2025.

80Afolabi, O. "Former Award-Winning Banker Cecilia Ibru Shamed, Delisted from CIBN Register." *BusinessNews.ng*, 29 December 2011. https://businessnews.com.ng. Accessed 30 July 2025.

81Ibid

82Ibid

valued at N191.4 billion as part of a plea agreement, though the sentences ran concurrently, meaning she served six months[83].

It is pertinent to note that, *Mrs. Ibru* faced 27 charges, but after a plea bargain with the Economic and Financial Crimes Commission (EFCC), she pleaded guilty to three amended charges. In October 2010, a High Court judge found her guilty of three counts of financial misconduct, including approving loans beyond her limit and granting a N2 billion loan without adequate security. She was sentenced to 18 months in prison, but the sentences were to run concurrently, resulting in a six-month jail term. As part of the settlement, she forfeited assets worth N191.4 billion to the Assets Management Corporation of Nigeria (AMCON). *Ibru* had seen removed from her position as Managing Director of Oceanic Bank by the CBN in August 2009, which preceded the criminal charges.

In furtherance to the revelation of Mrs. Ibru case, the Court of Appeal, Lagos Division, affirmed the 2012 verdict of the Federal High Court, Lagos, ordering the Central Bank of Nigeria (CBN) to disclose the total value of cash and assets recovered from the former Managing Director of the defunct Oceanic Bank of Nigeria, Mrs. Cecilia Ibru. The High Court had ordered the apex bank to disclose the whereabouts of the money and property. It also directed the CBN to disclose what part of the cash had been returned to Oceanic Bank and its shareholders. The ruling followed a suit filed by a Lagos-based lawyer, Mr. Chuks Nwachkwu, on behalf of Mr. Boniface Okezie, a shareholder of Oceanic Bank. The lawyer, in an affidavit filed before the court, averred that Mr. Okezie had asked the apex bank to make the information available to him, in a letter titled: "Request for the Information under the Freedom of Information Act 2011, addressed to the Governor of CBN". He said the CBN refused despite acknowledging the receipt of his letter. Affirming the lower court judgment, the Court of Appeal, in a lead judgment delivered by Justice Biobele Abraham George, said: "In the result, part of the judgment of the Federal High Court, Lagos Division, Coram: M.B. Idris Justice, in suit number FHC/L/CS/494/2012, *Mr. Boniface Okezie V The Central Bank of Nigeria* delivered on 2/10/2012 wherein reliefs (e) The total cash and value of properties recovered from Cecilia Ibru, (f) The whereabouts of the money and properties recovered. and (g) What part of this cash and properties has been returned to Oceanic Bank and/or its shareholders reliefs sought by Mr. Okezie were granted, wherein reliefs (a) the cost of Central Bank of Nigeria and the Government of the people of Nigeria so far of the banking reforms instituted by the Central Bank and particularly, (b) the amount of legal fees paid and to be paid to professionals and professional bodies, (c) how much or the amount in (a) above represents fees

83 ibid P.16.

paid and to be paid to the firms of 1 Olanihun Ajayi LP of Adunola, Plot 12, 401 Close Banana Island Ikoyi, Lagos.2 Kola Awodein & CO. of 6th Floor UBA House, 57, Marina, Lagos and (d) what is the total sum paid to the firm of Olaniwun Ajayi in respect of prosecution of Cecilia Ibru, former Managing Director of Oceanic Bank Plc, and how much of this sum was in the form of commission on the property recovered from her, sought by *Mr Boniface Okezie* were refused and dismissed."

Furthermore, in *Boniface Okezie vs. Central Bank of Nigeria* [84] in 2012, the Progressive Shareholders Association of Nigeria, represented by its president Boniface Okezie, wrote to the Central bank requesting information relating to the recovery of Oceanic International Bank Plc's assets. The letter requested, inter alia, the following information:

> The cost so far to the Central Bank, the government and the Nigerian people of the banking reforms instituted by the Central Bank, and particularly the amount of legal fees and other fees paid and to be paid to professionals and professional bodies; how much of the amount mentioned above represented fees and to be paid to Olaniwun Ajayi LP and Kola Awodein & Co… The Central Bank refused to disclose the requested information by the Association

As a result, the Association instituted a suit against the CBN under the Freedom of Information Act.[85] This work states that the Association of shareholders has demonstrated their need for probity and accountability from public institutions. The Association also asked the Court to compel the CBN to publish how it handled approximately N191 billion worth of assets forfeited by Ibru. In a landmark ruling on the application of the Freedom of Information Act, the Central Bank of Nigeria, as a public institution, has a duty under the Act to provide details of such information, and the Bank's refusal to disclose the information on request by the Association was unlawful. *Justice Mohamed Idris* ordered the Bank to comply with the Association's request by releasing the information sought. The Judge observed that: 'the Act is intended to promote transparency and prevent corruption; therefore, all public institutions must ensure that they comply with the FOI Act in the interest of transparency, justice and development '. However, the Judge refused to compel the CBN to release information relating to the fees and commissions paid to the Law firms representing it on the grounds that such information enjoyed Attorney-Client privilege and was protected by section 16 of the FOI Act[86]. However, in a recent ruling, the Federal High Court, Abuja, presided over by *Justice Gabriel Kolawole*, suggested that the Freedom of Information Act 2011 was somehow defective because it provides in Section 1(2) that an applicant seeking information from a

84 Suit No.FHC/L/CS/494/2012.
85 Freedom Information Act 2011 Act.
86 Freedom of Information Act 2011.

public institution should not be required to demonstrate his or her interest in that information and called on the National Assembly to amend the Law to restrict its application[87]

In *Paradigm Initiative Nigeria v. Dr Reuben Abati*[88] The Learned Judge declared that "there is no country in the world where access to all forms of public records is thrown open to an applicant who is not required to show any specific interest in the information requested from a public body" He further called on the National Assembly to "review the Act so as to ensure that access to information is only made available to such applicants who genuinely need it for specific purpose(s)" Despite the judgment in Paradigm Initiative, the passing of the FOI Act has been well received by Nigerians. The courts' rulings on the need for public institutions to comply with requests for information are commendable and reflect a spirit of transparency and accountability. It is hoped that the success of these cases will help entrench good governance in the banking sub-sector in particular. However, the cumbersome, time-consuming process of dragging requests for information through the courts can negatively affect the utility of the information requested because of its time-sensitive nature.

Procedurally, complaints must include the complainant's and bank's names and addresses, state the grievance clearly, and—if a consultant is involved—include a letter of authority. All submissions go to the CIBN Secretariat in duplicate and are acknowledged immediately, with parties barred from media commentary or parallel legal action.[89] In *FRN v. Anyaegbunam,*[90] the accused, a director of Group Merchant Bank Ltd and majority shareholder of Cobik Supplies, failed to disclose his interest in a ₦9.3 million loan granted to Cobik—violating Section 18 of the Banks and Other Financial Institutions Decree and the CIBN Code's disclosure requirements.[91] Similarly, in *FRN v. Odogwu,*[92] the Tribunal ruled that dual directorship at Kapital Merchant Bank and Kapital Securities (a non-subsidiary) was unethical under Section 19 of the same Decree.[93] Such breaches fall squarely within the Tribunal's purview.[94] The Tribunal also handles fraud cases involving bank staff and customers. In *FRN v. Andrea Chizoba Opalangu,*[95] a bank employee facilitated fictitious accounts and

87 Edetaen, Ojo., "FOI Act where his Lordship got it wrong", *Vanguard Newspapers* (2013 August) at: <https://www./vanguardngr.com>viewpoint> , accessed 12 February 2026.
88 Suit No. FHC/ABJ/CS/402/2013.
89Ibid.
90*FRN v. Anyaegbunam* (1997) 1 FBTR 1.
91Section 2.3, Disclosure (a)–(b), Code of Conduct in the Nigerian Banking Industry, 2014, p. 17.
92*FRN v. Odogwu* (1997) 1 FBTR 179.
93*FRN v. Chief Ajibowu A. Owoade & Ors* (2000) 1 NBLR.
94Section 19, Banks and Other Financial Institutions Act.
95Suit No. FHC/L/CR/24C/2013, Unreported Judgment of I.N. Buba, J., Lagos Division.

disbursements; in *FRN v. Adetunji Abudu*,[96] forged collateral documents rendered securities unenforceable.

Following from the above cases, it is our opinion that the Tribunal has authority over cases of violations of the Code of Conduct and insider collusion[97]and it further demonstrates the working of the CIBN Tribunal as a body created by statute. The statement said, "In a unanimous decision granted, the CIBN requests that the name of Ibru be struck out of the list of members of the CIBN[98] Ibru should cease from being a member of the banking profession[99] and Ibru should cease to hold herself out as a member of the banking profession[100]With this development, the name of Ibru has been struck out of the register of members of the institute and hence, the banking profession. She has also ceased to be a member of the banking profession and should not hold herself out as such.

Furthermore, this work takes a cursory look at one of the problems *Savannah Bank* had with the regulators: a certain big shot insisted that his wife, who is not lettered in banking or its allied disciplines, must be the managing director[101]. The Chartered Institute of Bankers of Nigeria (CIBN) and the Central Bank of Nigeria feared that this bull would trample on fragile wares with impunity in their China shop, so they would rather keep her at bay before the damage occurs. There is no doubt that the standing rule in Nigeria is that bank MDs must be staunch members of the CIBN. If so, what is the CIBN's role in running banks in Nigeria and controlling members who stray from the course?[102] It is an irony that the former CIBN President, Dr Erastus Akingbola, the ex-Intercontinental Bank MD, was removed by the CBN for alleged unethical practices. The same Erastus Akingbola, who was not and will never declare guilty, yet he had stated, thundered in a session of bankers on December 10, 2008, that: "Henceforth all bank workers must be CIBN members or no job" We state this body (tribunal) has been fretting to enforce the provision of the CIBN Act[103] that only certified members of the body are fit to work in banks. Ironically, Akingbola, who is also the chief executive of Intercontinental Bank, said:

96Suit No. FHC/L/488C/15, Unreported Judgment of I.N. Buba, J., 2 May 2019.
97Ibid.
98 Section 14 (2) of CIBN Act 2007
99 Ibid section 22(1)
100 Ibid section 16
101 Adedayo Akinwale., "House Probes Current Status of Savannah Bank", 2nd March, 20226, at: <https://www.thisdaylive.com/2019/11/22/house-probes-current-status-of-savannah-bank> , accessed 3 March 2026.
102 Olufemi Awoyemi., "The Bull in the China Shop-The Central Bank of Nigeria", at: https://www.academia.edu>TheBullinthechinashop >, accessed 3 March 2026.
103CIBN Act No.5 2007.

> The Institute can no longer fold its arms and watch as unscrupulous elements bring the noble profession into disrepute. He urged bankers to eschew greed and unethical practices and exhibit at all times a high sense of probity, honesty and transparency, which are the cardinal points of the institute's code of ethics.

This work asks whether Dr Eratus Akingbola, the ex-Intercontinental Bank MD, meant the statement above. He even announced the creation of three technical committees to promote ethical practices and efficiency in the CIBN. The bodies are the practice license board, investigating panel and disciplinary tribunal. And this was on August 5, a few days before the CBN struck and ripped open their underbelly. It's a travesty to have great professional bodies of world repute watch in learned helplessness as the system is mired in incongruities. We further state that CBN regulates the banks, but what complementary roles does CIBN play in maintaining sanity in banking? The rot in our banks is institutional decay, which negates the intention of the Act that created these CIBN panels. It was sired by the collective compromisers, animated by greed, and powered to fly by a cabal that cuts across all institutions. Today, the same people shed more crocodile tears than the rest of us for our banks, and instead of blaming the institutions that should have acted in good time, they rather wallow in compounding the crisis. Nigerians, can you see the managers you have? This is a huge challenge to confronting the CIBN Tribunal and is affecting its function as a body created by statute. Furthermore, the decision of the Chartered Institute of Bankers of Nigeria (CIBN) to remove its erstwhile president, Dr Erastus Akingbola, from office, in the aftermath of the Central Bank of Nigeria (CBN) in the past, this study sees it as belated and unexpected from such a reputable organisation opined that the CIBN, as a responsible organisation, should not have waited for such a long time before taking action, stressing that all the while, the institute kept mute on the status of Akingbola in the light of his alleged role in Intercontinental Bank. As CIBN President, the only way to restore the profession's credibility and integrity was for the institute to act quickly by effecting his immediate replacement.

From the foregoing, the functions of the CIBN Tribunal are a part of its larger disciplinary structure. The tribunal has a clear mandate to hear cases referred from the investigating panel and is empowered to impose sanctions. However, we contend that efforts should focus on implementing these functions, particularly on long-term effectiveness, the pace of resolving complaints, and the scale of impact relative to the large number of cases handled. We further state that the CIBN Tribunal's functions are operational but can be improved for greater effectiveness. While the tribunal is an important part of the overall ethical framework, limited resources, slow processes, and poor communication can hamper its effectiveness and must be addressed to ensure a more robust and effective disciplinary system.

This work contends that from late 2025 to early 2026, the Chartered Institute of Bankers of Nigeria (CIBN) Disciplinary Tribunal faces significant challenges and operational shifts, driven by rapid digital transformation, economic volatility, and the need to enforce stricter ethical standards. Key challenges and context for 2025–2026 include the rapid rise of digital banking and cryptocurrency, paired with high levels of cybercrime, which requires the CIBN Tribunal to have a highly skilled and proactive judiciary to interpret complex digital financial transactions. New, stricter CBN guidelines for 2026 require the tribunal to handle increased, real-time disputes over ATM downtime, fraud, and failed transactions[104]. The integration of AI and big data in banking requires enhanced, specialised knowledge for evaluating cases related to data privacy and algorithmic bias. With banks undergoing a major ₦900bn capital injection, the tribunal faces increased pressure to monitor compliance with new, stricter capital adequacy ratios and to penalise entities that fail to meet these standards. This underscores recapitalisation pressure, regulatory enforcement, and economic constraints (2025–2026). The tribunal must handle a high volume of cases involving unprofessional conduct, including fraud, which has resulted in significant losses for bank customers. A culture of unwillingness to repay loans, along with the high cost of recovery, poses a major challenge, leading to calls for a special court for loan disputes to alleviate the burden on the tribunal[105]

The tribunal faces the critical challenge of managing a high volume of cases related to fraudulent bankers, necessitating efficient case management and fast-tracked proceedings. This work contends that the disciplinary tribunal must align its operations with the investment and securities[106], which introduces new regulatory frameworks for financial sector. The CIBN is under pressure to ensure that "naming and shaming" of bank directors involved in misconduct is enforced effectively. There is a recognised need to train tribunal members to handle complex, digital issues and to ensure they can distinguish between honest errors and malicious fraud. The tribunal must maintain credibility by ensuring its decisions are fair and transparent, especially in light of increasing scrutiny of financial institutions.

It is pertinent to note that, based on available reports and publications from the Chartered Institute of Bankers of Nigeria (CIBN) for the 2024–2026 periods, the Disciplinary Tribunal and the Ethics and Governance Directorate have continued to handle cases of professional misconduct, focusing heavily on enhancing industry standards through mandatory

104 Ibid.
105 Kenneth Wyne Mutuma., *Alternative Dispute Resolution Journal* Vol. 3 No. 3 2023, a "publication of theNairobi Centre for International Arbitration (NCIA)", at: <https://ncia.or.ke/wp-content/uploads/2024/03/3rd-NCIA-NCIA-Journal.pdf> , accessed 2 March 2026.
106(ISA) Act 2025.

ethics certifications[107]. While specific, comprehensive figures for all 2025 cases are not yet finalised in public annual reports, early 2024 reports indicate a continued high volume of complaints handled by the Ethics and Professionalism Directorate, which generally involve breaches of the Banker's Code of Conduct, including fraudulent transactions, unauthorised bank charges and unprofessional behaviour. The Disciplinary Tribunal, which has the power of a High Court, has been active in reviewing cases referred by the Investigating Panel. In 2024, the CIBN heightened its focus on sanitising the banking industry by enforcing the mandatory Industry Professional Conduct and Ethics Certification for all bank employees. The CIBN has expressed a strong desire to amend its Act[108] to cover all bank employees, not just members, to ensure everyone is held accountable for financial crimes and misconduct. As of 2026, the regulatory landscape remains strict, with the Central Bank of Nigeria (CBN) and CIBN working to mitigate rising trends in unethical practices. The CIBN continues to serve as the industry ombudsman, managing cases and promoting ethical practices. The Tribunal's rules ensure that proceedings follow due process, with judgments often being approved by the CIBN Governing Council.

4. THE ROLE OF THE BANKERS' COMMITTEE AND BANKING ETHICS

The Bankers' Committee supports efforts to sanitise Nigeria's banking system. Its secretary maintains a register of bank staff terminated or convicted for malpractice. Banks must obtain clearance from this office before hiring senior officers from other institutions.[109] Employing a disqualified person renders both the bank and responsible officers jointly liable.[110] Ethics and professionalism form the bedrock of banking decisions based on honesty, confidence, and trust.[111] The Committee established the Sub-Committee on Ethics and Professionalism (BCSEP) on 19 December 2000[112] to identify unethical practices, develop a code of ethics, and enforce compliance.

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107 Nuradden Abba Abdullahi., "Current Banking Regulations in Nigeria (Banking Regulation and Supervision (2014)" Buk, at< https://www.scribd.com/presentation/846790585/Module-4-Current-Status-of-Banking-Regulations-in-Nigeria-Copy> , accessed 2 March 2026.

108 CIBN No.5, 2007.

109Section 49(a)–(b), Banks and Other Financial Institutions Act, 2020; see also Section 48(a)–(b). Also see "Administrative Tribunal of the African Development Bank, Application No. 2000/10", *M.A.B. v. African Development Bank, Judgment of the Tribunal delivered on Wednesday,* 25 July, 2001. The twin pillars of justice are audi alteram partem and nemo judex in causa sua, meaning here: hear both sides, and no one should be a judge in his own case, respectively.

110Ibid., Section 48.

111Sanusi, J.O. "Ethics and Professionalism in Banking: A Past Experience and Challenges for Industry Operators in Nigeria." Annual Dinner, CIBN, 2000, pp. 3–7.

112Babajide, K. "Nigeria: Ethics Sub-Committee Receives 150 Complaints in Five Months." Vanguard, 17 March 2003. https://allafrica.com/stories/200303190314. Accessed 13 June 2025.

In *Fidelity Bank Plc v. Jimmy Ease Company Ltd & James Eze*,[113] the bank sought to enforce a BCSEP decision as a court judgment. The trial court dismissed the application, holding that BCSEP rulings are not arbitral awards. The Court of Appeal affirmed this, noting that unilateral invocation of the Committee does not constitute binding arbitration.[114] Thus, BCSEP decisions are administrative, not judicial, and remain appealable. The BCSEP follows a structured complaint process: submissions go to the CIBN Secretariat, are acknowledged within seven days, and include media and litigation bans. The BCSEP solicits responses and refers cases to the Bankers' Committee Investigative Panel (BCIP), which may collaborate with CBN, NDIC, or industry associations.[115] Recommendations go to the BCSEP, then to the full Bankers' Committee for confirmation. Cases should be resolved within six months as delays require party notification.[116]

In August 2003, the Committee issued a Code of Corporate Governance for Banks, aligning with the Organisation for Economic Co-operation and Development (OECD) and Bank for International Settlements (BIS) principles to promote ethical leadership.[117] While regulations alone are insufficient, high ethical standards are essential.[118] The BCSEP has mediated disputes between banks, customers, and regulators since 2014, reinforcing public confidence.[119] Bank employees and banking institutions expect nothing less from them. It should be clarified that the Bankers' Committee is a separate body, a forum of bank chief executives that collaborates with the Central Bank of Nigeria (CBN) on industry-wide issues like ethics and professional standards. The CIBN is responsible for setting and upholding professional standards, while the Bankers' Committee is the body of bank leaders who work with the CBN to address industry challenges. The objectives of the Bankers' Committee include:

(a) Ensure adherence to sound banking practices.
(b) Promote strong commitment to professionalism.
(c) Uphold the profession's integrity to instil public trust

113Suit No. CA/L/927/2007 (Akaahs, Okoro, Bage, JJCA).
114 *C.G. DeGeophysicque v. Etuk* (2004) 1 NWLR (Pt. 853) 20.
115Practice License Rules, op. cit. p. 14.
116Ibid.
117Unegbu, O.C.K. "Corporate Governance in Banking and Other Financial Institutions: Laws, Issues and Ethics". Lagos: CIBN Press, 2003, pp. 5–6.
118Ali, Y. "A Survey of Ethics in the Nigerian Banking Industry." Swiss St. Clements University, 2005, pp. 23–26. www.stele.edu/grad/grayida. Accessed 2 June 2023.
119*Business Day*. "Assessing CIBN's Success Record in Code of Ethics Implementation." at <https://businessday.ng/banking/article/assessing-cibns-success-record-in-code-of-ethics.> accessed 14 July 2025.

The Committee ensures that ethical standards are adhered to when receiving complaints from customers, members of the public, or banks; addressing interbank or bank-regulator disputes; and handling staff-employer grievances.[120] The conditions for Case Admissibility before the committee include:

(a) Not pending before any court or regulatory body;
(b) Not previously adjudicated;
(c) Final decisions (once confirmed) are binding;
(d) Non-refundable deposit of ₦50,000 or 5% of claim (whichever is lower). Complaints must be 6 years old.

It is our opinion in this work that Banks should increase their reporting of employees who violate the Code of Conduct for investigation and discipline, while training interventions be organised on the code, and relevant learning points from resolved cases were disseminated to banks by the sub-committee through its report to the Bankers Committee, which affirms the duty/function of the Bankers Committee in line with the intendment of its creation by the statute[121]. It is therefore advisable that the CIBN and members of the Disciplinary Tribunal take serious measures to address unethical and unprofessional conduct. CIBN's sustainable models must be built on a foundation of professionalism, ethics, and integrity. This includes protecting customers from unfair practices and ensuring that banks operate with the goal of fostering inclusive growth across society.[122] Based on CIBN documentation and reports, the Bankers' Committee promotes ethical standards, resolves disputes, and advocates for the Nigerian banking sector. However, overlapping mandates, limited jurisdiction, and perceived conflicts of interest limit its effectiveness.[123]

The Bankers' Committee, through its Subcommittee on Ethics & Professionalism, works to address unethical and unprofessional practices in the banking and finance industry. This includes developing and enforcing a code of conduct for bankers[124]. The committee

120 CIBN, Code of Conduct in Nigerian Banking Industry, 2014, Banker House PC 11, Adeola Hopewell Street Victorial Island, Lagos, at: <https://cibng.org.uploads>2025/03PDF>,accessed 3 March 2026.
121 CIBN Act No. 5 2007.
122 Ibid.
123 The Review is part of the World Bank Program on Consumer Protection and Financial Literacy, which seeks to identify key measures in strengthening financial consumer protection to help build consumer trust in the financial sector—and expand the confidence of households to wisely use financial services. The Reviews are conducted against Good Practices and have been prepared by the World Bank in middle as well as low income countries, see also Federal Republic Nigeria, Diagnostic Review of Financial Consumer Protection: Key findings and Recommendations, June 2017. Available at:
124 Section 1. & 2, Professional Code of Conduct for Individual members and unethical Practices/unprofessional Conduct for members: Code of conduct in the Nigerian Banking industry (Professional Code of Ethics and Business) Publishes: CIBN Bankers House, PC 19 Adeola Hopewell STREET Victoria Island Lagos, 2014. <https://rosgrady.com/wp-content/uploads/2018/09/Nigeria-Diagnostic-Review-of-Financial-Consumer-Protection-June-2017.pdf>, accessed 27 February 2025.

considers complaints and facilitates resolution between banks, customers, and regulatory authorities. This provides an avenue for dispute resolution outside of the formal court system. The CIBN, which serves as the Bankers' Committee's secretariat, conducts examinations, designs training programs and promotes continuous professional development to improve industry standards. The committee provides a platform for collaboration between banks and regulators like the Central Bank of Nigeria (CBN) to address industry challenges, such as credit extension and infrastructure funding[125]. However, several institutions have overlapping mandates for financial consumer protection, and coordination and consultation among the different bodies are insufficient. This can cause confusion and slow down the resolution of consumer complaints. The Subcommittee on Ethics & Professionalism has specific limitations on the types of cases it can handle. It excludes issues such as criminal allegations, electronic banking disputes, and cases below a specific monetary threshold, forcing these matters into other, often slower channels. While the committee can make decisions on ethical breaches, it relies on regulators like the CBN to enforce sanctions, such as debiting a non-compliant bank's account. This creates a dependency that could hinder enforcement[126].

Former bank examiner Bandele Olusegun[127], has questioned whether the CIBN has sufficient resources to effectively carry out a broader supervisory role. The Institute's funding comes primarily from member subscriptions, which may not be enough to conduct extensive examinations. With bank executives on the committee and the CIBN relying on corporate subscriptions, perceived conflicts of interest are possible. This could compromise the committee's ability to act against member institutions without hesitation. Despite the committee's efforts, regulators continue to raise concerns about unethical and unprofessional practices in the banking sector. This suggests that the committee's work is not fully addressing the root causes of professional misconduct. The committee acts more as a discussion and advocacy forum than a body with decisive power over these systemic issues.

The CIBN Bankers' Committee plays a vital role in setting professional and ethical standards, but its structure and limitations limit its ability to fully address systemic issues and enforce compliance. While the committee provides a valuable platform for dialogue and alternative dispute resolution, overlapping regulatory mandates, questions about its authority

125 Oluchi, Chibuzor., "How CBN Revolutionized Payment System in Nigeria", 2014, at:< https://nibss-plc.com.ng/how-cbn-revolutionized-payment-systems-in-nigeria> , accessed 27 February 2026.
126 "Bank Customers Bill of Rights and Duties", at:< https://www.cbn.gov.ng>Fininc>FinLit>BillofRights>. accessed, 3 March 2026.
127 Bandele, O., "Former Bankers examiner and financial Analysis", *Risk management Africa –Gazettes*, at <https://gazattes-africa.>officialGazatte>Sources PDF>, accessed 31 October 2025.

and resources, and the persistent presence of unprofessional conduct within the sector constrain its effectiveness.

5. CONCLUSION

This work has assessed the effectiveness of Nigeria's administrative framework for preventing banking malpractice, focusing on the CIBN Investigating Panel, Disciplinary Tribunal and Bankers' Committee. While these Panels play complementary administrative and investigative roles, structural and operational challenges hamper their impact. To enhance efficacy, the CIBN Code of Ethics must be: widely disseminated to promote ethical awareness; regularly reviewed to remain current; made enforceable with clear, graduated sanctions; and adopted uniformly across all banks. Only through such measures can Nigeria's banking sector achieve sustained ethical integrity and public trust,