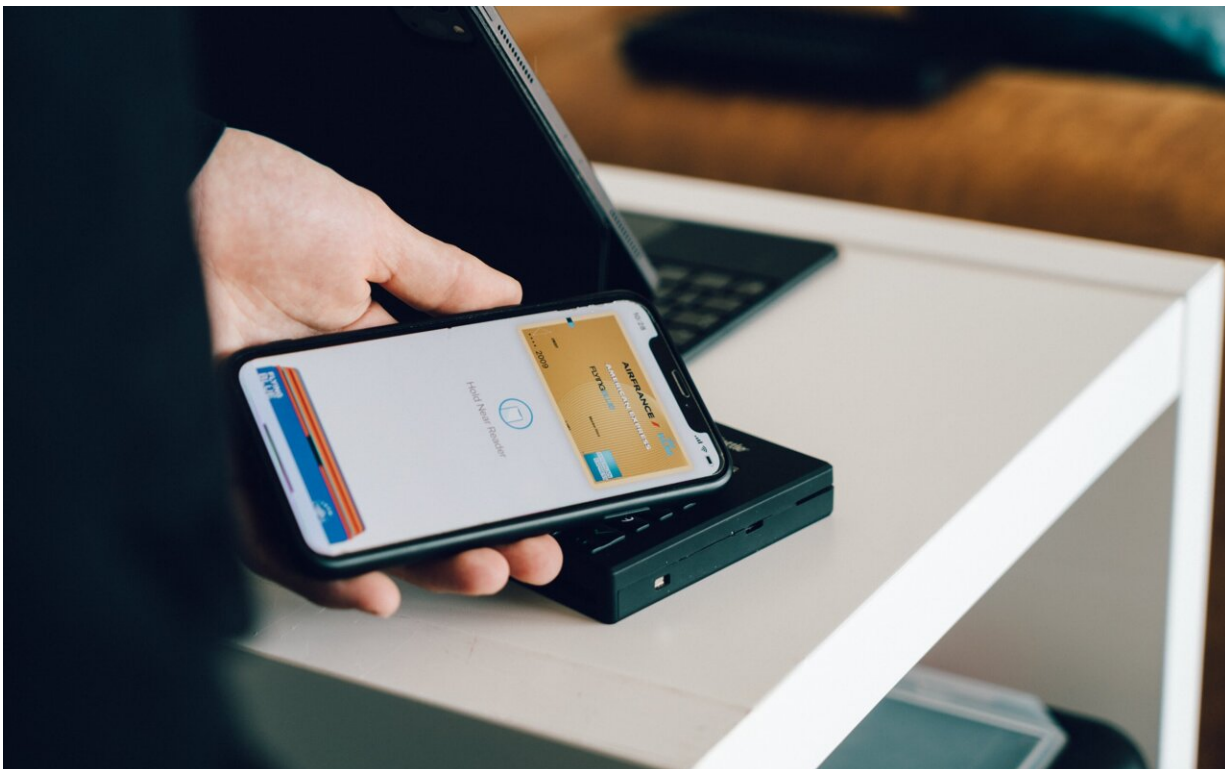# Suspect arrested in China digital yuan scam

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Credit: Unsplash/CC0 Public Domain

Chinese police said Wednesday they have arrested a suspect in a digital currency scam who allegedly swindled thousands of dollars in one of the first such cases involving the central bank's new e-wallets.

China has been carrying out pilot schemes for its digital yuan since late 2019, rolling out tests in 10 cities including the capital Beijing.

Authorities in the eastern city of Gaoyou in Jiangsu province said they arrested a suspect who allegedly impersonated someone else to create an e-wallet under her name.

The suspect first claimed to be a police officer to obtain the victim's personal information including her name, identification number and bank card number, said Gaoyou authorities in a statement.

Without her knowledge, this information was used to set up a digital yuan e-wallet, into which more than 300,000 yuan ($47,000) was transferred from her bank account.

The money was later channelled into the suspect's own e-wallet, before police caught on.

There are currently 140 million personal digital yuan wallets in use in China, according to state media, with total transactions amounting to 34.5 billion yuan ($5.4 billion) as at the end of June.

With the central bank developing its digital yuan, all financial transactions involving cryptocurrencies that might pose competition have been deemed illegal.

The new electronic payment method mainly aims to meet demand from domestic retailers, according to state media reports.

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