A sophisticated device designed to steal the personal details of ATM users has been uncovered in Sydney. A customer spotted the device at an ANZ bank in Sydney's Bondi Junction and pulled it from the ATM but it had been in operation for about three days.

It is estimated to have recorded the confidential details of up to 1000 customers.

The device, disguised to look like part of the ATM, uses a pin-hole camera to record the personal identification numbers of customers and a high-tech magnetic strip reader to steal the details on the card.

Thieves can then use a decoder to burn the information onto any magnetic strip - even a bus or train ticket - and access users' bank balances.

Police have found other machines used to rip off ATM users but the latest is by far the most hi-tech and devious.

Michael Boutouridis, from the NSW fraud squad, said the new skimming device showed that technology used by fraudsters had moved up a notch.

"With the other machines we have found, they would have to remain close by to watch the details," he said. "But this one can be used over a long period of time, with the information stored on tape and on chips inside."

Inspector Boutouridis said about four card-skimming devices had been found around the country in the past 18 months.

"Customers should be wary when they are withdrawing money because these devices can be well disguised," he said.

About 800 customers have had their accounts frozen until the bank can issue them with new cards. ANZ has taken steps to protect the exposed accounts of customers.

An illegal Malaysian immigrant was last year jailed for three years for fleecing more than $600,000 from personal bank accounts.

At the time of his arrest, police claimed the device was the first discovered anywhere in the world.

Kok Meng Ng was using the cash to finance his life in Australia.

The sentencing judge described the scam as a "serious attack on the fabric of life in this country".

Inspector Peter Bishop, from Eastern Beaches Local Area Command, said anything strange about an ATM should be reported to police.

This report appears on australianIT.com.au.