

CREDIT AND CHARGE CARD FRAUD

Credit and charge card fraud costs card companies and customers **more than \$500 million a year**. Everyone, whether indirectly or personally, pays for credit and charge card fraud.

MISAPPROPRIATION:

The use of a credit card number (not the card itself) without permission of the cardholder.

Although theft is the most obvious, it is not the only method of fraud. A more subtle form of fraud is "**misappropriation**" and it may occur in a variety of ways:

- A phone caller says that you need only provide your card number and its expiration date to qualify for a special product or reward.
- A thief rifles through trash to find discarded receipts or carbons to use the card numbers illegally
- A dishonest clerk makes an extra imprint from your credit or charge card for his or her personal use.

HOW TO GUARD AGAINST FRAUD

Here are some precautions that you and any persons authorized to use your account, may take to protect yourself from credit and charge card fraud:

Sign new cards as soon as they arrive.

Carry your cards separately from your wallet.

Keep a record of your card numbers, their expiration dates, and the phone number and address of each company in a secure place.

Whenever you can, keep your card in view, after you give it to a clerk. Retrieve your card promptly after using it.

Avoid signing a blank receipt whenever possible. Draw a line through blank spaces above total when you sign card receipts.

Void or destroy all carbons and incorrect receipts.

Save your card receipts to compare with your billing

Open billing statements promptly and reconcile your card accounts each month, just as you would your checking account.

Report promptly and in writing any questionable charges to the card issuer.

File change of addresses with credit card companies.

CREDIT AND CHARGE CARD FRAUD - CONTINUED

Things Not to Do:

In addition, here are some things that you should **not** do:

- Never lend your card to anyone
- Never leave cards or receipts laying around
- Never put your card number on a postcard or on the outside of an envelope
- Never give your number over the phone **unless** you are initiating a transaction with a company you know is reputable. If you have questions about a company, check with your local Consumer Protection Office or Better Business Bureau before ordering.

LOST OR STOLEN CARDS

If your credit or charge card is lost or stolen, contact the issuer(s) immediately. Most card companies have a toll-free number for reporting missing cards. Once you report the loss or theft, you may have no further liability for unauthorized charges. Under federal law, your maximum liability is \$50.00 per card, if you promptly report the theft

HOW TO GUARD AGAINST FRAUD

- If you suspect that someone has illegally used your account number, send the card issuer a letter that includes your name, account number(s), and the charges that you question with your reasons.
- You must direct your letter to the “billing error address” provided on your statement, and it must reach the creditor within 60 days after the first bill containing the error was mailed to you.
- If you send your letter by certified mail, with a return receipt requested, you will have proof that the letter was received. Save copies of all your letters and attachments so you can prove you gave the required written notices.
- If you decide to call the issuer for faster action, use the special numbers that many card issuers list on their billing statements, but **follow up** your phone call with a letter. Only a letter protects your rights under the Fair Credit Billing Act.
- For more information about your credit rights, contact your Legal Assistance Office or the Federal Trade Commission. You can write the Federal Trade Commission, Washington D.C. 20580 for these free publications: Credit Billing Blues; Credit Billing; and Fair Credit Reporting.