

This is the tenth of a 12-part series aimed at educating consumers to be more financially responsible for themselves and their families. This series is produced by the Consumers Association of Singapore (CASE) and The Association of Banks in Singapore (ABS) as part of the MoneySENSE National Financial Education Programme. This series is supported by the following financial institutions: American Express Foundation, ABN AMRO, Citibank, DBS Bank, HSBC, Maybank, OCBC Bank, Standard Chartered Bank, and United Overseas Bank. Today, we find out how to be less vulnerable to card fraud.

Credit and charge card fraud cost merchants, cardholders and issuers millions of dollars every year. Besides theft of cards, fraud occurs in other ways, such as when someone uses your card or card number without your knowledge.

Here are a few examples:

- A sales clerk or cashier makes an extra imprint from your credit or charge card. He then uses it to make purchases and bills them to you using the extra imprint that he made earlier.
- Someone raids your trash from home or office for old receipts and statements that you throw away to get information such as your account number.
- You receive an email, letter or a telephone call and respond to an offer for a free trip. A polite staff then tells you nicely that you must join the company's travel club first. Once you agree, he says you can pay by credit card and asks for your account number. Soon after, charges you never make are billed to you.
- You visit a website or see an advertisement which offers free adult images online. To enjoy the freebie, however, you have to give your credit card number, supposedly to prove you are over the age of consent. Subsequently, you discover that you are charged for many hours of usage.

Types of fraud

Lost or stolen cards

Conmen use lost or stolen cards to make transactions. As a precaution, do not leave your credit or charge cards in clear view in a parked car, in the outer or unzipped pocket of your pants or bag, or lying around in public places.

A thief may also get hold of your card in the mail before it reaches you, sign it in his handwriting and use your card.

Inform your card issuer if the card you are expecting does not arrive in two weeks.

Fake or altered cards

A crook has captured your card details during a previous transaction. He then makes counterfeit cards from the stolen information and make purchases using the counterfeit cards. Such cards often lack certain security features found in genuine cards. Find out from your issuer what these features are. Also, do not allow anyone to keep your cards. After a transaction, make sure that the card returned to you has your name on it and has not been tampered with.

Telephone and Internet fraud

During a phone or online transaction, no card or signature is required, just a valid card number and expiry date. In the event of a fraudulent transaction, the crook usually wants his purchase to be delivered to an address different from the billing address. In such cases, cardholders may receive a call to confirm the transaction, especially if it is for the purchase of a very expensive item.

Guarding against fraud

It is not always possible to prevent credit card frauds from happening. But there are a few steps you can take to make it more difficult for someone to take your card or card information.

Do:

- Sign your cards with permanent ink as soon as they arrive.
- Keep a record of your card numbers, their expiry dates, and the phone number and address of the card issuers in a secure place.
- Keep an eye on your card during the transaction, and get it back as quickly as possible.

- Read all details on the charge slip before signing or confirming the transaction.
- Draw a line across any blank space for entering money amounts when you sign a receipt.
- Cancel incorrect receipts and tear up cancelled slips and carbon copies.
- Save receipts to compare with billing statements.
- Check your billing statement promptly when they arrive.
- Report any questionable charges at once and follow up in writing.
- Mail cheques with your card number on them in opaque envelopes.
- Tear up pre-approved credit offers before throwing them away.
- Inform the card issuers immediately when you change your address. If possible, inform them in advance.
- Keep your cards in the same place after use. This way, you will notice immediately if they are lost or stolen.

- Patronise online stores only if they have secure systems. An indication is a locked padlock usually found at the bottom of your browser.
- Check your credit or charge card statements promptly, especially after each overseas trip. If you notice any discrepancies, call the card issuer immediately.
- Leave cards or receipts lying around.
- Write your card information on a postcard or the outside of an envelope.
- Keep card-related information, such as PIN number, in the same place as your card.
- Give out your card number or other personal information over the phone or to anyone unless you are certain it is from a company you know and trust. No one should ask for your password or PIN.

Do not:

- Sign a blank charge slip.
- Lend your credit or charge card to anyone.

Identity theft

Possibly, one of the worse things that can happen to you is if someone steals your name to commit financial fraud. You may end up losing money, your reputation and credit worthiness.

Here are a few suggestions to guard against this:

- Before revealing information about your identity, find out how it will be used and if it will be shared with others. You should keep such personal details as confidential as possible.
- Give your NRIC only when absolutely necessary. Ask to use other types of identification when possible.
- Keep your credit cards and personal information in a safe place. Carry only the cards you need.
- Check at least once a year that the information in your credit report maintained by the Credit Bureau (Singapore) is accurately updated. For more information, visit www.creditbureau.com.sg.

- Get rid of old charge receipts, credit applications, insurance forms, cheques, billing statements and expired cards properly by shredding them.

What to do should the worst happen

- Notify the issuers and financial institutions immediately. Call the credit bureau to ask if it can put a fraud alert in your file.
- If your cards have been stolen, inform the card issuer immediately and make a police report and keep a copy of the report.
- If you are paying your card bills through GIRO or other standing arrangement that draws money from your bank account, inform your bank immediately of the situation and follow up in writing to void these arrangements formally.

Contest #10

(Please read the article and answer the following questions)

- What is a thief most likely to steal from you in order to use your credit or charge card fraudulently?**
 - Your card or card number
 - Your school grades
 - Your employer's name
 - Your friend's NRIC
- To make it more difficult for a crook to use your card illegally, you should _____.**
 - leave cards or receipts lying around
 - sign your cards as soon as they arrive
 - tear and throw receipts away immediately
 - move house without notifying the card companies
- To guard against fraud, you should not _____.**
 - cancel incorrect receipts and tear up cancelled slips and carbon copies
 - save receipts to compare with billing statements
 - lend your credit or charge card to anyone
 - report any questionable charges promptly and in writing to the card issuer
- You should _____ to prevent identity theft.**
 - carry all the cards you have
 - sign a blank sale or charge slip
 - keep card-related information in the same place as your card
 - give your NRIC only when absolutely necessary
- If your cards have been stolen, you should _____.**
 - make a police report immediately
 - take your time to notify the card companies
 - leave the GIRO arrangement for bill payment alone
 - apply for a new card immediately

Terms and Conditions

- Every entry must be on the official entry form. No photocopies please.
- Judges' decision is final.
- Winners will be drawn from correct entries.
- Winners will be notified by post.
- Prizes are not transferable or exchangeable.
- There will be three winners each contest. Each winner will receive a \$50 cheque and 12 issues of The Consumer.

Official Entry Form (Contest #10)

For each question, please circle the correct answer:

- | | | | | |
|----|---|---|---|---|
| 1. | a | b | c | d |
| 2. | a | b | c | d |
| 3. | a | b | c | d |
| 4. | a | b | c | d |
| 5. | a | b | c | d |

Name: _____

NRIC: _____ Age: _____ Sex: _____

Occupation: _____

Tel: _____ Handphone: _____

Address: _____

Send your entry to:

'Dollars & Sense'

Contest #10

Consumers Association of Singapore

Ulu Pandan Community Building #05-01

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Email: sayit@case.org.sg

Closing date:

Entries must reach us

by 26 December 2003

- Employees of the CASE, ABS, the supporting organizations and Streets, and their immediate families are not allowed to take part in this contest.
- One entry per person.