

The credit card issuer is watching

HOW many times have we all heard and read about incidences of credit card fraud? So many that I had kind of lost track myself and I supposed part of me started believing that it would not happen to me.

Well, it did. Just last month, I received a call from my credit card issuer saying that someone had used my information to pay for tickets online.

The officer called as I was just about to leave for Singapore. She said the company had noticed "some unusual transactions" and asked whether I had made them. I told her "No". She told me not to worry about it, that she would cancel my card and I would be sent a new one.

I left the country, not overly concerned about losing my credit card because I have another one. But had I lost both, then yes, absolutely.

The whole episode did get me thinking how it could have

happened. How did I become so careless after owning a credit card for 15 years?

One thing's for sure, I was amazed how my credit card issuer had detected the fraudulent transaction so quickly and stopped any losses. I'm actually glad they called, and not about late payments this time.

According to Malayan Banking Bhd's executive vice-president and head of cards and payments, Ashraf Ali Abdul Kadir, the bank has systems in place to identify and track fraud, with a team working 24 hours a day seven days a week.

"The system tracks every cardholder's spending patterns and will report any suspicious or unusual activity on the card. For example, if you have not been using your card for a long time and start using it, the system will prompt our officers to make a call to you and ask a few questions to verify your trans-

Weekend
Notes



By Kang Siew Li

action," he said.

The same goes for situations such as when you make a big purchase with your credit card, or many transactions in a short time. The bank also pays more attention to transactions made overseas.

Ashraf was not the least bit surprised to hear how my credit card had been compromised online, with the advent of Internet shopping and using cards as payment gaining popularity.

"Credit card fraud on the Internet is very risky for the perpetrator, actually, because a transaction can leave an audit trail. And,

therefore, you can always set a trap. We have done that many times and caught people," he said.

Still, it is comforting to note that the number of such credit card misuse is low. At Maybank, it makes calls to fewer than 50 customers a day about suspected fraudulent activities.

So, I don't know whether I'm lucky or unlucky.

"We saw credit card fraud levels fall soon after the introduction of the chip technology. That's because a card carrying the so-called chip is harder to copy," said Ashraf.

It was reported that Malaysia saw the rate of credit card fraud drop from 0.74 per cent of transactions in 2000 to 0.12 per cent five years later when the chip was widely used.

However, the chip will only be effective at preventing point-of-sale scams. It won't prevent Internet fraud, according to Robert Burbach, senior analyst with re-

search firm Financial Insights.

Today, most credit cards will still have a magnetic stripe. That's for purchases in countries which do not use the chip technology.

So, how to avoid becoming a credit card fraud victim? Nowadays, everyone has a credit card. Well, actually, three, because there are four million credit card holders in the country and 11.5 million credit cards in circulation.

As a rule of thumb, we credit card users are told to be vigilant with our cards.

"You should also report a stolen or lost credit card as soon as possible so that your credit card company can place a block on the stolen card to prevent misuse.

"And if you are travelling overseas, it is good to inform the credit card issuer so that they can make a note," said Ashraf.

Point noted. And I feel much safer now knowing that my credit card issuer is watching.