



CREDIT CARD FRAUD IDENTIFICATION FOR MERCHANTS - COMBAT CARD FRAUD

One of the main causes of fraud with credit cards is the unauthorized use of a lost or stolen card. Fraudulent activity normally occurs within hours of the loss or theft -- before most victims have called to report the loss.

This is why it is so important to compare the signature on the card and the sales draft. If they don't match, you may be able to stop a fraudulent transaction even if the authorization center has not yet been told to pick up the card. Keep in mind that the thief may have altered the signature panel or re-embossed the card to change the account number.

Watch for suspicious behaviour!

While any of the following can occur in a legitimate transaction, these characteristics are frequently present during fraudulent transactions.

Be alert for the customer who:

- Takes the card from a pocket instead of a wallet.
- Purchases an unusual amount of expensive items.
- Makes random purchases, selecting items with little regard to size, quality, or value.
- Makes several small purchases to stay under the floor limit, or asks what the floor limit is.
- Signs the sales draft slowly or awkwardly.
- Cannot provide photo identification when asked.
- Hurries you at quitting time.
- Purchases a large item, and insists on taking it at the time, even when delivery is included in the price.

If you observe suspicious behaviour, call your authorization center immediately and ask for a "Code 10" if:

- You believe you have a counterfeit or altered card.
- The transaction is suspicious.
- The account number is listed on a warning bulletin.
- The signatures don't match.

- You become suspicious for any other reason.
You will be asked a series of "yes" or "no" questions. Hold the card while the operator gives you instructions.

Things To Check For On The Card:

1) Embossing

- a) The first four digits of the Visa account number (the bank identification number [BIN] must be pre-printed below the embossed number. If these numbers do not match exactly, the card has been altered or is counterfeit.
- b) Visa's embossed account numbers begin with a 4 and contain either 13 or 16 digits.
- c) A unique embossed "V" appears on Visa cards.
- d) MasterCard's embossed account numbers begin with a 5 and contain 16 digits.
- e) If the unique security character "MC" appears next to the expiration date of a MasterCard make sure the card account number is indent-printed in reverse italics on the signature panel.
- f) If you see "ghost images" of other numbers behind the embossing on either the front or back of the card, it has been re-embossed.
- g) If the card has been re-embossed, the hologram may be damaged.
- h) Check the valid dates for evidence of tampering. Do not accept an expired card.

2) Signature Panel

- a) A repetitive, colour design of either the "Visa" or "MasterCard" name should appear on all signature panels.
- b) An altered signature panel may be discoloured, glued, painted, erased, or covered with white tape.
- c) Compare the signature on the card with the signature on the sales draft. If they are different, request photo identification. If you are still not satisfied that the customer is the legitimate cardholder, call for a Code 10.
- d) The signature panel on MasterCard cards may include an indent-printed account number followed by a three-digit validation code.

3) Hologram Tampering

The gold or silver holograms should show clear, three-dimensional images that appear to move when the card is tilted. Imitations can often be easily damaged by scratching.