

Tips for Preventing Credit Card Fraud This Holiday Season

by (ARA)

Whether you begin buying gifts after Thanksgiving on Black Friday or online on Cyber Monday, you're contributing to the busiest shopping season of the year. According to the National Retail Federation, Americans spent \$438.6 billion during the 2005 holiday shopping season. This number is expected to increase by five percent this year to \$457 billion. That's good news for retailers. It may also be good news for thieves.

"Credit card fraud can affect anyone, at anytime, but consumers are particularly vulnerable around the holidays," says Jack McCoy, vice president of security for Discover Financial Services. "However, there are a number of tips that smart shoppers can adopt to reduce the likelihood of falling victim to scammers, hackers and credit card thieves." To protect themselves this holiday season, McCoy urges consumers to take the following precautions: Keep current with your credit. An up-to-date credit report can be useful for detecting fraudulent activity. Each year, you're entitled to one free report from each of the three major credit-reporting agencies (Equifax, Experian and TransUnion). Call (877) 322-8228 or visit www.annualcreditreport.com for yours. Review every credit account in your report. If you find an unfamiliar creditor, request more information from the issuing company. Then check your outstanding balances -- even legitimate credit lines may be abused without your knowledge. If you suspect illegal activity, contact the creditor immediately. Make a statement. Most of us already review our monthly account statements. During this busy shopping season, it's also a good idea to track activity between statements. Credit card holders can now review their accounts online, where new purchases are usually posted on the same or next business day. These virtual statements are helpful for detecting fraud as soon as it occurs, which means a speedier resolution -- and perhaps even catching the thief. Protect your CID code. While unfamiliar to most, cardholders are advised to protect their Card Identification number (CID) from prying eyes. This three-digit number, printed on the back of most credit cards on the right side of the signature panel, is used to verify that the card is physically present during a transaction. Internet and mail-order retailers in particular may request this number during a transaction, as it's one measure they can take to prevent fraud and verify the order is being placed by the actual cardholder. Your credit card issuer will never request a CID number via e-mail, so be wary of fraudulent e-mails from credit card thieves posing as your credit card issuer. Use a secure online account number. If you're among the 100 million adults who shop online, you need to take extra precautions this holiday season. While just about every reputable online retailer encrypts their transactions, hackers have been known to penetrate even the most secure systems. For that reason, consumers still need to safeguard their account information when shopping on the World Wide Web. That's why it's smart to consider secure online account numbers, such as the ones available to Discover Cardmembers on Discovercard.com. These single-use account numbers function as a disguise for your real account number, and can only be used at the retailer where it is first used -- nowhere else. This further protects your real account number from prying eyes. Remember, thieves can't steal what they can't see. Go paperless. Many consumers understand the benefits of shredding confidential information before throwing it away. However, if you have yet to buy a shredder, ask your credit card provider about paperless statements, or e-statements. They contain the same information as the printed statements, only they're delivered via e-mail. Many credit card providers will allow you to print your statements from the website, and often send you e-mail notification each month when your statement is ready for viewing. Demand more from your credit card company. While it's critical that consumers take steps to protect themselves, credit card companies must also play their role. Review your card's fraud policy and make sure you are in good hands. For example, here are some ways that Discover Card offers complete fraud protection: * \$0 fraud liability -- Victims of credit-card theft are never responsible for any unauthorized charges to their accounts -- online, offline, anytime, anywhere. * Early-warning fraud detection -- In the event of unusual account activity, the Discover security team will contact you immediately. * Dedicated fraud specialists -- Skilled agents are dedicated to helping you 24/7 until the issue is resolved. Together, these tips and tools will help ensure that the only surprises this holiday season will be on the faces of your friends and family when they open their presents.

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