

## 7 reasons your credit card gets blocked

Plus: 7 tips for handling it when it happens to you

When your credit card company stops a thief from charging fraudulent expenses to your card, you're thrilled. But what happens when they mistake you for the thief?

7 reasons your credit card gets blocked With \$6.89 billion in fraud losses in 2009, credit card companies eager to stem the tide are continually beefing up their anti-fraud measures, relying on sophisticated computer software to flag suspicious transactions. Trouble is, what looks like a red flag to a computer may just be you trying to make a mundane purchase. Then, all of a sudden, your card's declined, leaving you red-faced and frustrated.

So what looks bad to your card company? Anything out of the ordinary. "The credit card companies -- Visa, MasterCard, American Express, Discover -- all have their own proprietary technologies that look for anomalies in your spending habits," says Robert Siciliano, a McAfee consultant and identity theft expert based in Boston. Siciliano suggests that each transaction is automatically analyzed for up to 200 different data points, everything from where you live to what you normally buy to how much you're spending, to determine the likelihood that you're the one actually making a particular charge. If the analysis doesn't add up, your card will be blocked and your next purchase declined.

What triggers a block

Card issuers won't go on the record about specific red flags -- as Siciliano points out, "That'll only give the bad guys an edge." But according to experts and hapless cardholders who have experienced a block, these shopping habits may lead to hassles:

Shopping where you've never shopped before. "I've had calls from my card company saying, 'We've detected unusual activity.' It wasn't unusual, but it was a different pharmacy than the one I normally went to," says Denise Richardson, a certified identity theft risk management specialist and author of "Give Me Back My Credit!"

Making several purchases quickly. Janis Badarau, of Lavonia, Ga., sometimes hits three grocery stores in a row to find what she needs and take advantage of sales. But a few months ago, she was so speedy that by the time she swiped her card at the third store, it was declined. "I called the bank when I got home, and they told me that shopping at three supermarkets within an hour or so was considered 'unusual activity,'" Badarau says.

Charging something small, then something big. Criminals sometimes test the waters with a stolen card by charging a tiny amount -- say, a song on iTunes -- before moving on to a triple-digit purchase. That small-big pattern in your own buying habits may result in a declined card.

Shopping away from your home base. That's especially common when you're moving. "If my billing address is Massachusetts and I'm buying a washer and dryer in Idaho, that's an anomaly, because why would I buy a washer and dryer in Idaho if I live in Massachusetts?" says Siciliano.

Charging travel expenses. On the road, any purchase from gas to restaurant meals can trigger a block. While that's long been true for travelers abroad, it now happens domestically, too. "Once my travel to L.A. flagged it and I spent 20 minutes verifying transactions," says Traci Coulter, of New York City. When she asked what caused the card to be declined, she was told, "a taxi, a charge at the airport, in-air Wi-Fi and a rental car hold" -- all standard travel expenses.

Buying things in different geographic regions on the same day. During a cruise, Janet Gillis, of Tampa, Fla., used a card to get money from an ATM on the ship, then she later made a purchase on-shore in Belize. For the rest of the trip, her card was declined. "Apparently, the ATM on board the ship is registered to a Miami location, and several hours later, I was purchasing something in Belize. To them, it looked suspicious because the transactions happened so close together," says Gillis. Online purchases to merchants in different parts of the world can trigger the same flag.

Dealing with billing issues. When Siciliano wanted to make an addition to an online purchase, he contacted the company, but the second transaction they tried to process was declined. The card issuer "thought that the merchant was taking advantage of my card number."

How to handle a block

When your card company suspects suspicious activity, sometimes you'll get an email or a phone call asking you to verify a purchase. Other times your card is simply declined, with no advance warning and no information why, and it's

up to you to call your issuer and sort out the problem. Follow these tips to minimize the hassle (and humiliation) of a blocked card:

Carry backup credit cards. You'll be able to offer another working card while you sort out the problems with the first. Keep your card's contact info handy. "Have your credit card company's toll-free number as one of your phone numbers in your mobile," recommends Siciliano. "If a card is declined, you know who to call."

Tell your card company when you're traveling. Advance notice doesn't always keep your travel purchases off the "suspicious activities" list, but card companies recommend it. In the same vein, "Give your creditor your cell phone number," says Richardson. "If they only have your home number on file, that can be a problem, too."

Use a prepaid card. When you travel, a preloaded card gives you the convenience of credit without the hassles. (You do lose the protection, however, so that convenience comes with a price.)

Get texts. According to Chase representative Gail Hurdis, customers can sign up to receive a text message within minutes of a flagged transaction and can indicate by text whether they recognize it. If they do, the account is updated and the transaction cleared instantly.

Provide a new address. When you move, quickly update your billing address so your card company recognizes your new home base.

Ask for compensation. When Linsey Knerl's card was erroneously declined, the store cashier refused to accept any other card, forcing Knerl to abandon a cart full of stuff. The Tekamah, Neb., woman wrote a letter to her issuer expressing her disappointment. "The credit card company actually gave me a rewards points bonus for my troubles -- enough to buy a plane ticket the next time I traveled!" she says.

Annoying as it can be to get blocked by mistake, remind yourself that it's a sign that your credit card company's got your back.

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