

# Case Study On Debit And Credit Card Fraud

# Background

- Credit card fraud is a form of identity theft in which an individual uses someone else credit card information to charge purchases, or to withdraw funds from the account.
- Credit card fraud also includes the fraudulent use of a debit card, and may be accomplished by the theft of the actual card, or by illegally obtaining the cardholders account and personal information, including the card number, the card's security number, and the cardholders name and address.

# Details of crime :

credit card fraud statistics break down as follows:

In American Bank 2016 credit/debit card fraud losses amount to \$11.27 billion: primarily due to use of counterfeit cards at point of sale transactions, and card-not-present transactions done online, through a call center, or through mail order.

2016 credit/debit card fraud gross losses amount to 5.22 percents \$100.

As of 2016 retailers spend \$6.47 billion annually on credit card fraud prevention, while still incurring \$580.5 million in losses.

# Crime Investigation :

Credit card fraud investigation most often begins when a consumer makes a report to local police of the theft or unauthorized use of his credit or debit card. Immediately reporting suspected credit card fraud is highly recommended by the banking and credit agencies, as well as the Federal Trade Commission, and law enforcement agencies.

## The Nation's Stress Over Credit Card Fraud

In 2016, the top three stressors to American consumers were:

- (1) identity theft,
- (2) credit card/debit card fraud, and
- (3) national security related to terrorism

# Crime Investigation :

The American banks currently have a range of measures in place to protect customers from card fraud:

**Chip and pin:** American mandates the use of “chip and pin” technology. This replaced the need to swipe the magnetic strip on credit cards and is recognized as being more secure.

**Two-factor authentication:** Many American banks use text messages or tokens that generate a unique, time-limited code to help verify the legitimacy of transactions.

**Monitoring of customer habits:** American banks typically have a complex set of algorithms that monitor the spending habits and transactions of their customers. They frequently have the ability to identify a suspicious transaction and block it.

# The banks and security IT act :

Online credit card fraud is on the rise in Australia, but pointing the finger at any one group won't help. It's an ecosystem problem: from the popularity of online shopping, to the insecure sites that process our transactions, and the banks themselves.

A recent report from the Australian Payments Network found that:

- the overall amount of fraud on Australian cards increased from A\$461 million in 2015 to A\$534 million in 2016

- “card not present” fraud increased to A\$417.6 million in 2016, up from A\$363 million in 2015

- 78% of all fraud on Australian cards in 2016 was “card not present” fraud.

Thank You