

Net fraud is on the up. Barry Fox wonders whether **those in charge** are doing enough about it.

E-asymoney



CompuServe's MD, Martin Turner, dismisses the launch of Dixons' Freeserve as "an irrelevance". He's backed up by his European boss, Konrad Hilbers. Says Turner: "We cannot see what impact Freeserve will have on

CompuServe, except to encourage more people to join us for a better service. We're the first choice of the busy professional and discerning consumer. We're making a strategic bet that customers will continue to pay for the better service our infrastructure offers."

Whatever Turner and Hilbers may like to dream, Freeserve leaves me wondering why I pay CompuServe £6.50 a month for an email address, £2 an hour for extra time and why I'd even consider paying £18 a month for unlimited access. By offering free internet access in return for a personal mail order profile, Dixons has rewritten the rules of internet marketing. As the company's Chief Executive, John Clare, puts it, "shops don't charge customers an entrance fee." But be warned, Freeserve is not a panacea. It makes itself the default for IE4, ousting other ISPs like MSN.

Users will then need skill or help to restore their original settings. And, as I know to my cost, once you have started to install Freeserve, it's already too late to quit.

Although Freeserve offers ISDN dial-up, Clare's techies have still not made it work with the Ignition terminal adaptor that BT flogs to its ISDN and Highway subscribers — a clumsy omission. Yet, if nothing else, Freeserve is already encouraging others to cut the cost of access. CompuServe is re-launching next year with a new service, CompuServe 2000, and Konrad Hilbers admits it may be cheaper. Astonishingly, neither company provides access from Windows CE handhelds. More importantly, the system remains wide open to insidious abuse: so much has originated from Russia and Bulgaria that all access from those countries has been closed.

When new users sign up for their free month's trial period, they're quite legitimately asked for personal billing details and credit card number. Over the next few days they may receive a message which purports to come from CompuServe (e.g. Marion Miller, Accounts Manager) saying there are "problems with your account" and asking the subscriber to send an email form with all

their billing details again. It's all very plausible, especially to someone new to email and the internet. But of course, there's no Marion Miller at CompuServe, and the details wing off to an unknown fraudster. Turner acknowledges "new users are bombarded with spam". He's aware of the scam, but says "there's nothing we can do to stop this; there are some pretty shrewd people out there, but it's fraud and our security group tries to track them down". Yet CompuServe cannot quote me a single case of prosecution. Turner says the fraudsters choose addresses at random. But this is unlikely, as new users are targetted. Parent AOL knows that fraudsters send scam requests for billing details, but they're received at random and not targetted at "green" users.

I checked one recent target and found their name was not in CompuServe's Member Directory. So, the fraudster didn't get the address that way. CompuServe uses a number-based subscriber system, with names only added as aliases. If fraudsters can detect the latest numbers issued to new subscribers, by signing up for a free month's trial, noting their own numbers and predicting the next batch, they can send scam emails to

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new subscribers. They can then close their account and use any received banking details to set up another one.

So if CompuServe is allocating new numbers in a predictable sequence, no wonder new members are being targetted even before they're listed. If number allocation is random, to hinder prediction, then the fraudsters must be hacking into CompuServe's database. In a clammy official statement, CompuServe states it "avoids providing addresses that can be easily identified". But this is a nonsense, because CompuServe provides a member's directory. It goes on to reassure me that "we employ strict security measures [and] take proactive steps to prevent spamming and misuse of the service". Well, that's all right then.

100131.201@compuserve.com