CREDIT CARD FRAUDS

Credit card fraud occurs when an unauthorized person uses a credit or a debit card to perform a digital transaction or purchase. Generally, it is used to purchase goods or services by fraudulent means. This causes financial loss and impacts an individual's credit rating as well, therefore causing long-term ripple effects.

Despite banks, financial institutions and credit card issuers taking significant steps towards protecting users from scammers, they aren't exactly successful. Let's take a look at some of the credit card frauds data compiled by **security.org,** in which 1,016 U.S. card holders were surveyed about their credit and debit card habits. They were also asked about what they did to ensure their account safety.

127 million

Americans have had a fraudulent charge on their debit or credit card.

Credit card fraud is a several million dollar crime that became even more prevalent during the COVID-19 pandemic. This was largely due to people's preference for digital transactions and added presence on social media. It is expected to grow even more, considering the extensive dependence on online shopping.

42% of the respondents said they have never had a fraudulent charge on their credit cards

35% have had fraudulent charges on their card more than once

25% of the respondents said they noticed a fraudulent activity in the past six months

69% of the respondents said they noticed a fraudulent charge in the past two years

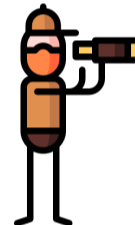### Approximate amount of fraud charge

20.0 %
35.0 %
9.0 %
14.0 %
22.0 %

● <$50 ● $50-$99 ● $100-$199 ● $200-$299 ● $300+
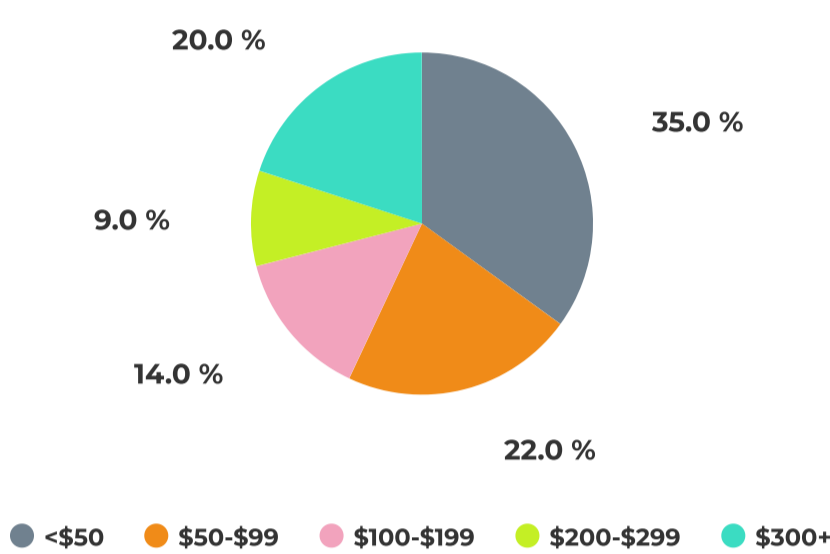
$62

is the average amount of fraud charge that people have encountered on their cards
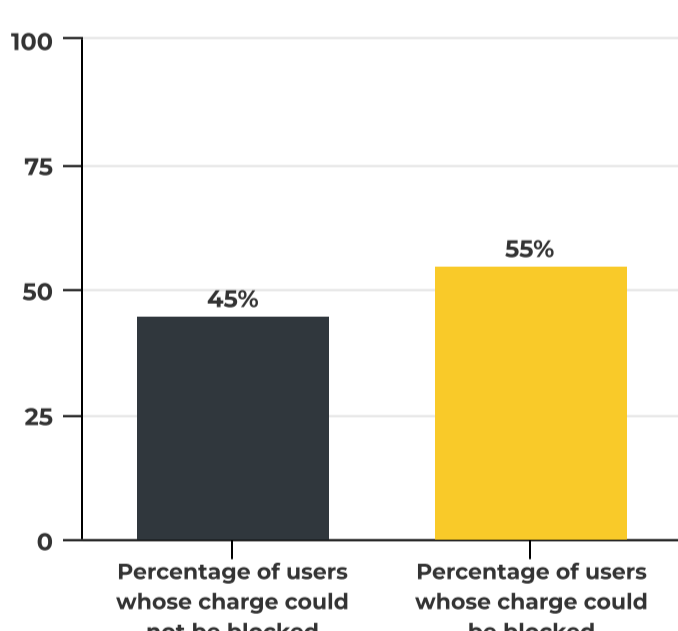
BEING VIGILANT HELPS!

70% of the victims noticed the fraudulent charge within a few hours of its occurrence.
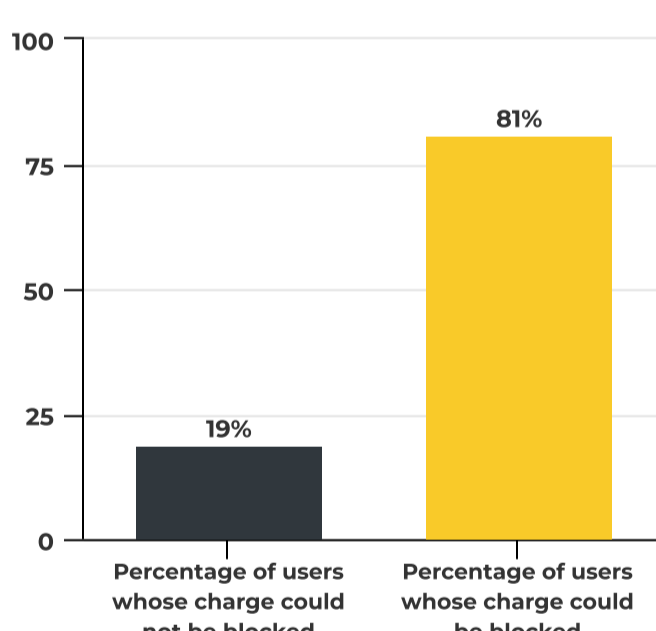
Banks and credit card companies are now equipped with state-of-the-art technologies that can detect frauds as soon as they take place. It also helps to enable notifications and messages from banks about transactions happening in your accounts or your cards.

61% of the victims were able to track and work quickly to block the fraudulent attempts to use their cards only because they were alerted by a message from the bank
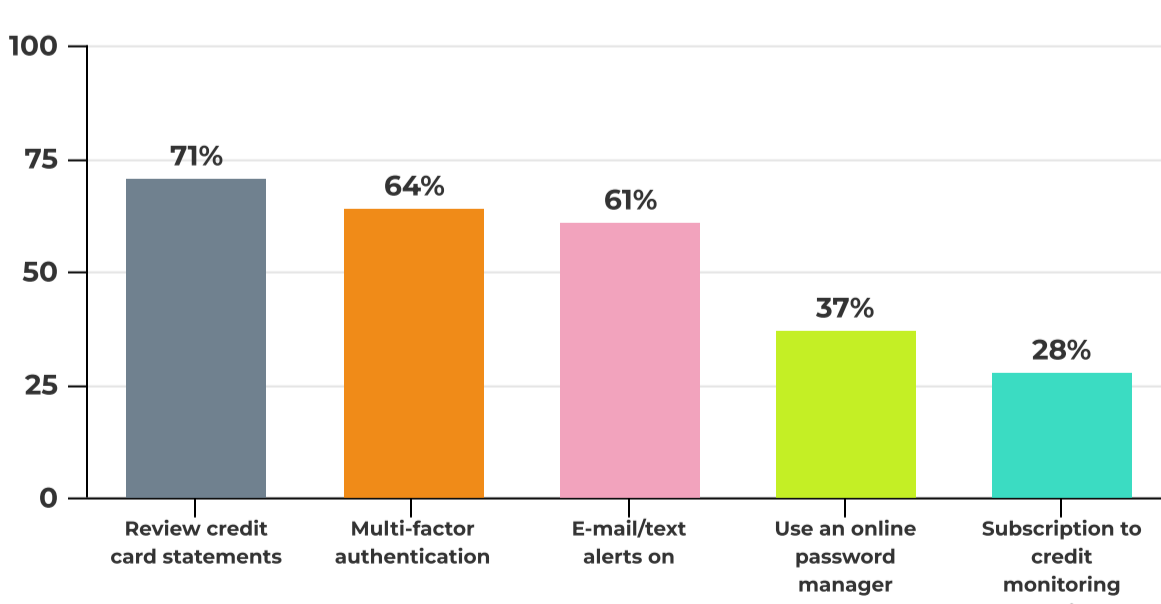
WHEN FRAUD NOTIFICATIONS ARE NOT ENABLED

45%	55%
Percentage of users whose charge could not be blocked	Percentage of users whose charge could be blocked

WHEN FRAUD NOTIFICATIONS ARE ENABLED

19%	81%
Percentage of users whose charge could not be blocked	Percentage of users whose charge could be blocked

SMART SECURITY PRACTICES

Following some smart security practices will ensure that credit card frauds can be prevented. A lot of Americans already follow some of these good practices:

71%	64%	61%	37%	28%
Review credit card statements	Multi-factor authentication	E-mail/text alerts on	Use an online password manager	Subscription to credit monitoring service

DO NOT FOLLOW THESE POOR SECURITY HABITS THAT ARE ALL TOO COMMON!!

Using the same password in multiple places

Using public Wi-Fi, especially to conduct financial transactions

Storing credit card information online

SOURCES:

https://www.security.org/digital-safety/credit-card-fraud-report/
Icons made by Freepik by www.flaticon.com