



DEBIT vs. CREDIT CARDS Which is Safer to Swipe?

The recent financial security breaches of well-known retailers have caused headaches for consumers. Liability for damages of fraudulent debit and credit card transactions is treated differently by consumer protection laws. Knowing the difference can protect you in the event your debit or credit card number is compromised.

When a debit card is used, according to the Electronic Funds Transfer Act, the card issuer can only hold the cardholder responsible for the first \$50 of fraudulent charges, as long as it is reported within two business days of learning about the problem. If the loss is reported within 60 days after a statement containing fraudulent charges is mailed, a consumer's liability increases to \$500. If a fraudulent debit card transaction is reported more than 60 days after the statement is mailed, the financial damage can be limitless. If a scammer obtains debit card information, not only can they deplete an entire bank account, but it can take up to ten business days for the bank to investigate the fraud, and even longer to reimburse the account. In the meantime, consumers are left with depleted funds that may have otherwise been used for rent, utilities and other bills.

When a credit card is used, consumers have an extra layer of protection under the Fair Credit Billing Act. According to the federal law, a consumer's personal liability for fraudulent charges on a credit card cannot exceed \$50. If a consumer falls victim to credit card fraud, the charge is often credited back to the account immediately after it's reported.

Whichever card is swiped, the following are ways to help protect consumers from being scammed:

MONITOR ALL ACCOUNTS

Check debit and credit account activity on a regular basis for any unauthorized transactions. If there's an indication of suspicious activity, notify the bank or credit card issuer immediately.

CUSTOMIZE FRAUD CONTROLS

Inquire if the bank/credit issuer can set up account alerts to notify by text, email or telephone if a transaction exceeds certain parameters, such as amount or location.

BEWARE OF FRAUD HOTSPOTS

Gas stations, ATM machines and restaurants are frequent targets of "skimming," machines that scammers install to steal card information. If a debit card must be used at the gas pump or restaurant, choose to run the card as a credit purchase so that a PIN is not required. The amount will still be deducted from the bank account, but it will be processed through a credit-card network, which will give greater protection from liability if fraud does occur.

Consumers should remain vigilant for incidents of fraud and identity theft by regularly reviewing account statements and monitoring credit reports. If any suspicious or unusual activity is detected, report it immediately to all of the applicable financial institutions.



For additional information, contact the Florida Department of Agriculture and Consumer Services at www.800helpfla.com or by calling 1-800-HELP-FLA (435-7352) within Florida, 1-800-FL-AYUDA (352-9832) en Español or (850) 410-3800 from

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