

PREVENTING CREDIT CARD FRAUD

Credit card fraud occurs any time your credit card account is used without your knowledge or permission.

Credit card fraud costs cardholders and issuers hundreds of millions of dollars every year. Closely related to credit card fraud is "identity theft," which is addressed in our separate topic discussion, Coping with Identity Theft. While it is easy to become the victim of credit card fraud, there are many simple ways to protect yourself against this loss. Some of these are outlined below.

Tip: The Fair and Accurate Credit Transactions Act of 2003 (FACTA) provides consumers with an arsenal of weapons to fight fraud and identity theft. For example, you can ask the credit bureaus to truncate your Social Security number on any disclosures they send to you, including your credit report. Additionally, creditors and businesses must take other steps to protect consumers against fraud and identity theft. For example, merchants can only print the last five digits of your credit card or debit card number on electronically generated receipts.

What is credit card fraud and how can you protect yourself from it?

Keep track of your card

The first step in protecting yourself is to know where your credit card is at all times. Try carrying your money in one pocket and your credit cards in another, so a thief won't steal both at once. Keep your eye on your card during transactions, and be sure the clerk returns it at the end of the transaction. Don't loan your card to anyone or reveal your personal identification number (PIN).

Take some low-tech precautions

Retail stores and other businesses that accept credit cards are prohibited by law from asking to see additional identification. This can actually make things easier for anyone fraudulently using your card. Immediately sign the back of a new card, and use permanent ink. A thief may be inhibited by the need to forge your signature. Make the activation

ATLANTIC TRUST

PRIVATE WEALTH MANAGEMENT

call the company requires, because that protects you against liability and may give you additional information. Keep your PIN separate from your card.

Handle your personal identification number (PIN) with care

Your PIN is an important protection for your card. Select one that is easy to remember, but not easy to guess. Don't use your house number, your license plate, your birthday or part of your Social Security number. Don't write the number on your card or carry it somewhere in your wallet. Don't share your PIN with anyone, including family members.

Consider using a credit card protection service

Having your wallet or purse stolen can be a nightmare. To save yourself the worry of calling every single issuer whose card you carry, you can pay a small fee to a protection service that will notify your credit card companies for you. Some of these protection companies will also pay any liability you incur after you notify them, and they will wire you money if you request it.

Caution: You'll be paying monthly for this protection service, so think about whether you really need it. Also, the service will only be as good as the information you give them. If you change cards, add cards or lose more cards than you realized, the service won't be worth the money you spend on it.

Tip: Make a list of your cards, their numbers and the toll-free number to report loss or theft. Keep this list in a safe place—not in your wallet or purse. If you lose your wallet or purse and aren't able to notify your card issuers, you'll be liable for a portion of any illegally made charges.

Protect your card number as carefully as you protect your card

A thief may steal your card itself, but is even more likely to steal your card number. A dishonest clerk or telemarketer, for example, can copy your credit card number. A thief can also find your number on discarded receipts or carbons and use the information to shop by phone, mail or Internet. Instead of stuffing your receipts in your glove compartment, keep them in a safe place at home so your number is protected. Never write the number on the outside of envelopes or on postcards.

What do card issuers do to prevent fraud?

You may feel that it's you against the pickpocket, but card companies have an incentive to back you up. In most situations, the card issuers bear the responsibility for illegally incurred charges. Many credit cards now have holograms or photos for identity protection. They may also carry "neural networks," which track your spending habits, the geographical area where you usually shop and what your typical price range is. That's why travel card companies advertise that they call their customers if their credit cards show unusual activity.

How secure is shopping by phone?

Phone and catalogue shopping are very popular, especially during the holiday season. Phone shopping is generally safe and convenient, as long as you've initiated the call. If someone claims to be calling from a catalogue company, get their number and call them back to be sure the call is legitimate.

Cybershopping: The newest arena for fraud

Cybershopping is the ultimate home shopping experience. Click a button and buy a discounted best seller or new CD. If you're going to shop online, there are basic ways to protect your credit information.

Unsecured information sent over the Internet can be intercepted. If you decide to buy online, your browser should invite you to download a secure program, such as secured hypertext transfer protocol (SHTTP) or a Secure Sockets Layer (SSL), for transmitting credit information. Even if the program takes several minutes to download, the inconvenience is far better than taking a chance on having your card number intercepted. Without a Web browser that complies with industry standards for security, your credit information will be available to anyone with the skills to find it. Here are some other tips:

- Buy from reputable stores and sellers.
- Look for third-party seals of approvals, such as Better Business Bureau Online and Truste.
- Make sure the site uses encryption. Look for an "s" after "http" in the address. There should also be a tiny closed padlock in the address bar, or lower right-hand corner of the window.
- Use a browser filter that warns you of suspicious sites.

© Copyright 2011, Forefield, Inc. All rights reserved.

Atlantic Trust Private Wealth Management includes Atlantic Trust Company, a division of Invesco National Trust Company (a limited-purpose national trust company) and Stein Roe Investment Counsel, Inc. (a registered investment adviser), both of which are wholly-owned subsidiaries of Atlantic Trust Group, Inc.

Reprinted with permission from Forefield, Inc. Atlantic Trust and Invesco are not affiliated with Forefield, Inc. While Atlantic Trust believes the information presented in this article to be reliable and current, Atlantic Trust was not involved in writing the article and cannot guarantee its accuracy. Further circulation, disclosure, or dissemination of all or any part of this material is prohibited. This article is provided for educational & informational purposes only and is not an offer of investment advice or financial products.

There is no guarantee that these views will come to pass. Past performance does not guarantee future comparable results. To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein. Atlantic Trust does not provide legal advice, and the information contained herein should only be used in consultation with your legal, accounting and tax advisers.

Investment Products Offered are Not FDIC-Insured, May Lose Value and are Not Bank Guaranteed.

For Public Use 2011

Atlanta 404 881 3400	Chicago 312 368 7700	New York 212 259 3800
Austin 512 651 7800	Denver 720 221 5000	San Francisco 415 433 5844
Baltimore 410 539 4660	Houston 713 214 7640	Washington, D.C. 202 783 4144
Boston 617 357 9600	Newport Beach 949 660 0080	www.atlantictrust.com

ATLANTIC TRUST
PRIVATE WEALTH MANAGEMENT