

How to Shield Yourself from Credit Card Fraud

Nikhil Walavalkar tells you what precautions one should take while using credit cards and how to avoid identity theft

Rikin Choksi was in the news last week, when he reported a fraud involving his wife's credit card. The Mumbai-based businessman was shocked when he read e-mails stating that his wife's credit card has been charged in four continents for over ₹2 lakh. In fact, around 20 transactions were carried out on the credit card within 12 hours on December 14, 2012.

Choksi's wife was very much in town while all these transactions took place in far-off shores.

"I have gone through a lot of mental harassment in these two months. There was little support from the card issuing bank and the police. At first, police dodged lodging a case, citing jurisdiction issues. The FIR was lodged only after I approached senior police officers," says Rikin Choksi. An FIR has been lodged by cyber police under IPC sections for cheating and forgery and under the IT Act for identity theft and impersonation. After a lot of running around, Choksi managed to get most of the transactions reversed. However, transactions amounting to ₹59,600 and some charges by the issuing bank are still pending. And the sad part is: he is yet to figure out how it all happened.

"For the balance amount, Visa has initiated further investigation on Febru-

ary 12, 2013, and the status of the same can be confirmed post 30 working days, as per VISA guidelines. The final resolution to this dispute is expected from VISA on March 14, 2013," says the bank's spokesperson. The bank further claims that it has not asked the said customer to make payments for these transactions till the dispute is resolved by VISA.

This is a perfect case of identity theft, say experts. "Identity theft means posing as someone to obtain access to credit or other benefits in that person's name," says Rajiv Raj, co-founder and director, Creditvidya, a financial literacy and credit counselling firm.

Many times, fraudsters access vital information about an individual and credit cards by hacking computers, skimming and so on and use the credit card to carry out transactions to make huge purchases. Sometimes they also use documents such as PAN card, address proof, salary slip and obtain credit cards or loans in their name.

Many innocent people get into the defaulter list of banks as there are no repayments of these loans. Worse, many of these innocent victims will come to know about their so-called default only when a bank rejects their loan application, citing bad credit record.

ALWAYS BE ON GUARD

Identity theft takes place when a person accidentally or carelessly shares sensitive information about himself or his credit cards on the Net. It can also take place at the banks' or vendors' end, when someone steals the database.

"You must use your credit card with utmost care. You have to be more careful with your online transactions," says V N Kulkarni, chief counsellor, Abhay Credit Counselling Centre.

"Never share your credit card details such as card number, CVV number with anybody, even if the person is a bank employee," says Satish Mehta, co-founder and director, Credexpert, a credit counselling entity.

To begin with, avoid giving the credit card to others. If possible, insist on swiping your credit card in your presence, as it brings down the possibility of skimming and counterfeiting of the card.

Always use a computer with original software and use the virtual keyboard, while keying in your login and password information or other information pertaining to the credit card.

"Keep changing your passwords more often," says V N Kulkarni, to bring down the possibility of hacking. If you are paying vendors on the phone, do not

share your credit card details with call handlers, it is better to insist for an IVR-based payment mechanism, where you key in all the numbers in an automated environment with no human intervention.


You also need to be careful with your personal documents. Many people hand-over self-attested photocopies of important documents to others for some reason or the other. These copies can be used by fraudsters to get a credit card or obtain a loan in your name. Every time you give such a copy to someone, mention the purpose of that photocopy on it.

KEEP TRACK OF YOUR CREDIT SCORE

Despite all precautions, there is a possibility of an identity theft at the end of a bank or a vendor: "The only way out is to keep checking your CIBIL credit report every six months, which can tell you about any credit inquiry made in your name, which you have not initiated," says Rajiv Raj.

You can obtain your credit information report online on the CIBIL website by paying ₹470 through credit card or net banking and going through online authentication process. You can also get your credit report offline by following the process mentioned on the CIBIL website.

While Using your Credit Card



- **Never share credit card details** – such as card & CVV numbers – with anybody, even if the person is a bank employee
- **Avoid giving the credit card to others.** If possible, insist on swiping it in your presence
- **Always use a computer with original software and use the**

- virtual keyboard for transacting on Net
- **Keep changing your passwords**
- **If paying vendors over the phone, insist on an IVR-based payment mechanism**
- **If you are giving self-attested photocopies of documents to others, always mention the purpose of that photocopy on it**

Also, update your mobile numbers and email with your bank. This would enable the bank to alert you about transactions carried out on your name. Some banks do call up customers before allowing unusual and large transactions on their cards. If you come across an unusual transaction, alert the bank immediately.

"Lodge a complaint immediately with the bank and an FIR with the police," says VN Kulkarni.

Unfortunately, India doesn't have the track record of speedy investigation or punishment of the guilty in such cases, he adds.