

Credit, ATM and Debit Cards: What to do if They're Lost or Stolen

Many people find it easy and convenient to use credit cards and ATM or debit cards. The Fair Credit Billing Act (FCBA) and the Electronic Fund Transfer Act (EFTA) offer procedures for you to use if your cards are lost or stolen.

Limiting Your Financial Loss

Report the loss or theft of your credit cards and your ATM or debit cards to the card issuers as quickly as possible. Many companies have toll-free numbers and 24-hour service to deal with such emergencies. It's a good idea to follow up your phone calls with a letter. Include your account number, when you noticed your card was missing, and the date you first reported the loss.

You also may want to check your homeowner's insurance policy to see if it covers your liability for card thefts. If not, some insurance companies will allow you to change your policy to include this protection.

Credit Card Loss or Fraudulent Charges (FCBA). Your maximum liability under federal law for unauthorized use of your credit card is \$50. If you report the loss before your credit cards are used, the FCBA says the card issuer cannot hold you responsible for any unauthorized charges. If a thief uses your cards before you report them missing, the most you will owe for unauthorized charges is \$50 per card. Also, if the loss involves your credit card number, but not the card itself, you have no liability for unauthorized use.

After the loss, review your billing statements carefully. If they show any unauthorized charges, it's best to send a letter to the card issuer describing each questionable charge. Again, tell the card issuer the date your card was lost or stolen, or when you first noticed unauthorized charges, and when you first reported the problem to them. Be sure to send the letter to the address provided for billing errors. Do not send it with a payment or to the address where you send your payments unless you are directed to do so.

ATM or Debit Card Loss or Fraudulent Transfers (EFTA). Your liability under federal law for unauthorized use of your ATM or debit card depends on how quickly you report the loss. If you report an ATM or debit card missing before it's used without your permission, the EFTA says the card issuer cannot hold you responsible for any unauthorized transfers. If unauthorized use occurs before you report it, your liability under federal law depends on how quickly you report the loss.

For example, if you report the loss within two business days after you realize your card is missing, you will not be responsible for more than \$50 for unauthorized use. However, if you don't report the loss within two business days after you discover the loss, you could lose up to \$500 because of an unauthorized transfer. You also risk unlimited loss if you fail to report an unauthorized transfer within 60 days after your bank statement containing unauthorized use is mailed to you. That means you could lose all the money in your bank account and the unused portion of your line of credit established for overdrafts. However, for unauthorized transfers involving only your debit card number (not the loss of the card), you are liable only for transfers that occur after 60 days following the mailing of your bank statement containing the unauthorized use and before you report the loss.

If unauthorized transfers show up on your bank statement, report them to the card issuer as quickly as possible. Once you've reported the loss of your ATM or debit card, you cannot be held liable for additional unauthorized transfers that occur after that time.

Protecting Your Cards

The best protections against card fraud are to know where your cards are at all times and to keep them secure. For protection of ATM and debit cards that involve a Personal Identification Number (PIN), keep your PIN a secret. Don't use your address, birthdate, phone or Social Security number as the PIN and do memorize the number.

The following suggestions may help you protect your credit card and your ATM or debit card accounts.

For Credit and ATM or Debit Cards:

- Be cautious about disclosing your account number over the phone unless you know you're dealing with a reputable company.
- Never put your account number on the outside of an envelope or on a postcard.
- Draw a line through blank spaces on charge or debit slips above the total so the amount cannot be changed.
- Don't sign a blank charge or debit slip.
- Tear up carbons and save your receipts to check against your monthly statements.
- Cut up old cards - cutting through the account number - before disposing of them.
- Open monthly statements promptly and compare them with your receipts. Report mistakes or discrepancies as soon as possible to the special address listed on your statement for inquiries. Under the FCBA (credit cards) and the EFTA (ATM or debit cards), the card issuer must investigate errors reported to them within 60 days of the date your statement was mailed to you.
- Keep a record - in a safe place separate from your cards - of your account numbers, expiration dates, and the telephone numbers of each card issuer so you can report a loss quickly.
- Carry only those cards that you anticipate you'll need.

For ATM or debit cards:

- Don't carry your PIN in your wallet or purse or write it on your ATM or debit card.
- Never write your PIN on the outside of a deposit slip, an envelope, or other papers that could be easily lost or seen.
- Carefully check ATM or debit card transactions before you enter the PIN or before you sign the receipt; the funds for this item will be fairly quickly transferred out of your checking or other deposit account.
- Periodically check your account activity. This is particularly important if you bank online. Compare the current balance and recent withdrawals or transfers to those you've recorded, including your current ATM and debit card withdrawals and purchases and your recent checks. If you notice transactions you didn't make, or if your balance has dropped suddenly without activity by you, immediately report the problem to your card issuer. Someone may have co-opted your account information to commit fraud.

Buying a Registration Service

For an annual fee, companies will notify the issuers of your credit card and your ATM or debit card accounts if your card is lost or stolen. This service allows you to make only one phone call to report all card losses rather than calling individual issuers. Most services also will request replacement cards on your behalf.

Purchasing a card registration service may be convenient, but it's not required. The FCBA and the EFTA give you the right to contact your card issuers directly in the event of a loss or suspected unauthorized use.

If you decide to buy a registration service, compare offers. Carefully read the contract to determine the company's obligations and your liability. For example, will the company reimburse you if it fails to notify card issuers promptly once you've called in the loss to the service? If not, you could be liable for unauthorized charges or transfers.

For More Information

The following federal agencies are responsible for enforcing federal laws that govern credit card and ATM or debit card transactions. Questions concerning a particular card issuer should be directed to the enforcement agency responsible for that issuer.

Board of Governors of the Federal Reserve System

Regulates state-chartered banks that are members of the Federal Reserve System, bank holding companies, and branches of foreign banks:

Division of Consumer and Community Affairs, Stop 801

20th and C Streets, NW

Washington, DC 20551

202-452-3693

www.federalreserve.gov

Federal Deposit Insurance Corporation

Regulates state-chartered banks that are not members of the Federal Reserve System:

Division of Compliance and Consumer Affairs

550 17th Street, NW

Washington, DC 20429

877-ASK-FDIC (275-3342) toll-free

www.fdic.gov

National Credit Union Administration

Regulates federally chartered credit unions:

Office of Public and Congressional Affairs

1775 Duke Street

Alexandria, VA 22314-3428

703-518-6330

www.ncua.gov

Office of the Comptroller of the Currency

Regulates banks with "national" in the name or "N.A." after the name:

Office of the Ombudsman

Customer Assistance Group

1301 McKinney Street, Suite 3710

Houston, TX 77010

800-613-6743 toll-free

www.occ.treas.gov

Office of Thrift Supervision

Regulates federal savings and loan associations and federal savings banks:

Consumer Programs

1700 G Street, NW

Washington, DC 20552

800-842-6929 toll-free

www.ots.treas.gov

Federal Trade Commission

Regulates other credit card and debit card issuers:

Consumer Response Center

600 Pennsylvania Avenue, NW
Washington, DC 20580
877-FTC-HELP (382-4357) toll-free
www.ftc.gov

The FTC works for the consumer to prevent fraudulent, deceptive, and unfair business practices in the marketplace and to provide information to help consumers spot, stop, and avoid them. To file a [complaint](#) or to get [free information on consumer issues](#), visit ftc.gov or call toll-free, 1-877-FTC-HELP (1-877-382-4357); TTY: 1-866-653-4261. The FTC enters consumer complaints into the [Consumer Sentinel Network](#), a secure online database and investigative tool used by hundreds of civil and criminal law enforcement agencies in the U.S. and abroad.