

Fraud and Scam Series

#5- Debit Card Fraud

Non-cash transactions have been a preference for most consumers and vendors for some time, even more so since the start of the pandemic. And though convenient and safer in many ways over cash, debit cards especially come with risk. Simply put, fraud is easier to commit with electronic and card transactions than cash.

Although that risk of fraud is outweighed by protection, we see the use of card and other non-cash payments continue to grow in popularity. For example, if you lose your cash or it is stolen, it is gone. However, if either happens to your debit card, you can call your financial institution and get a new one ordered and the old one canceled.

While you do have your financial institution as a partner against fraud on debit cards, there is still real risk to you as the consumer. Since your card is an easy target for criminals, you will want to safeguard your hard-earned money with these tips.

Debit card best practices:

Use a credit card over a debit card for online purchases

Credit cards are a good alternative to online purchases, where stolen card numbers are most common. If you have unauthorized transactions on a credit card it is not your actual money on the line, it is credit. Using a pre-paid card is another option if you do not have access to a credit card.

Never share your pin number or keep it near or with the card

It is important not to share your pin number with anyone. And don't write it on the card or keep it in your wallet. It is also a good practice to change this frequently (along with passwords).

Keep track of your transactions, check your account balance, and holds regularly

Some transactions, like getting gas at the pump or reserving a hotel room or rental car, put holds on your account. These holds may impact the available amount of money you have in your account at any given time, which can potentially mean denied transactions. Keeping track of or checking your transaction history frequently is important so you don't overdraw. Also, it is a good practice to keep a minimum amount of money in your checking account in case your card is compromised there is a limit on what can be impacted. By checking your account regularly, with text banking or the mobile app, makes it easy to transfer money as you need it.

Set-up alerts

A mobile app is very convenient and should be utilized, you can temporarily lock your card if you lose it or see possible fraud, report it lost, view activity and set-up text or notification alerts for different dollar amount transactions or with other criteria.

Identify if your spending habits fit with having a debit card

Since debit card transactions come directly from your checking account, it is important to reflect on your spending habits. Debit cards are not for everyone. If you find yourself overdrafting frequently, it may be time to look at alternatives such as a pre-paid card or using cash.

Report lost or stolen cards immediately

The faster you are able to identify unauthorized transactions or a lost card the better. By having access to the mobile app, text banking, and other proactive resources makes this easier to do. When you report a lost or stolen card, your financial institution can freeze or lock the card. Which makes for less paperwork and waiting times to get your funds credited.



Know your ATM network and use the ATM wisely

Using ATMs in your financial institutions network can save your money on fees. [Search Wakota FCU's network here.](#) Fraud at ATMs is not uncommon. When using an ATM, always be sure to grab your debit card after the transaction, abandoned cards are easy targets. Check the card insert for skimmers (These are sleek machines that swipe your card when you insert it into the machine, stealing the numbers to use on electronic transactions later. This can also be done at gas pumps and other similar devices.).

Use common sense when using payment apps like Venmo

Since you link your debit card or account to payment apps be sure to be vigilant against fraud and inaccurate transfers. Be sure to use biometrics to get into your phone and better yet into the app as well. Don't ever let others perform transactions. Make sure you understand the terms and conditions of the app in case something does happen. As a safer alternative use [Wakota FCU's Pay Anyone](#) feature on the mobile app or online banking.

Debit cards are a great tool and resource when used appropriately. Save yourself time and hassle by using them responsibly.

If you find yourself with a debit card issue, be sure to reach out to the credit union immediately. For further resource, visit the Federal Trade Commission's website [here](#).