

THE MAIL SAYS: Improve credit card security features

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THERE are some things money can't buy. For everything else...well, there is the credit card. Not too long ago, only a privileged few were accorded the luxury of buying things for "free". That has changed over the years as practically everyone these days owns a credit card. All it takes is for one to be above 21 and earn an annual income of RM18,000. At the rate credit cards are being promoted at supermarkets and shopping malls, it's easy for one to apply for and use a credit card. For the mischievous ones, well, the easiest way to get hold of a credit card is to steal. There is really no way for merchants to physically determine whether the customer is the actual cardholder, except when they verify the signatures. But then again, this is hardly practised. In fact, a credit card thief is able to forge the signature of the cardholder, as the sample of the owner's signature is displayed at the back of the card. It is also quite effortless for credit card thieves to make online purchases as the security code is clearly printed at the back of the credit card. Of course there would be counter arguments by institutions claiming that they have special fraud department officers who would contact you to verify if you have made a particular purchase, in the event there is suspicion of fraud. But how many of us can attest to receiving calls from these guys despite us entering genuine transactions which, to a certain extent, could also be dubious? So what protection is actually accorded to victims who are at the mercy of banks when their credit card is stolen and used to make a hefty purchase? Bank Negara actually has a "Guidelines on Credit Cards" which limits the liability of a cardholder to RM250 should the loss of a credit card be promptly reported to the banks. However, how many innocent ones out there know of the existence of such guidelines? The Consumers Association of Penang says banks get away from the conditions set in the guidelines by having contrary clauses in their terms and conditions. They are also able to get away as these guidelines are not codified as law. Hence, thousands other Diana Chees out there are made to settle full payment of the outstanding amount despite them not making those illicit transactions. Chee is lucky to have the Kuala Lumpur High Court decide in her favour after stating that it was wrong for a bank to charge a cardholder more than RM250 for transactions made after a card is stolen. There have been numerous calls made to Bank Negara to introduce other security measures to prevent unauthorised usage of stolen credit cards such as fingerprint and ID identification or PIN usage. However, while we understand it may be too soon to expect these security features to be implemented, codifying Bank Negara's "Guidelines on Credit Cards" may be a good first start to protect consumers and to prevent abuse by financial institutions. In the long run, however, it would be wise for all concerned to beef up credit card security features to ensure the interests of all parties are protected

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