



## Debit Card Safety

Did you know that more than 67% of all purchases are made with debit cards? Let's talk about how to use your debit card safely so you don't become a victim of fraud. To keep your money safe, treat your debit card like you do your cash. It's very easy for a dishonest person to steal your debit card information and spend your money. What's worse, you could be responsible for some or all of their charges.

That's because debit cards don't carry the same legal protections as credit cards. All credit card purchases in the United States are protected by a law known as the Fair Credit Billing Act. Under this law you can only be held accountable for a maximum of \$50 for credit card fraud. Debit cards are covered under a different law - the Electronic Fund Transfer Act - and the rules are much more complex.

For example, if you call your bank within two business days of discovering your card is missing or has been abused, your losses are limited to no more than \$50. But if you wait, you might be liable for all of the losses. With a credit card, the charge is generally reversed until it is investigated further; but with a debit card, the charge stays on while the transaction is investigated. You'll have to wait at least 10 days, sometimes longer, before your missing funds are replaced.

This often results in a snowball effect where the missing money causes your account to go negative and start incurring fees. Other bills you need to pay will bounce and go unpaid, while the bank conducts a fraud investigation. It's not the bank's fault because it doesn't know the offending charge was fraudulent, and you don't have much in the way of a defense to get the fees reversed, since your account was negative.

**To avoid problems**, you should:

1. Keep cards you don't use often in a safe place. And know where your card is at all times.
2. Never share your PIN with anyone, not even family members. And never write the PIN on the card.
3. Always shield your PIN with your hand to prevent someone from stealing it, especially at an ATM or debit terminal. Be aware of your surroundings before using a terminal.
4. **Understand when you should NOT use your debit card.** It's not wise to use your debit card when making online purchases. Same goes for purchases such as car rentals, hotel stays or at gas pumps. Use your credit card instead. Just pay your balance off in full every month and you will pay no interest, earn rewards, and have greater protection against fraud.



5. Always keep your debit card in sight when conducting transactions at the checkout. If the cashier needs to take your card to another location, such as they often do at restaurants, pay with cash or a credit card instead. Never let your debit card leave your sight.
6. Check your account regularly for suspicious activity.
7. Report any problems or questions, including transactions you think may be unauthorized, right away. Again, quick action can limit misuse and save you money.

### **The Bottom Line**

While you may find constantly using a debit card to be a great convenience, it won't be so convenient if someone manages to drain your bank account. A little bit of vigilance and some new habits on your part can go a long way to preventing a damaging experience.