

**INTERNET** shopping may be booming but millions of people are still reluctant to submit their card details when they buy online, research suggests.

Both Internet and mail-order shopping are mistrusted by just over half the UK population, the survey indicates.

Anxiety about fraud online means that two out of three people even feel safer handing over their credit card to staff they don't know in a pub or restaurant, where the card is often removed from their view and is vulnerable to misuse.

The research, by fraud prevention provider eFunds Payment Solutions,

indicates that people are also suspicious of transactions carried out with their new chip-and-Pin cards, even if they are present.

The survey found that 40 per cent of the public feels vulnerable despite the new technology, which requires them to punch in a four-digit code rather than write a signature to confirm transactions.

Counterfeit fraud cost credit card companies £129.7 million in 2004 and fraud arising from lost and stolen cards cost £114.4 million.

Banking industry trade body Apacs points out that the impact of chip-and-Pin, which became widely used only this year, would not be apparent until figures for 2005 were released.

Apacs does, however, expect the figures to show a decline this year. Lost or stolen cards are much harder to use in

shops without the Pin number. The change has also made it harder for fraudsters to copy cards: replicating a chip is difficult and simply making a chip-free card — by copying details from a genuine card's magnetic strip — doesn't work.

When you get to the cash till, the machine will be able to tell if the card should have a chip. If it doesn't, the cashier should refuse to use it.

"Chip-and-Pin won't eradicate fraud," says Jemma Smith from Apacs, "but it should mean there are fewer incidences of frauds such as card skimming. Other types such as phone and Internet fraud are a concern.

"But chip-and-Pin goes some way to addressing the problems of lost and stolen cards and counterfeiting."

The eFunds research also claims that only 17 per cent of shoppers feel online retailers are "doing a lot" to combat card fraud and though banks are seen to be doing the most, less than a third of people believe they are "championing the cause".

It has taken the industry a long time to employ chip-and-Pin, says Mike Naylor, from consumer body Which?.

"The technology has been around a long time but it's only generally in place now," he says. "It doesn't tackle all card fraud but it does make it harder for cards to be cloned. The best protection against fraud is still to take care of your card details."

If you are a victim of fraud, the chances are that you should get your money back, says Anthony Riem, a partner at law firm Philippsohn Crawfords Berwald, which specialises in fraud cases.

"The best protection you then have is

from the bank paying it back. Banks pay for the fraud from the charges we all incur from them. Generally they do pay out, unless they have reasonable grounds not to believe you."

One victim, Rachel Hall, logged on to her bank account in August to check her statements and discovered that someone was siphoning off cash and spending it in Cyprus.

"Nearly £1,000 had been swiped," says Rachel, who lives in London. "There were nine transactions, mostly from

petrol stations but one of them was a payment of £400 made in a nightclub in Cyprus. I could not believe it."

Rachel, 32, contacted NatWest bank immediately and made sure her cards were cancelled.

The bank then sent her a form to fill in and was told she didn't need to get a crime

reference number. The money was then refunded to her account within three days.

"I have no idea how the money was stolen, as I'm so careful with my card," she says. "I haven't done any recent shopping online but I have gone to a few different restaurants, so perhaps that's where my card details were stolen."

Rachel doesn't like releasing her card details and prefers chip-and-Pin as most waiters now bring the credit card machine to the table.

"I think I spotted the fraud faster because I check my statements online every two weeks. The experience has stressed how important that is."

**'I have absolutely no idea how the money was stolen'**

## Don't be a victim: shred bank papers

THERE are lots of ways you can keep your money safe and reduce the risk of fraud.

**Treat your cards like cash and always know where they are.**

If you have to let your card out of your sight in a bar or restaurant, only do it in places you feel confident.

**Don't write your Pin number down and don't give it to anyone else.**

Never use the same Pin number or password for different accounts. If you bank online, use a different password to the ones you use for other websites.

**Don't just toss your old bank statements and receipts straight in the bin. Rip them up, burn them in the garden or buy a shredder.**

Be careful with "pre-approved" application forms from banks and credit companies because these contain plenty of personal details that fraudsters

want to get their hands on. Make sure you destroy them before binning them.

**If you think someone may have tampered with a cash machine, report your concerns to your bank.**

Be wary of "shoulder surfing" when you are typing your Pin into a cash machine.

**Never verify your bank details online or on the phone if your bank — or someone claiming to be from your bank — has called or e-mailed you.**

**Call your bank first and ask if it has authorised the contact.**

Look at your bank statements regularly. Check your standing orders and direct debits for any that you don't recognise.

**Check your credit file annually, and especially after you've moved home.**

**If you change address, make sure you inform your bank and credit companies. Get Royal Mail to redirect your post.**

**Sort out your finances**

Compare deals for all your financial needs at [www.express.co.uk/money](http://www.express.co.uk/money)