

Debit card theft 'a major concern'

From page 11.

sources interviewed will even hint at the extent of the security problems associated with debit cards.

But almost everyone knows someone whose bank account has been breached by a thief, who has stolen debit card data and the accompanying PIN.

Police in a neighbouring region recently reported a skimming operation at a commercial location. In a couple of weeks, the bad guys gained access to 300 accounts.

"It's a major concern for the banks," said Bill Bailey, a retired banker who acts as ombud for Scotiabank.

"Yes, we do get complaints. But for me to give the number, I can't do that."

Diane Flanagan, senior manager of public affairs with Scotiabank, said the incidence of fraud is relatively low, considering the rate of bank card use among Canadians: we swiped our cards 2.2 billion times last year.

But she would not divulge fraud statistics to complete the comparison.

"The actual number of fraud incidents is low compared to the number of Interac transactions," Ms Flanagan said. "I just can't make that number (of frauds) available to you."

Ms Flanagan said the banks look for several "points of compromise" in their investigations of fraud.

They include PINs that have been disclosed to third parties; failure to maintain the secrecy of the number by, for example, writing it on the card, or failure to quickly notify the bank in the event in the theft or loss of a card.

If such breaches of conduct by the cardholder can be proven, the customer is on the hook for any loss due to fraud or theft. Otherwise, the banks cover the losses, Ms Flanagan said.

"In the majority (of cases), we do reimburse the customers," she said.

Tell that to Martin Paquette. He was shocked to find someone had gained access to his bank account, cashing a fake cheque for \$6,300 and stealing almost \$1,400.

And he was stunned when it became apparent the bank, TD Canada Trust, had no intention of reimbursing him.

What's more, Mr. Paquette doesn't really know why. Since the breach April 12 he has been told at his Newmarket branch he will get no refund, so has appealed that decision to the bank's offices in Toronto.

To date, almost five weeks after he was robbed, he has been unable to learn the status of his case.

"No one ever contacted me," he said.

In the meantime, his cheques have bounced and he has grown frustrated at the lack of action or communication from the bank he has done business with for 12 years — including carrying a mortgage and a line of credit with which he has never experienced payment problems.

"I will be changing banks," he said with finality.

He is angered at being implicated in the breach of his own account.

"And there's still the question of me bouncing a cheque, which I have never done before," he said. "I don't like that."

Jeff Keay, a spokesperson with TD Canada Trust, said the bank vigorously follows up each reported fraud. All the circumstances surrounding a breach are explored and, often, the customer is exonerated and refunded, he said.

But there are exceptions.

"We treat each case individually," Mr. Keay said.

"We tend to work with each customer in an attempt to ascertain what the circumstances are."

He said any assumption banks are hanging customers out to dry in order to

cut fraud losses is just plain wrong.

That's little comfort to people such as Ms MacIsaac, who is left wondering why she is on the hook for a security breach.

In her case, she became aware of the fraud when \$10,000 mysteriously showed up in her account. The source? Two empty envelopes deposited in ABMs as \$5,000 deposits, a common trick of bank card thieves.

As quickly as the deposits were made, the thieves were at work making withdrawals. The only thing that prevented a bigger theft was Ms MacIsaac's relatively low daily withdrawal limit.

While she's not being held responsible for the phony deposits, Ms MacIsaac

is out \$400, which was withdrawn from bank machines in the city while she was in Holland Landing.

The bank has determined it was her card that made the questionable transactions, she said.

"It's impossible," said an exasperated Ms MacIsaac. "This person would have had to take my card out of my purse Friday and slip it back in on Saturday."

Meanwhile, the banks are left grappling with a security problem.

Mr. Keay said the banks' security experts remain vigilant.

"Somebody's always thinking up ways to steal other people's money and we must stay on top of that," he said.

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