

## Credit Card and Cheque Fraud

Adopting thorough checking procedures can help protect your business from fraudulent credit cards and cheques.

Please remember you are under no obligation to accept credit cards or cheques as a form of payment and have the right to ask for photo identification.

### Be alert for customers who:

- Buy an item with a cheque or credit card then return later to purchase more items. In some cases the initial purchase may be a chance to test out your policies.
- Travel from interstate to purchase items that are commonly available in their local city or town. They may be forced to shop outside their local community as they are known for using bad cheques or may be part of an organised syndicate travelling interstate to use fraudulent credit cards.

### How to reduce credit card fraud

To help reduce credit card fraud against you and your customers, you can do the following:

- Do not enter the card details into the EFTPOS terminal manually without prior approval from the card issuer. Thieves

using stolen credit cards will often damage the magnetic strip to avoid the card being identified by EFTPOS systems as stolen.

- Check card signatures.
- Check that the card numbers on the front and back of the card match.
- Make sure holograms are clearly visible, appear three dimensional and move when the card is tilted.
- Check the card is current by checking the "valid to" date.
- Check for ghosting or shading used to cover-up changed numbers.
- Ensure the transaction successfully processes before providing the goods to the customer.
- Ask for further explanation if unsure.
- It is preferable to sight the credit card being used but if accepting credit card payments over the telephone or internet request the customer quote the 3 or 4 digit security number printed on the back of the card and seek approval via the telephone from the card issuer.



- If taking telephone or internet purchases request a landline number in preference to a mobile number.
- Ensure credit card slips are disposed of in locked waste bins or shredded prior to disposal to prevent criminals from obtaining customer credit card details.

If you have any doubts ask to see a form of photo identification and ensure the person presenting the card is the rightful cardholder.

**If you suspect a fraudulent card is being used at your business request identification and ask the customer to wait while you make further enquiries then contact police on 131444.**



## EFTPOS terminal security

**Safeguard EFTPOS terminals by:**

- Set an appropriate limit for refund or cash back for each EFTPOS terminal.
- Regularly change and keep confidential the EFTPOS password or PIN.
- Maintain physical security of EFTPOS terminals.
- Switch off your EFTPOS machine at night.

## How to reduce cheque fraud

Accepting cheques as payment for goods or services exposes your business to the risks of accepting stolen cheques, counterfeit bank cheques, or cheques from accounts with insufficient funds to honour the cheque.

To reduce the risks:

- Ask the customer for identification and make sure the identification offered is current and matches their physical description. Check the signature on the cheque matches the signature on the identification.
- Ensure the customer signs the cheque in your presence.
- Do not accept cheques that have been drawn in a bank interstate, even if the cheque is imprinted with a local address for the account holder.
- Ask the customer for their residential address if the only address provided on the cheque is a post office box number or another non-specific address. Ask the customer if the address on the cheque is their current address and ask for their phone number. Write these details on the back of the cheque along with the initial of the employee accepting the cheque.
- Do not accept post-dated or pre-dated cheques.
- Check there are no changes on the cheque.
- Check the figures match the amount in writing.