



NATION
**HOSPITALS TO RAISE AWARENESS ON
BREAST CANCER IN RURAL AREAS >8**



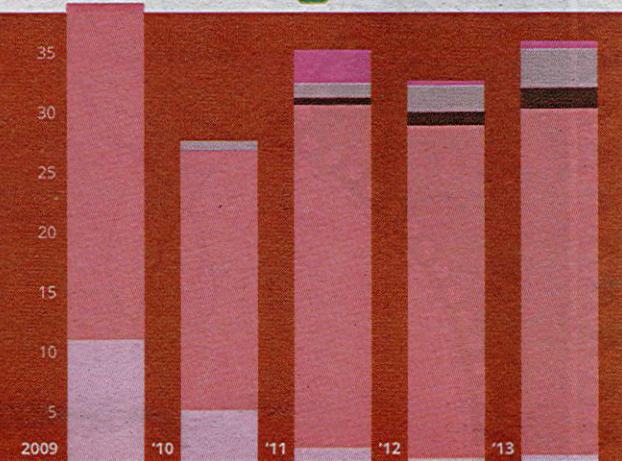
WORLD
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PROTESTERS ON TUESDAY >34**

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**FRAUD LOSSES
BY TYPE OF
PAYMENT
INSTRUMENTS**



ONLINE INSECURITY



Having been assured of the safety of Internet banking, many consumers were shocked to discover their credit and debit cards being used in online transactions without their knowledge. Bank Negara says such unauthorised transactions are the most common type of credit card fraud, which last year amounted to RM29.4mil. > See Page 4 for reports by **CHRISTINA CHIN**

A tangled Web of lies

Unauthorised Internet transactions rife despite banks' assurance

By **CHRISTINA CHIN**
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PETALING JAYA: Many consumers are questioning the assurance banks give on Internet security after discovering that their credit and debit cards have been used in unauthorised online transactions.

Salasiah Razak was shocked to find that more than her whole month's salary had "disappeared" when she went to the ATM on Oct 2.

"A flurry of transactions using my debit card were made on Sept 29 and 30, but according to bank officials, many purchases of between RM4 and RM200 had been made since August.

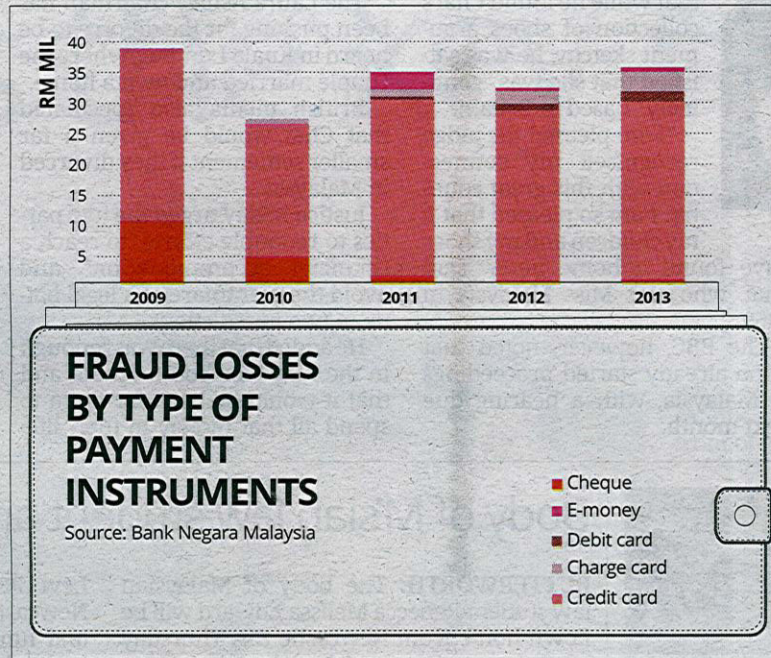
"The bank estimated that I've lost a total of RM5,000, possibly to young gamers making online software purchases," she said, adding that after her card was replaced, a RM400 transaction was made.

She has lodged a police report and is waiting for the bank to conclude its investigations.

"I hope I get my money back. I don't want a debit card anymore," she said.

In just eight minutes, N. Reena received six SMSes from her bank informing her that more than RM2,000 was charged to her credit card on the PayPal payment platform on Oct 4.

"The messages started coming



in at 1.20am with a US\$1 PayPal transaction.

"I don't know what the payment was for as the only description was the word 'Modernismau'.

"The last time I used PayPal was when I was in the United Kingdom in May," she said.

She then received an SMS at 2.18am informing her that the credit card had been suspended due to suspected fraudulent transaction, but there was another SMS

at 2.20am indicating a RM510.65 transaction. The bank has assured her that she would not have to pay for the transactions.

"I was asked to fill out a form which they have yet to send to me," she said.

Reena, who usually uses ipay88, vowed to only use online payment platforms if absolutely necessary.

Janice Oh too was a victim when on Sept 28, her credit card was blocked by a foreign bank after a

suspected fraudulent payment of £53 (RM277) was made.

The Financial Mediation Bureau registered three cases involving unauthorised online credit card transactions recently.

Its spokesman said, one complainant had disputed 14 online transactions but denied losing her credit card.

"Upon investigation, the bank concluded that the transactions were performed on a secured website and a valid OTP (one-time password) was sent to the complainant's mobile number.

"At the enquiry, the complainant admitted that the mobile number, which was registered with the bank, belongs to her.

"The online transactions were performed by the complainant's son without her knowledge as evidenced by the log-on user ID.

"She finally agreed to settle the disputed amount in full," he said, adding that the amounts involved could not be revealed for privacy reasons.

National Consumer Complaints Centre legal and dispute resolution manager Santhosh Kannan said disputed credit card use online was common.

"We also hear many cases of money being deducted from bank accounts and credit cards used for unauthorised transactions," he said.

Internet fraud the most prevalent

PETALING JAYA: Credit card fraud amounted to RM29.4mil last year, with unauthorised Internet transactions being the most prevalent type of scam, according to Bank Negara.

However, in 88% of the cases, cardholders and issuers did not suffer any financial loss, an official told *Sunday Star*.

The losses were absorbed by foreign acquirers that failed to implement a strong authentication method, she said. (An acquirer is a financial institution that enters into an agreement with merchants to facilitate acceptance of payment cards and then settles the transaction with the credit card issuer directly or via payment schemes such as VISA or Mastercard.)

To enhance the security of online transactions, Malaysia requires cardholders to enter an OTP (one-time password) to authorise each payment, the official said.

"Transactions conducted without entering the OTP can be reversed," she said, advising cardholders not to disclose their credit card details, PIN (personal identification number) and OTP, for online transactions.

"Check monthly statements. Any discrepancies should be reported without delay.

"Lost credit card and PIN or OTP

that you suspect has been compromised must be reported to the issuing bank immediately," the official said.

She also urged users to install and regularly update effective anti-virus software to protect devices used for online transactions.

Association of Banks Malaysia executive director Chuah Mei Lin said credit card holders must keep abreast with the latest *modus operandi* of fraudsters by checking alerts on www.abm.org.my.

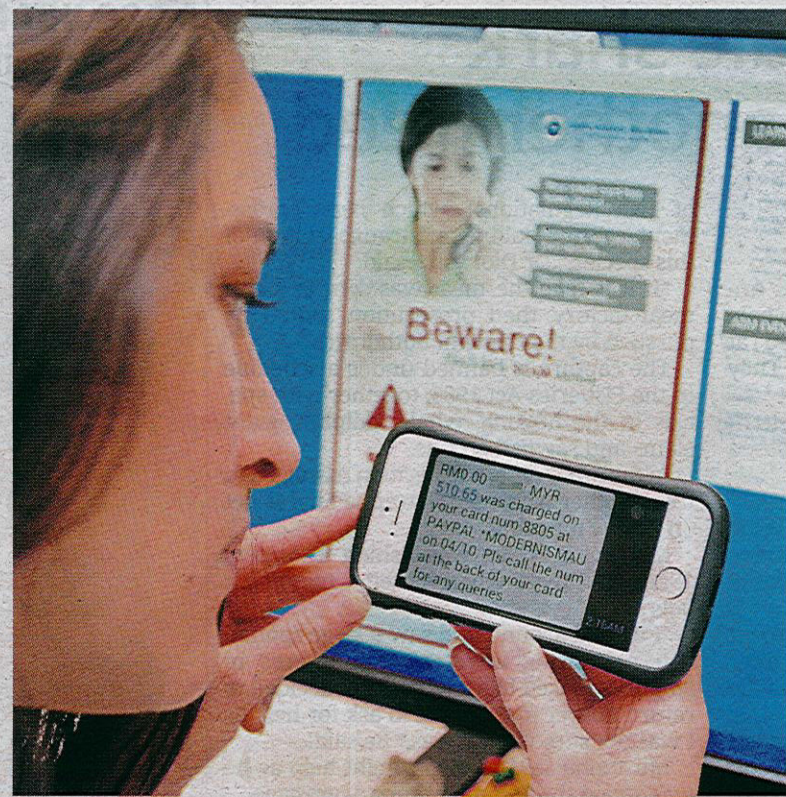
"Regulators and banks will never ask individuals for their personal information over the telephone," she said.

On Oct 7, ABM and the National Cards Group launched an awareness campaign to educate consumers and increase their confidence in cashless transactions.

"The two-month campaign outlined CARD – four simple steps to safeguard your online transactions," Chuah said.

CARD is the acronym for Confirm the confidentiality of data shared, Authenticate the website used, Re-verify the transaction, and Detect potential fraud by contacting the bank.

Global online payment solutions provider PayPal regularly scans its system for unusual activity to stop fraudulent transactions before



Stay aware: Cardholders are advised to check for alerts on scams and report any transaction discrepancies as soon as possible.

they affect the users.

A spokesman said unauthorised transactions occur when a customer has been spoofed or phished (tricked into revealing personal information such as PayPal user names and passwords).

"Security is of the utmost importance for PayPal.

"(Our) users are authenticated using hundreds of independent factors including IP (Internet

Protocol) addresses, devices, transactions and behaviour patterns and network information to evaluate every transaction," she said.

"In the event that an unauthorised transaction takes place, PayPal will provide a full refund to the customer if the person logs in to his or her PayPal account and makes a report within 60 days of the transaction appearing in the account history statement."