

SafeAlert[®]



A loss control advisory from the ABA-sponsored insurance program underwritten by Progressive

Blocking International Transactions Curbs Debit Card Fraud

Many community banks are fighting debit card fraud by placing a block on international transactions. A recent industry study reported that blocking international transactions is one of the most effective means of deterring card fraud, second only to the use of CVV/CVC validation measures.

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At a recent meeting of community bankers, CEO Howard Boyle of Home Savings Bank in Kent, OH told us:

"Shortly after I returned from a trip to New York, one of my staff asked if I had been in Santiago, Chile—a number of transactions had come through on my debit card from abroad. I quickly made the decision to block all international transactions for our customers' debit cards. The customers appreciate that we are protecting them, and if they are going abroad they can simply call us to have the block lifted."

While neural networks can mitigate the bank's losses once fraud has begun, blocking international transactions can prevent the fraud before it happens. Simply communicate to customers the reason for the change and remind them to notify the bank if they are traveling abroad so that the block can be lifted on their card. This small inconvenience can save them a much larger inconvenience down the road.

For more information about preventing fraud, contact Ann Intili-Gardiner, Bond Claims Manager, at 800 274-5222.