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PRESS RELEASE

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Consumers urged to support fight against online shopping fraud

- **Ten million credit and debit cards now signed up to secure online payment systems**
- **Home Office and APACS urge more cardholders to sign up to *Verified by Visa* and *MasterCard SecureCode* which make cards safer when shopping online**

Figures released today (31 August 2007) by APACS, the UK payments association, show that ten million UK-issued payment cards have now been registered with *MasterCard SecureCode* and *Verified by Visa* services – making these cards more secure when shopping online.

Using these services is quick and easy. Cardholders sign up and choose a private password, which they then use when shopping at participating retailers. This provides cardholders with:

- Greater protection against the unauthorised use of their card for online purchases
- A straightforward and hassle-free service that fits neatly into the familiar online buying process
- Enhanced online security without the need for any additional software

Most cardholders can now sign up to *Verified by Visa* and *MasterCard Secure Code* at the website of the bank or card company that issues their card. More information to help cardholders is available on these sites. Increasingly cardholders are also being encouraged to sign up when they are shopping at participating merchants. This is because more and more online retailers, such as British Airways, Currys, Dixons lastminute.com and PC World, are introducing these secure systems.

With shopping over the internet now very much part of everyday life, it is important that cardholders take the necessary steps to make their cards safer from this type of fraud. Consequently, APACS is urging consumers to register their cards with *MasterCard SecureCode* and *Verified by Visa* whenever they are given the opportunity.

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Home Office Minister Vernon Coaker said:

"Shopping online is convenient for consumers and retailers alike, but although the internet offers valuable opportunities for law abiding citizens it also presents opportunities for fraudsters. The key to tackling online fraud is prevention, which is why the Government supports industry initiatives such as *Verified by Visa* and *Mastercard SecureCode*, which are designed to make online transactions even more secure. I am pleased to see the industry introducing such measures and urge cardholders to sign up to these protective schemes."

Although internet shopping fraud losses are increasing, this must be seen in the light of increasing numbers of people buying over the internet and more and more retailers offering online shopping. Over 26 million people made a purchase over the internet last year and the Office of Fair Trading (OFT) estimates that the online shopping market is now worth around £21.4billion a year¹.

Sandra Quinn, director of communications at APACS, said:

"Ten million registered cards is clearly an important milestone in the development of e-commerce in the UK. The industry has worked hard to provide practical solutions to fight online shopping fraud and we are calling on those cardholders not yet signed up to do so and take the appropriate security measures when shopping online."

To help boost general public awareness and understanding about *MasterCard SecureCode* and *Verified by Visa*, APACS has launched a consumer advice guide explaining the registration process and security benefits in more detail. The guide is available to download from www.apacs.org.uk and www.cardwatch.org.uk

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For further information contact the APACS Information Office:

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1. APACS is the trade body that gives banks, building societies and card issuers a forum where they can work together on non-competitive issues. In a nutshell we help manage the way that businesses and individuals in the UK move their money around - this covers cash, credit and debit cards, cheques and automated payments such as direct debits, salary payments and online/phone transactions. We also champion the fight against banking fraud and are the people who have been working to give consumers greater card fraud protection by introducing chip and PIN. Twice a year we publish figures on banking fraud losses.

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¹ Office of Fair Trading study into internet shopping 2007

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2. *MasterCard SecureCode* and *Verified by Visa* have been introduced to help make online transactions safer for consumers shopping over the internet. APACS figures show that cardholder registration with these schemes has increased by almost 300 per cent in the last 12 months from 3.6 million registered cards in August 2006 to 10 million cards in August 2007.

3. Online shopping fraud losses on cards is part of the card-not-present fraud total of £212.6 million. In 2006 the amount of card-not-present fraud that took place over the internet is estimated at £154.5 million – 73% of total card-not-present fraud losses. This figure has gone up by 32% from 2005, when the internet losses were £117.0 million and accounted for 65% of card-not-present fraud losses.

4. The majority of online shopping fraud involves the use of card details that have been fraudulently obtained through methods such as skimming or through unsolicited emails or phone calls.