FRAUD PREVENTION

According to Forbes, approximately **$190 billion in the US are lost yearly to credit card fraud.** Banks lose $11 billion and customers loses about 4.8 billion, so **merchants lose almost twenty times as much as banks**. One of the most important factors in controlling fraud is understanding the customer and implementing security measures that can adapt to the level of risk in each transaction. However, with common sense usage of online sources and preventive measures, you should be able to be prevent fraud. Frontstream has listed some tips on how to keep you safe.

Point of Sales System

1. Educate your employees on fraud
2. Compare signatures and ask for identification
3. Ask to see the card
4. Be wary of customers who keep the credit card separate from their wallet
5. Watch out for customers who are distracting
6. Think twice before manually entering damaged or worn cards
7. Do not accept "Letters of Authorization"
8. Take note of what the customer is purchasing
9. Use the Address Verification System (AVS)
10. Know your POS system and equipment
11. Keep accurate records of credit card transactions
12. When in doubt, call

Card not Present

1. Be wary of expedited shipping when billing and shipping addresses differ
2. Make sure IP location and credit card address match up
3. Watch out for suspicious email accounts
4. Research the addresses
5. Restrict the number of declined transactions
6. Always require the Security Code (CVV)
7. Ship your orders using tracking numbers and require signatures
8. Set purchase limits
9. Check e-mail address was used
10. Pay attention to the time of day
11. Check whether the mailing address is a mailbox or ship-forward service
12. Request more identification if in doubt
13. Use Address Verification (AVS)
14. First-time shopper
15. Larger-than-normal orders. Because stolen cards have a limited life span, maximizing the value of each transaction processed is important to the crook
16. Orders that include several of the same items
17. Orders made up of "big-ticket" items
18. "Rush" or "Overnight" orders

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