

What You Need to Know About: Potentially Compromised Debit Cards...

By Amy Dowd

Recently, you may have heard about the security breach that involved subscribers of the Boston Globe. In this case, debit and credit card information was on printed material that was used to strap and direct bundles of the newspaper to distributors. This is just one case in an alarming increase in breaches of security of credit and debit cards. What used to be a rare occasion a couple of years ago for our Deposit Services Department to get a list of potentially compromised customer cards, is sadly now becoming a weekly event.



We care greatly about the integrity of our customer information. While some financial institutions would only monitor the potentially compromised cards, we take a more proactive approach in an attempt to protect you and your account. What follows is a Q&A that will hopefully help you understand what exactly this is, and why we take the actions that we do.

Q: What is a “potentially compromised” debit card?

A: Metavante, our ATM/Debit Card processing company, receives word that a batch of MasterMoney Debit Cards used by numerous banks across the country have been “potentially compromised.” Metavante then turns around and lets each bank know which of their customers cards have fallen into this category. This does not necessarily mean that our customers’ debit cards have been or will be used fraudulently, only that the information from these cards could have been compromised.

Q: Are these breaches the result of some flaw in Cape Cod Cooperative Bank’s security practices?

A: No. In each case, the merchant had your debit card number as a result of transactions you conducted with them at some point in time.

For example in the BJ’s security breach, you had used your card while shopping at BJ’s Wholesale Store. Another example may be “skimmers” that have been placed in a gas station pump by an unscrupulous employee. This “skimmer” then skims or copies the magnetic strip and PIN that you use in the case of a debit card. In the case of the Boston Globe, it appears it was an employee error. To be honest, it would be impossible to list all the possibilities here.

Q: Does Cape Cod Cooperative Bank know where the breach occurs?

A: Not always. We receive notification from Metavante, our ATM/Debit Card processing company, that they have been notified (usually by MasterCard) of a breach, and information as to how the breach occurred is not always relayed to Metavante. Therefore, more often than not, we have no way of knowing nor does Metavante.

Q: What happens if my card has been compromised?

A: Cape Cod Cooperative Bank believes in the personal touch and sets out to call each affected customer. We have a task force that begins calling affected customers as soon as we receive the list from our ATM/Debit Card processing com-



pany. We will then “hot card” each of the affected customers’ cards and issue new cards.

Q: Why cancel and reissue a new card?

A: While other financial institutions may choose not to call their customers or reissue, we feel that canceling and reissuing you a new card is in your best interest. If you were to wait to see if any fraudulent activity occurs, you would then have to go through a lot of hassle and inconvenience to correct the wrongs that have been done to your identity and credit history. The process is very time consuming for you and the Bank because it involves signing Affidavits and filing grievances and tracking down the money. By hot carding or canceling the card immediately, it saves you time and aggravation in the long run.

Q: How long will it take to get my new card?

A: Debit Cards take 7-10 days and will be delivered directly to your home. A PIN mailer will arrive in the same time frame in a separate envelope. This is done as a security measure.

Q: What if I can’t wait that long?

A: In case of emergency, we can expedite the replacement cards and usually have them to you in 48 hours. However, we will need to pass on the special handling charge to you.

Q: Has my identity been compromised? Should I worry about identity theft?

A: Most likely not. However, **we urge all our customers to be diligent in reviewing their accounts through our Online Banking or by examining their monthly statements when they arrive.**

Q: What if fraudulent transactions appear on my account?

A: If you notice fraudulent charges after notice of a compromised card or at ANY time for that matter, contact our Deposit Services Department immediately so we can take quick action in protecting you and your identity.

Q: How can I prevent this from happening again?

A: It is difficult to prevent this, however, it is important to understand the differences between using your Debit Card and using a Credit Card, and how that affects you when cards have been “potentially compromised.” Debit cards are linked directly to your checking account, therefore the immediate danger is greater if you are shopping online or in stores with the Debit Card. The risk is there as well with Credit Cards, however, it is less immediate and not directly linked to your Bank account. In either case, we urge all customers to be careful and ALWAYS review your statements when they arrive by mail or use Online Banking to review your account frequently.