

## Dispelling the chip and PIN myths

### Cardholders

**THE MYTH: After Christmas, shops that have already upgraded to chip and PIN won't accept signatures anymore, you'll have to use your PIN.**

**THE TRUTH:** If you have a chip and PIN card and you don't know your PIN, you will continue to be allowed to use signature. Card companies have put arrangements in place whilst everyone – cardholders and retailers - is getting used to using chip and PIN. This means that when a cardholder cannot remember their PIN the retailer will be prompted by the chip and PIN terminal to check online with the card issuer and they can choose to accept a signature.

**THE MYTH: If I haven't got a chip and PIN card, I won't be able to use my cards in shops after Christmas.**

**THE TRUTH:** Again, simply not the case. You'll be able to use your cards after Christmas, whether they're chip and PIN cards or not. In stores that have upgraded to chip and PIN, the terminals will read your cards, and if they're chip and PIN cards, you'll be asked to enter your PIN, if they're old style cards you'll be asked for a signature. New cards are being sent out by banks as current cards expire, so you don't need to do anything, your bank will be in touch when your card is due for replacement.

**THE MYTH: After 1 January, the liability for card fraud losses switches from the banks to the cardholder.**

**THE TRUTH:** This is absolutely not the case. With the introduction of chip and PIN there is no change in liability for the cardholder. Consumers remain fully protected from the cost of card fraud and are covered under the Banking Code. From 1 January 2005 there is a shift in liability for some types of card fraud from banks to retailers, but this will not affect cardholders in any way.

**THE MYTH: If someone sees me enter my PIN, they will be able to access my bank account. It can't be safer than signature.**

**THE TRUTH:** Without your card, your PIN is useless to a fraudster. So even if someone sees you enter your PIN, they would also need to get hold of your card without you realising. And of course, before chip and PIN was introduced all crooks needed to do was get hold of your card, practice your signature a few times, and start shopping at your expense. Using PINs is much safer than using signature for the cardholder, and makes life much tougher for the fraudster.



## Press information

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**THE MYTH: All shops must upgrade to chip and PIN by the end of the year.**

**THE TRUTH:** Although retailers accounting for two out of three card payments have already upgraded, there is no legal requirement for businesses to install chip and PIN technology. It's up to each company to consider the business case and upgrade at a time that's right for them. Next year, retailers will pick up the bill for card frauds that could have been prevented if they had upgraded to chip and PIN, which is why many have decided to rollout chip and PIN before Christmas. However, others are rolling out during 2005 at a time that's more convenient for them.

**THE MYTH: The PIN you use at the till is different to the one you use at a cash machine.**

**THE TRUTH:** Again, not true. Each card has one PIN, and you use the same one whether you're at the till or at the cash machine.

**THE MYTH: You have to keep the PIN issued to you by the bank.**

**THE TRUTH:** No you don't, you can change your PIN to something you find easy to remember at most cash machines, just look for the PIN services option, or contact your card issuer for more information.

**THE MYTH: People won't be able to remember more than one PIN.**

**THE TRUTH:** Research shows that most people don't have any problem remembering PINs, with only four per cent of people struggling to remember and use them according to Visa. But if you're one of the few people that does; you should change your PIN to something that's easier to remember. The chip and PIN website features a handy guide with memory hints and tips, visit [www.chipandpin.co.uk/reflib/remembering\\_pins.pdf](http://www.chipandpin.co.uk/reflib/remembering_pins.pdf)

Of course the more you use a PIN, the easier it is to remember, so as more businesses rollout this will become less and less of an issue. In France, The Netherlands, New Zealand and Canada, people have been using PINs rather than signatures for several years, without any difficulties. There's no reason why the UK should be any different.

**THE MYTH: With chip and PIN, we're 10 years behind France.**

**THE TRUTH:** While it's true that France has had a domestic based PIN system for French cards for some years, the UK is leading the way with the introduction of the global chip and PIN technology. We're one of the first countries to rollout the new, more secure payment technology, and the rest of the world will be following suit over the next few years. France is currently upgrading its terminals, as are other countries across Europe. This means that when you go travelling, your cards will soon have the same level of protection as they now do at home.

If you do go abroad, make sure you know your PIN for every chip and PIN card you take with you. If you do use your card at an upgraded chip and PIN terminal, you will be asked to use your PIN to verify the sale, and may not be able to use your signature instead if you can't recall your PIN.



Safety in numbers 

[www.chipandpin.co.uk](http://www.chipandpin.co.uk)