

PRESS RELEASE

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Chip and PIN Programme issues holiday PIN advice - 2003 global fraud hotspots for UK cards published -

The Chip and PIN Programme today (15 July 2004) issued new advice to UK holidaymakers going abroad to make sure they know their PINs (personal identification numbers) for all chip and PIN debit and credit cards they want to use. The rollout of new chip and PIN technology is taking place across the world and for the very first time travellers in Europe, in particular, could come across newly upgraded chip and PIN terminals in restaurants, hotels and shops. In these instances, cardholders with chip and PIN cards will be asked to enter a PIN instead of signing to verify a payment. If cardholders don't know their PIN, they may not be given the option of signing, which shops at home may allow.

New research shows that 65% of us use our plastic to pay for things when we are on holiday abroad. The biggest users of plastic are people from the South East with over 70% using cards to pay for holiday items. However, the same research shows that less than half of people checked that they knew all of their PINs before they went on their last holiday.

Chip and PIN spokesperson, Sandra Quinn comments:

“If there is one message that we'd like to get across to chip and PIN debit and credit card holders this summer, it's that they should memorise their PINs before going on holiday abroad because there is a growing chance that you'll be asked to use it. The majority of us use plastic abroad because it is so convenient and safer than cash. However, more than half of us didn't check that we knew our PINs before going on our last holiday. Yet, if you have a chip and PIN card you'll need to know it because retailers abroad may not accept your signature as an alternative as they currently might at home.”

More\..

Global fraud hot spots for UK cards

The Chip and PIN Programme also reveals today the extent of fraud on UK cards which took place abroad last year and a top 10 ranking of ‘hot spot’ countries. Fraud on UK cards reached nearly £95 million in 2003 compared to £130.2 million in 2002. European countries occupy seven out of the 10 top slots for fraud committed on UK cards with France topping the list at £23.6 million worth of fraud. Spain – the UK’s first choice for summer sun – also appears in the top five. The US is the highest non-European destination ranking in second place with just over £18 million worth of fraud committed on UK cards there. The biggest growth for this type of fraud is in South Africa followed by Australia.

Global fraud hot spots for UK cards

| Top 10 Countries 2003 | Fraud (£m) |
|------------------------------|-------------------|
| France | 23.6 |
| United States | 18.2 |
| Spain | 13.5 |
| Italy | 4.9 |
| Australia | 4.6 |
| Ireland | 2.6 |
| Switzerland | 2.5 |
| Germany | 2.4 |
| Netherlands | 2.2 |
| South Africa | 2.1 |

A new leaflet for cardholders “The chip and PIN guide to keeping your cards safe this summer” is now available. It offers advice on keeping plastic safe including tips such as not leaving cards unattended in hotel rooms and the top three things people should do before going on holiday – only take the cards they intend to use, memorising their PINs and making sure they have 24-hour phone numbers for their banks in case of emergency. The guide is available to download as a PDF from www.chipandpin.co.uk/reflib/summersafety.pdf

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Notes to editors:

- Banks, building societies, retailers and card issuers have joined forces to combat the problem of credit and debit card fraud through the UK Chip and PIN Programme.
- The Chip and PIN Programme will see smart chips on credit and debit cards, and by 2005 the majority of plastic card transactions will be verified by cardholders entering a secret four-digit PIN (personal identification number) rather than signing a receipt.
- This simple new system is part of a global initiative to cut fraud. Many other countries in Europe and around the world are planning to implement the chip and PIN system, which is built to an international standard.
- The consumer will continue to be protected from card fraud losses by the commitment in The Banking Code. Nothing changes for the consumer. Just as now, cardholders do need to be responsible in protecting their cards and keep their PIN a secret.
- Other types of card fraud, such as identity fraud and card-not-present fraud, are being tackled by retailers and banks through a number of initiatives. These include verifying the cardholder's address and cross-checking a card security code to combat fraudulent transactions made over the phone and internet; production of training manuals; multi-sector working groups to address practical solutions and research into hand-held PIN readers that could be used in the future for card-not-present payments.
- The Chip and PIN Programme continues to consult with the Disability Rights Commission and other groups to consider the needs of disabled cardholders.
- UK plastic card fraud facts and figures can be downloaded from www.cardwatch.org.uk