

Net card fraud 'underestimated'



The extent to which criminals are targeting the internet for credit and debit card fraud is far greater than earlier estimates, new figures suggest.

Banking industry data shows card losses from phone, internet or mail order crime totalled £290.5m in 2007.

But a BBC investigation found if failed attempts had been successful, the total could have been £500m.

The Tories want a minister to deal with internet crime. Ministers say they have invested £29m to fight online fraud.

Hacked cards

An undercover investigation by BBC News revealed how easy it was to obtain stolen credit and debit card details on the internet.

Posing as computer hackers, two journalists infiltrated a website selling thousands of stolen card details which had been stolen online from small internet retailers.

When the cards were used, they traced the fraudulent transactions to a number of addresses in the UK and confronted people who signed for the goods they had bought. The information is being passed to the police.

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Andrew McClelland, of Interactive Media in Retail Group (IMRG)

Instead of selling stolen cheque books down at the pub, criminals now trade card details over the internet, one industry expert told the BBC News website.

"It's just transferred from down the pub to online," said Georgina Doherty, a manager at the 3rd Man company which develops fraud screening solutions.

"But if you don't know the pub to go to, you can't do it.

"The answer is it's very easy, but you do have to be in the right circles."

Andrew Goodwill, also from the 3rd Man company, said criminals commonly use the cards to buy electronic gadgets, including sat-navs, laptops and PDAs.

"They will then either ship them abroad and sell them in other countries where the value of such is a lot higher or they'll sell them in this country, locally for people down the pub for half price," he said.

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Advice from credit card fraud expert, Andrew Goodwill

Shadow home secretary David Davis said there should be a central place to report cyber crime, specialist

prosecutors and a distinct ministry.

"All those things would do a great deal to make Britain less of a soft target," he said.

Andrew McClelland, of Interactive Media in Retail Group (IMRG), a body which represents online retailers, said it was time the government noticed the market place was making a major contribution to the economy and consumers were protected.

"If you're committing a crime online then there is a high probability that you'll get away with it and even if you are caught a fairly high probability again that the punishment won't be that severe," he added.

Overseas crime

In March, the Association of Payment Clearing Services (Apacs) said there was a 25% rise in the fraudulent use of UK credit and debit cards last year, with losses amounting to £535m.

[HAVE YOUR SAY](#) My way of ensuring online security is to use a separate bank account Steve, Oxford

Some £290.5m of this took place on the internet, via phone or mail order, where the credit or debit card holder was not present, a year-on-year rise of 37%.

Apacs said the first rise in three years of overall card fraud was mainly due to stolen and counterfeit cards used abroad. Card fraud overseas rose by 77% last year to £208m and accounted for 39% of the total.

As well as investing £29m over three years to fight online fraud, the government also said it was working with the banking industry to encourage retailers to adopt anti-fraud initiatives.

Story from BBC NEWS:

<http://news.bbc.co.uk/go/pr/fr/-/2/hi/business/7362055.stm>

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