

Simple ways to stay protected against credit card theft loss

Some banks offer cover against fraud till the card is deactivated

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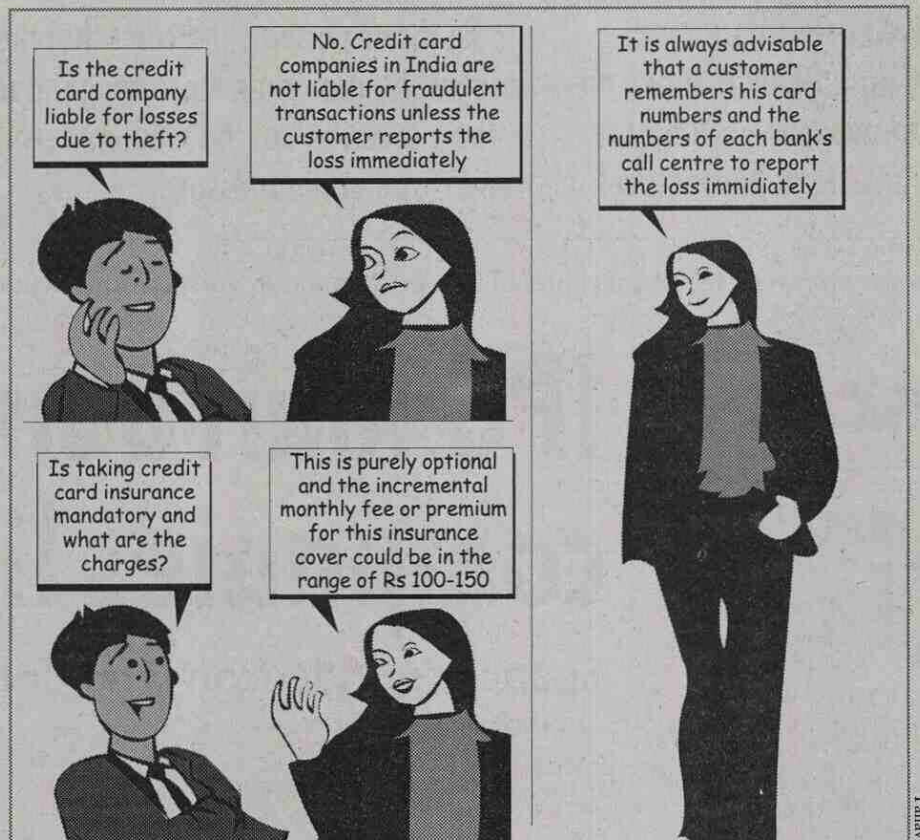
Kolkata

IT'S convenient and helps you do away with the tension and risks of carrying bulk cash, particularly when you are travelling abroad. But one often tends to be oblivious that if the plastic money is lost or stolen, the risk is even higher. If your cash is lost or stolen, it is to the extent of what you are carrying, but in case of plastic money, you may end up losing more than what you would have carried in cash.

Risk of financial loss on losing your card: Significantly, credit card companies in India are not liable for fraudulent transactions unless the customer reports the loss immediately. This is part of the contract that the banks sign with the customer.

Sometimes, banks provide cardholders with a 'zero lost credit card liability' only after the loss is reported in writing/or via telephone, a senior official in the cards division of a private sector bank said. According to him, some banks also offer an insurance cover for a premium every month, which takes care of any fraudulent practice till the card is deactivated. This is purely optional and the incremental monthly fee or premium for this insurance cover could be in the range of Rs 100-150. There are also caps on insurance cover, varying from bank to bank.

Prevention is better than



cure: If you credit card's monthly maximum spending cap is very high, you can bring it down to a lower level, minimising the loss beyond your comfort level. This facility is only offered in credit cards and not in debt cards. Debit cards are linked to the entire amount of your savings account as well as amounts you have on any savings-linked fixed deposits with the same bank. The risk of loss is, therefore, the highest in debit cards, and be careful in choosing the type of card to use.

Administrative control: It is

always advisable that a customer remembers his card numbers and the numbers of each bank's call centre. He needs to call each bank individually and block his cards in case it gets lost or stolen. It is also important to note down the time of blocking the card.

Bank protects an individual against fraudulent transactions only after the card loss is reported. But it's easier said than done and more so, if you are travelling abroad.

The other problem that may crop up if you are travelling and your wallet or

credit card/debit card is lost, is settling hotel bills and buying return tickets.

There are companies like OneAssist Consumer Solutions that offer assistance in blocking cards and paying for hotel bills and return tickets; all for a fee of course. "Before setting out on the trip, one should make sure, that all his/her credit, debit and prepaid forex cards are registered with us" said Subrat Pani, director at OneAssist.

(With inputs from Rajesh Gajra, FC Research Bureau)