


Credit Card Theft: Definition & Protection

Cite this lesson 

The lesson will define the phrase "credit card theft" along with discussing various techniques that can be implemented to protect you from having your credit card information compromised.



Today, thieves have more than one way of stealing your credit card information.

What Exactly Is Credit Card Theft?

You've probably heard the term "credit card theft" used several times before, whether in real-life or from television. But just how many people actually know how to define credit card theft? Is it simply having your physical credit card stolen from your purse or wallet? Or is it having the information from your credit card used by someone else without physically having your card? Let's take a closer look at credit card theft to define exactly what it is along with how you can protect against credit card theft happening to you.

Credit Card Theft Can Be a Lasting Burden

Credit card theft, also known as credit card fraud, can encompass a wide range of negative actions but can best be defined as the unauthorized use of one's credit card information by another person or entity for any purposes, particularly those with ill-intent, such as making purchases or accessing funds. Credit card theft can be very detrimental to victims, and the ramifications of such actions can affect the future of those victims as well.

For example, if your credit card information is compromised, then you run the risk of having future job opportunities being snatched away due to issues stemming from credit card fraud that happened to you in the past. However, the question remains just how can people protect themselves and their credit card information? Let's now take a look at several ways that this can be done.

Protect Your Credit Card

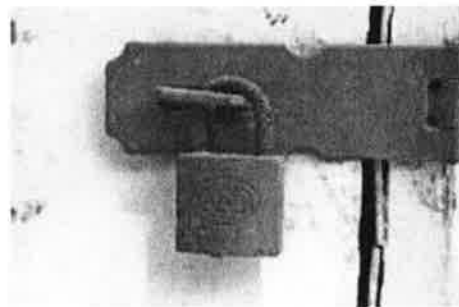
One of the easier methods that you can do to protect your credit card information being compromised is to protect your physical card from being easily accessible for stealing. Most people keep their credit cards in a purse, wallet, or some other form of containment. Since this is the case, it would be of benefit to keep those particular items on you at all times when the credit card is inside of it.

For those with purses, you should keep the purse closed and zipped while also keeping the credit card inside of a flap that is located inside of the purse. For those keeping the credit card in a wallet, the wallet should be on you and even in a side pocket instead of a back pocket. The key is to make it virtually impossible for someone to steal your credit card.

Check Your Financial Statements

At some point or another, many of us may have been guilty of not consistently checking our financial statements. However, in order to ensure that we are protecting against credit card theft, you should make this, at a minimum, a weekly habit. The reasoning behind consistently checking your financial statements is simple:

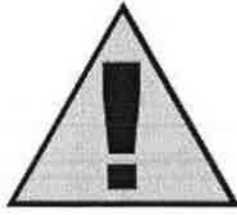
If someone were to use your credit card information without your authorization to make purchases, then those purchases (and any activity for that matter) would appear on the financial statement. By checking weekly, you allow less time to pass if someone is using your account unlawfully. The less time that has passed, the sooner that the proper authorities can react to remedy the situation.



It is important that you use websites with verified security controls.

Only Use Websites With Verified Security Controls

One of the most innovative ways for criminals to access your credit card information is through **phishing**, which can be described as a type of fraud where a hacker or cybercriminal attempts to get your personal information by posing as a legitimate website or e-mail. Phishing is used to acquire sensitive information, including credit card account numbers. To protect against this, users should seek to only use verified websites that show security controls which are verified and with a reputable (and well-known) company. By doing so, you can protect against random phishing attempts and protect your credit card information.



Fraud alerts help businesses protect your credit card information.

Use Fraud Alerts

Fraud alerts are warnings from consumers to businesses and lenders that their identity may have been compromised in some way. These fraud alerts are initiated by the consumer, which makes it a very viable and proactive method to protect your credit card information. Fraud alerts cause businesses and lenders to also take proactive measures in making sure that the authorized person is the one making a purchase.

For example, let's say that you have placed a fraud alert to the credit bureaus on your accounts. Let's also assume that John Doe has somehow compromised your credit card information and is using it to make an unauthorized purchase in a store. The store will take measures such as asking John Doe for identification or having him answer security questions that you have set-up for just this reason.

Shred Documents

In order to protect your credit card information at all costs, it's imperative that you shred any documents that may contain your credit card information. Documents, such as financial statements, that have the possibility of listing this information and those seeking to get this information for the wrong purposes have been known to peruse trash cans and dumpsters for this sensitive information. It is for this reason that you should make sure that these types of documents are completely shredded before discarding into the trash.

Lesson Summary

Credit card theft, also known as credit card fraud, can best be defined as the unauthorized use of one's credit card information by another person or entity for any purposes, particularly those with ill-intent, such as making purchases or accessing funds. The compromising of your credit card information can be a detriment to not only your present life but your future life as well. With this in mind, here are a few techniques that you can employ to protect against credit card fraud.

- Protect Your Credit Card

You must be sure that you make it physically difficult for others to unlawfully obtain your credit card. You can do so by keeping your credit card on an inside flap of your purse and keeping your wallet in your front pocket when the card is inside of the wallet.

- Check Your Financial Statements

Periodically (perhaps weekly) check your financial statements for any unauthorized use.

- Only Use Websites with Verified Security Controls

Protect yourself against **phishing** and other malicious cybercriminal acts to get your credit card information.

- Use Fraud Alerts

Fraud alerts should be used for businesses to be proactive in protecting your information.

- Shred Documents

Shred all documents that contain sensitive credit card information.

Worksheet: Credit Card Theft: Definition & Protection

<https://study.com/academy/lesson/credit-card-theft-definition-protection.html>

1. Which of the following is NOT a method mentioned in the lesson to protect against credit card fraud?

- Do not use credit cards.
- Protect your credit card.
- Shred documents.
- Check your financial statements.

2. According to the lesson, what can you do to protect against phishing?

- Use websites with verified security controls.
- Use fraud alerts.
- Check your financial statements.
- Shred documents.

3. What is credit card theft or credit card fraud?

- The ability of a company to illegally steal your credit card number.
- When a person's credit card information is stolen off of a computer.
- The unauthorized use of one's credit card information by another person or entity for any purposes.
- The taking of someone's credit card.

4. What is phishing?

- A type of fraud used by people in an attempt to have users sign up for various charge cards.
- A type of fraud where a hacker or cybercriminal attempts to get your personal information by posing as a legitimate website or e-mail.
- A type of fraud where a hacker tries to illegally trespass on a property.
- A type of activity that involves fishing.

5. What is the reasoning behind checking your financial statements?

- To see if a business over or under charged you.
- To look for additional discounts.
- To balance your account properly.
- To look for any unauthorized activity on the account.