

## Over half a million Belgian adults have fallen victim to card fraudsters – new research

- *More than one in four (27%) of Belgian adults now favour cash as a payment method as a result of fraud*
- *32% of credit card fraud victims are never reimbursed by their bank<sup>1</sup>*

A staggering 613,000 Belgian adults (9% of the adult population) have been victims of credit and debit card fraud, according to a new pan-European consumer survey<sup>2</sup>, with fraud victims across Europe topping 22 million people, equivalent to the entire combined populations of Sweden and Belgium.

The findings come as the European Union is progressing with the Payment Services Directive, which aims to promote the use of electronic payments across Europe.

The survey, commissioned by leading international trade organisation ESTA<sup>3</sup> reveals that 11% of adults polled across eight key European countries, or equivalent to around 22.8 million people, have had their card details stolen or used without their permission.

ESTA believes that consumer choice and financial security is under threat as banks across Europe push for greater use of electronic payments in place of cash. It warns that consumers are gradually being forced to pay electronically but that there are insufficient safeguards in place to protect consumers from electronic fraud.

**Table 1: Proportion of population that has been a victim of electronic card fraud**

	Belgium	France	Germany	GB	Italy	Holland	Spain	Sweden	All
Yes	9%	10%	9%	19%	8%	9%	10%	8%	11%
No	90%	88%	90%	78%	90%	89%	89%	90%	87%
Don't know	1%	2%	1%	3%	2%	1%	1%	2%	2%

Source: European Security Transport Association

**Francis Ravez, Secretary General of ESTA said,** “It is incredible how many people across Belgium have fallen victim to card fraudsters and unsurprising that so many victims favour a return to cash. Indeed a separate study by the European Commission has found that almost a third of card fraud victims are never reimbursed for their loss by their card provider, despite claims to the contrary by banks.

“These findings come amid an ongoing campaign by the electronic payments industry to see credit and debit cards used as the preferred method of payment and as the European Commission debates ways to reduce the use of cash. Consumers should have the freedom to choose how they pay and should not be dictated to by banks and regulators looking to increase revenues from electronic transactions.”

**Xavier Raufer, Director of Research of the Paris II University - Institut de Criminologie, said,** "Consumers are not being told the full story when it comes to card fraud and there seems to be an astonishing absence of published statistics on the issue from financial institutions worldwide. Banks also seem to be reluctant to implement robust security measures such as biometric technology across the card payments network. Surely consumers have the right to the best available security for their finances? Ultimately, paying by cash is the only way to avoid electronic fraud."

The research also found that as a result of card fraud, almost a third (27%) of Belgian adults polled said the experience has made them favour cash as a payment method instead of electronic means.

**Table 2: Proportion of people who return to using cash if a victim of card fraud**

	Belgium	France	Germany	GB	Italy	Holland	Spain	Sweden	All
Yes	27%	22%	43%	24%	45%	31%	46%	31%	33%
No	71%	77%	53%	73%	50%	68%	52%	62%	64%
Don't know	2%	1%	4%	3%	5%	1%	2%	7%	3%

Source: European Security Transport Association

ESTA believes that the return to cash is understandable given the European Commission's own EuroBarometer which reveals that the 25% of fraud victims lose less than 150 Euros, 33% lose between 150 and 500 Euros but that 33% lose more than 500 Euros.

**Ravez continues,** “Our survey reinforces that cash still has an integral role to play in the financial transaction market across the EU. Consumers want to retain cash and welcome the choice it offers. At ESTA we believe that a world in which electronic payments and cash continue to co-exist is essential and desirable to maintain competition, consumer choice and to serve the needs of business of all sizes across the EU.”

The European Commission's latest EuroBarometer of consumers across all 25 member states revealed that 49% of consumers selected cash as their preferred payment method, whilst research from ESTA found that almost two thirds of Europeans (62%) strongly support the retention of cash as a payment method.

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**Notes to Editors:**

1. EU EuroBarometer Research 2005 stated that 32% of victims of credit card fraud did not receive their money back.
2. Taylor Nelson Sofres conducted an online omnibus survey with over 1000 representative adults aged 16-64 in Great Britain, France, Germany, Italy, Spain, Sweden, The Netherlands and Belgium between 27<sup>th</sup> and 31<sup>st</sup> July 2006.
3. ESTA (European Security Transport Association) was established in 1974 and is a non profit organisation which represents cash industry logistics businesses throughout Europe, including 90% of the cash—in-transit industry.

**About ESTA**

ESTA is a non profit organisation which represents cash industry logistics businesses throughout Europe and 90% of the European CIT industry. Formed in 1974, the purpose of ESTA is to represent the interests of its members who provide transportation and cash handling services in Europe. The Association seeks to define and promote the joint positions of its members with regard to European policy concerning their sector of activity and to increase the quality level of the entire industry.

ESTA has 121 members.

ESTA's dedicated "Cash Forum" is made up of Brinks, Group 4 Securicor, Prosegur, Securitas and three technology partners, De La Rue, Giesecke & Devrient and SCAN COIN.

**Benefits of cash:**

- Cash is still relevant, popular and convenient and provides a means of financial transaction that is widely supported by the public
- Cash is free at the point of purchase for the consumer, allows the consumer to remain anonymous and is non-discriminatory
- Cash provides one of the lowest-cost forms of financial transaction
- Cash is less open to fraud than electronic payments
- Consumers and business do not want an 'either or' choice - both cash and electronic payments can co-exist and should be maintained to provide real choice and competition
- Cash issuing provides a vital source of revenue for national Governments (through seignorage) which would have to be replaced through other means, including higher taxes, were cash abolished

- Above all, consumers should have the freedom to choose how they pay for their goods and should not be dictated to by banks and regulators