

Is euro cash as safe as other payment instruments?

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What are the Threats?

- Loss
- Theft
- Attack
- Counterfeit
- Fraudulent use of payment instrument
- Account takeover
- Identity theft

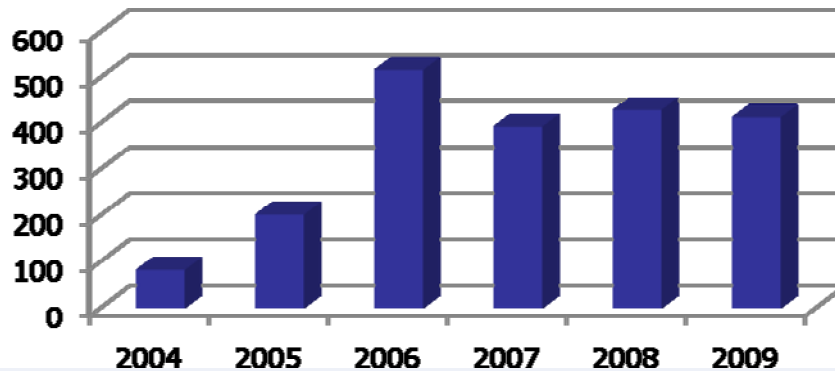
Liability differs for different payment instruments

- Cash: the owner is liable in case of loss, attack or counterfeit
- For cards, the prejudice is split between stakeholders .
 - E.g. France 2009 – Breakdown of prejudice
 - Banks 41.1
 - Retailers 56.5
 - Cardholder 2.3

Source : Observatoire de la Sécurité des cartes de paiement

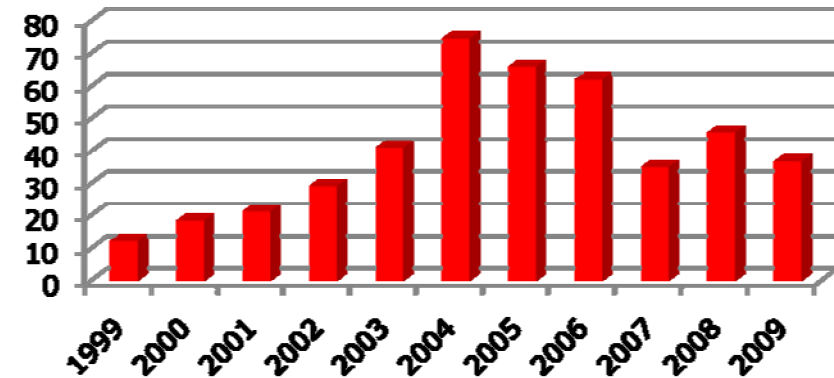
ATM skimming

France: number of ATM skimming incidents



Observatoire de la Sécurité des cartes de paiement

Fraud Losses at UK Cash Machines (£ millions)



Source: UK payments

EAST

Number of attacks

Losses (€ millions)

2009 (H1)

4,629

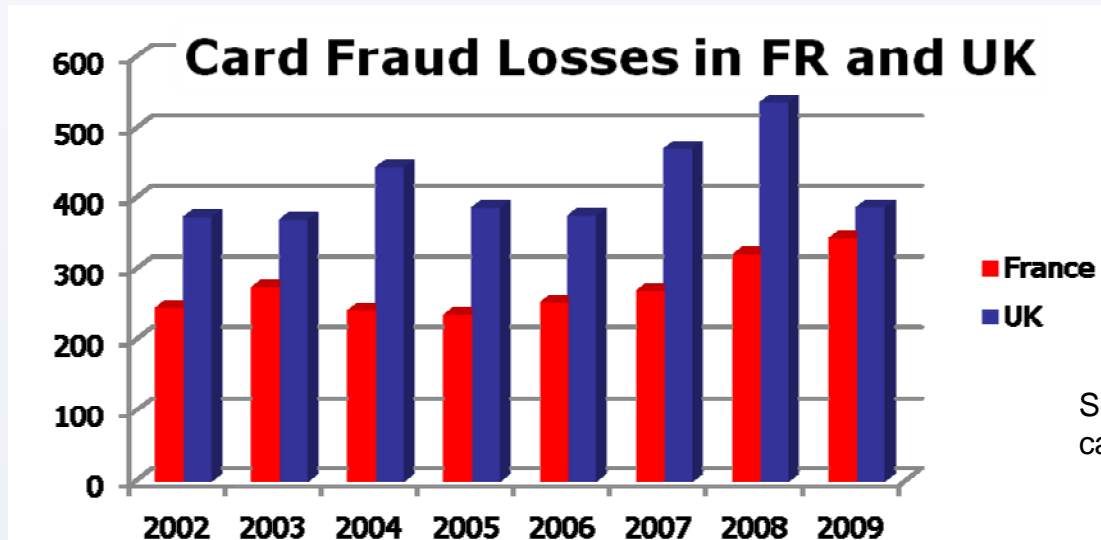
156

2010 (H2)

5,743

144

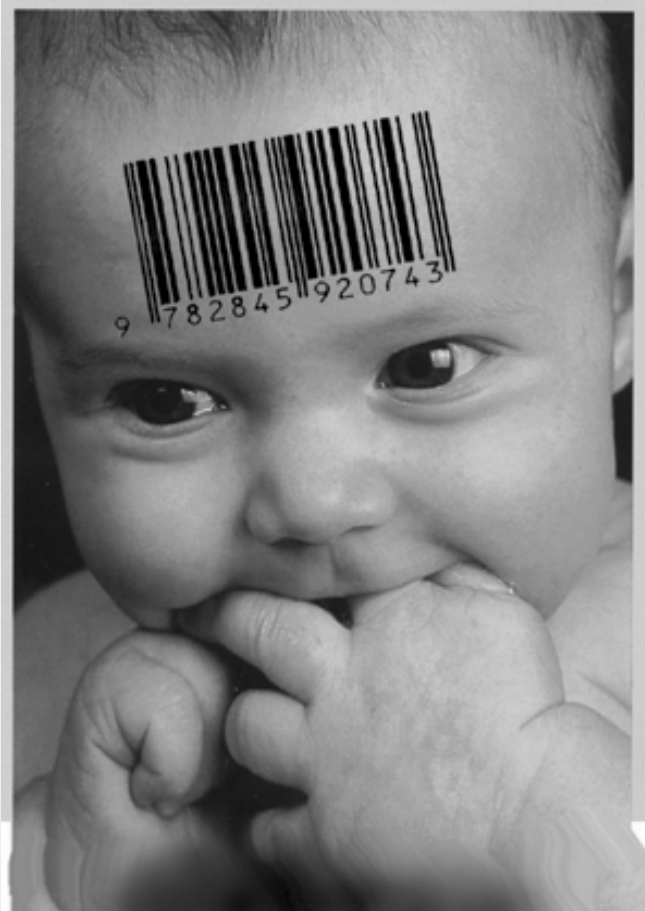
Card Fraud



Source: Observatoire de la Sécurité des cartes de paiement and UK payments

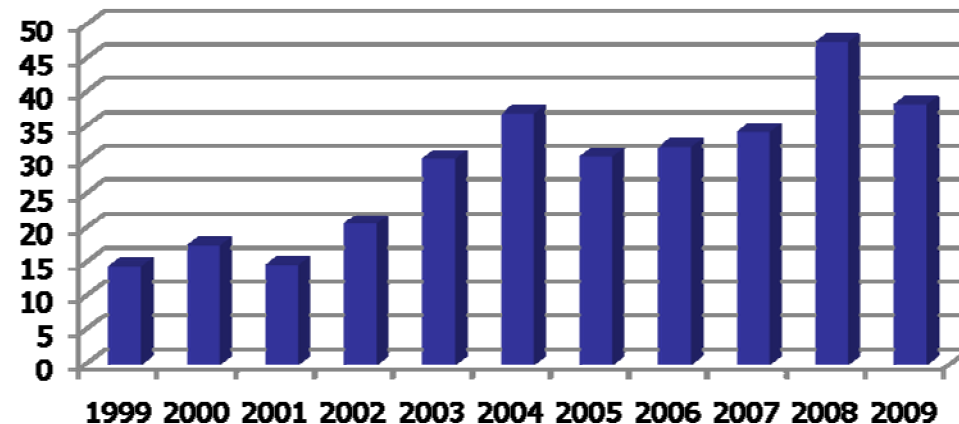
- Card fraud in France is growing faster than transaction volumes
- Card-not-present fraud represents 60% of fraud
- Figures for other countries?
- International transactions in France represent 9% of volumes and 58% of fraud
- Are all losses identified?
- Indirect costs: obtaining refung, new card, admin and legal costs...

Identity theft



« Card ID theft occurs when a criminal uses a fraudulently obtained card or card details along with stolen personal information to open or take over a card account held in someone else's name »

Identity theft on UK issued cards (£ millions)



Summary

- Security is one factor that influences the choice of payment instruments
- Difficult to assess cost of payment fraud as few countries make the data available
- Liability of payment fraud is shifting towards retailers
- Choice of payment instruments is a way to mitigate risks