

'Tap and go' cards put users at risk of fraud

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Tens of thousands of Kiwis could be unwittingly giving fraudsters access to crucial bank information by using their bank cards and mobile phones.

'Tap and go' technology is being introduced in businesses across New Zealand to help cut queues, but a security expert says it should come with a warning.

Users wave their bank card or mobile phone over an Eftpos scanner to make purchases on buses, at convenience stores and sports grounds.

But the chip-enabled cards are already a target for hackers overseas, and one expert says it's only a matter of time before it happens here.

"I would give you 10-to-one odds that this is going to come to New Zealand," says Andrew Colarik, "and when it hits it will be large."

Contactless-enabled bankcards and mobile phones hold security chips which emit a radio signal – more than 1 million of them are already being used in New Zealand.

All fraudsters need to do is to buy a point of sale scanner on the internet to hook into the signal to steal someone's card details.

"You could put it in your car and literally just drive nice and slow along the sidewalk, and there it is," says Mr Colarik.

But Eftpos providers say there are safeguards in the system. Users are asked to enter their pin every few transactions and there's an \$80 dollar limit on each purchase.

"The banks make sure that you are covered for any type of fraudulent activity, so unlike cash you have an opportunity of getting that money back," says Mark Unwin of Viaduct NZ.

Mr Colarik says that won't stop fraudsters because they still only have to steal a few people's details to have a lucrative business.

"They don't need to be in the drug industry anymore, all they have to do is exploit the technology."

While there are no guarantees, there are ways to mitigate the risk of fraud - don't give your pin to anyone, make sure you protect the three digit security number on the back of your card and monitor your accounts.

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