

Card Not Present Fraud

Card fraud is always a risk for businesses that accept card payments where the card is not physically present (*i.e. taking payments over the phone, through a virtual terminal, or in-person sales where a business puts card details through their point of sales terminal without using the chip security/ contactless features*).

Be aware of the fraud risks associated with CNP transactions and remain vigilant when necessary.

Take necessary steps to validate the identity of the cardholder by either having prior knowledge of the cardholder or by other means.

Signs of a fraudulent transaction

Sometimes the first sign of fraud can just be a general feeling that something isn't quite right. If that happens act on your instincts and don't send out goods / complete a sale until you've carried out further checks.

We highlight some signs below of transactions that are likely to be fraudulent. Get to know them and make sure that all members of your staff recognise them too.

Customer behaviour



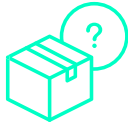
Hesitant customers - Customers who seem uncertain about personal information, such as their postcode or spelling of their street name, could well be using a false identity

First-time customers who place multiple orders - The risk of fraud is smaller when dealing with customers you know

Uninterested customers - Be suspicious if a customer is not interested in the price and/or detailed description of the goods, but is only interested in delivery times

Same name, different title - Could your customer be using the card of a family member?

Unusual orders



Multiple or bulk orders - Watch out for customers buying lots of the same item, either in the same transaction or separately

High-value orders - Orders larger than normal may indicate fraud. High-value items such as jewellery or electrical goods are often targeted by fraudsters because they are easy to resell, so take extra care with this type of transaction

Overseas shipping address - Be careful when shipping overseas, especially if you are dealing with a new customer or a very large order

Different shipping address - Orders where the shipping address is different from the billing address may be legitimate (for example, when sending flowers or a birthday present) but requests to send goods to hotels, guest houses or PO boxes are often associated with fraud

Different person to the cardholder collecting the goods - This could even be a courier or taxi driver.

Suspicious card combinations



It's important to be vigilant when a customer opts to use unusual card combination like the examples below as this may indicate the cards are stolen or cloned:

- Transactions on several cards where the billing address matches but uses different/various shipping addresses
- Multiple transactions on a single card over a very short period of time
- Multiple cards beginning with the same first six digits offered immediately after the previous cards are declined
- Customer offering multiple different cards one after another without hesitation when previous cards are declined
- Orders shipped to a single address but purchased with various cards