

THE NEED TO KNOW[®]



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Credit Card Fraud

A Word to the Wise for Merchants

Published By Peter Petrone

By paying attention to the little signs that indicate credit card fraud is about to occur, merchants can protect their money before the risk team gets involved.

Fraud Warnings: Let's discuss the Issues

Imagine the case of a furniture store owner. A well dressed man comes in and wants to buy several items that are actually showcase items. He reaches for his wallet and remembers that his wife has the credit card he wants to use. He says he will come back to pay for the furniture and pick it up, and he leaves \$100 cash as good faith that he will return.

The Scam Continues:

He comes back, right before closing and actually helps the merchant lift the furniture into his truck. He gives the credit card to the merchant, but the CC magnetic stripe is worn and the POS terminal won't read it.

The merchant keys in the CC number, processes the sale and gives the customer back his \$100. The customer leaves with the furniture.

The Sting:

Two weeks later, the store owner gets hit with a chargeback claiming a fraudulent sale. **The merchant was scammed!** The customer got away with free furniture and the merchant is stuck with the chargeback and loss of the merchandise.

Tips for Merchants -

- Always use Address Verification Service (AVS) to verify that the billing address is the same as address on file with the CC issuer.
- Ask for other forms of ID if the card holder did not sign the back of the card.
- Never process your own credit card; this is considered a cash advance.
- Never let other merchants process their sales through your account. This is called factoring and is considered fraud.

Should Have - Could Have If only the merchant would have taken the time to get a manual imprint of the credit card. That imprint, along with the authorization and signature, secures the keyed in sale.

Free Analysis

If you are having trouble understanding your monthly credit card statements please call us for a free analysis – we will gladly explain all fees and services.

Recent M/C & Visa Rewards Cards can add significant cost increases to your monthly statement - There should be no surprises!

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Nurit Terminal Tip of the Month

New Small Business Credit Cards can cause your swiped transaction to be downgraded to "Non Qualified" - a significant cost increase to your business. Is your terminal programmed to handle this transaction?

Call and ask us how.