

Credit Card Loss

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Because credit and ATM cards have become standard currency, they have become very attractive to thieves. Theft of these cards is a serious problem, but thank goodness for two federal laws, the Fair Credit Billing Act (FCBA) and the Electronic Fund Transfer Act (EFTA), that establish protections for you. There are two very good reasons to report the loss or theft of your cards quickly. First, the sooner you report the more you will be able to limit your liability – yes you can limit your liability if someone uses your card without permission. Second, the sooner you report the more we can all avoid higher interest rates and annual fees that issuers charge. If your card is stolen, report the loss promptly to the issuer, many have 24-hour reporting. Write to the card issuer, giving your card number, when you discovered the card was stolen, and the date you called their 800 number. Also, inspect your homeowner's insurance policy because you may have coverage for card thefts. If you report a lost credit card before the card can be used, the FCBA holds you free from any unauthorized charges. If a card is used at a store or an ATM before you report the theft, you are only responsible for \$50 in unauthorized charges. We cover the loss of ATM cards in our next article.