

Banks Stepping Up Efforts to Stop ID Theft and Fraud

June 26, 2013 - Over a decade ago, I became an identity theft victim when a set of checks that I had ordered from my bank were stolen. They had been delivered to the front desk of the building I was living in at the time and stolen by an employee of the building. By the time I detected the problem, there was a group of thieves with fake ID's winding their way through northern Pennsylvania and Southern New Jersey cashing checks in my name. Even though I notified the bank immediately and changed accounts, that didn't stop the crooks from writing over \$60,000 in bad checks. Because of this incident, I tend to look pretty closely at things that banks do to protect their customers.

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var s = document.createElement('SCRIPT'), s1 = document.getElementsByTagName('SCRIPT')[0];  
s.type = 'text/javascript';  
s.src = 'http://widgets.digg.com/buttons.js';  
s1.parentNode.insertBefore(s, s1);  
})();
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(function() {  
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po.src = 'https://apis.google.com/js/plusone.js';  
var s = document.getElementsByTagName('script')[0]; s.parentNode.insertBefore(po, s);  
})();
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As bad as my story above is, it is only half the tale. When I changed accounts, I also ordered a new batch of checks. This time, I told the bank to have the checks delivered to the branch and that I would come in and pick them up.

When I hadn't heard anything from the bank after a few days, I placed a call to the branch. The woman that I had opened my new account with had gone on vacation and so I had to speak with someone else who was filling in for her. That fill-in had received my checks several days earlier. Rather than hold them for me as instructed, she decided that she would pop them in the mail and save me from having to make the trip myself. What do you suppose happened?

It took me years to get comfortable with ordering checks again. And even now, if I don't get them within a week, I call the bank to get a status report. Apparently I don't have to do that anymore though.

Two weeks ago I went into my local Chase branch to order new checks. They arrived within a few days. At the time, I was actually quite pleased with the turnaround time and I hadn't thought about the transaction since. But this week I got

a call from Chase just to make sure that I had received the checks. That's the very first time that any bank that I've dealt with has done this. It's about time but I have to say that I really happy that the bank has decided to start such a process.

But Chase isn't the only bank doing things to help protect customers. Wells Fargo has introduced text alerts on both credit card and ATM transactions. They are the first bank to offer this.

If you bank with Wells Fargo, you can sign up with the bank to receive a text message for every transaction on your credit cards and using an ATM. The bank is also giving its customers the flexibility to set transaction thresholds for alerts. So, if you make a lot of .99 cent charges to purchase music, you don't have to get inundated with alerts. But if while you are sitting at home buying music online, you get an alert about someone making a \$1,500 purchase somewhere else, you can immediately notify the bank that there is a problem.

The text alert system isn't just a great feature for consumers. It may actually prove to be even more valuable for small businesses. The reason for this is that anyone who has a small business bank account is required by law to take reasonable steps to protect their accounts. If some thief manages to drain your business account, there is a very good chance that the business owner will be responsible for it rather than the bank. While the alert system may not allow a business owner to get back money that is used in an initial fraudulent transaction, it does provide immediate notification that there may be a problem with their account and give them the opportunity to prevent future thefts.

At ACCESS we are quite critical of many of the business practices used by large banking institutions. But credit should also be given when it is due. We're clearly supportive of any effort by financial institutions to cut down on ID theft and fraud.

by Jim Malmberg

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