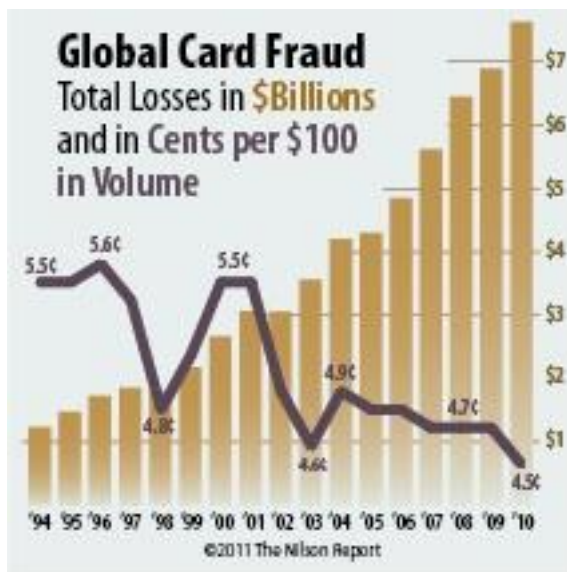


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## **U.S. Leads the World in Credit Card Fraud, states The Nilson Report**

### ***Global Credit Card Fraud Losses Increased 10.2% over 2009***

**CARPENTERIA, CA**, November 21, 2011 – The U.S. currently accounts for 47% of global credit and debit card fraud even though it generates only 27% of the total volume of purchases and cash, according to [Global Card Fraud](#), from a recent issue of [The Nilson Report](#), a respected trade newsletter on the payments industry.



Payment card fraud losses totaled \$3.56 billion last year in the U.S. from all general purpose and private label, signature and PIN payment cards. “The U.S. has a disproportionate percentage of the global total losses for two reasons . . . U.S. banks have been slow to adopt newer technologies such as EMV chip cards, and issuers are reluctant to decline card authorization from merchants because they don’t want to alienate their cardholder.” said David Robertson, publisher of The Nilson Report.

“Competition among U.S. issuers, which has resulted in the average cardholder having four credit cards in their wallet, makes any issuer reluctant to decline an authorization. The consumer will just pull out a competitor’s card.”

Banking institutions in Europe, Latin America, the Middle East, Africa and Asia, however, have adopted stricter security procedures inherent in payment cards with computerized chips, as well as the use of dual factor and dynamic authentication (one-time passwords) for cards-not-present (CNP) transactions.

As a result, global card fraud worldwide as a percentage of total volume has actually decreased. In 2010, total fraud losses equaled 4.46¢ per \$100 in total volume of purchases and cash, down from 4.71¢ per \$100 in 2009. And, this amount has been steadily declining over a decade.

Total global fraud losses, at \$7.60 billion, however, increased in 2010 by 10.2% over the prior year, because the rate of spending is outpacing losses. The payment card industry is expected to continue to grow sales volume at a faster pace than thieves can compromise the system.

**About The Nilson Report**

[The Nilson Report](#) is a highly respected source of global news and analysis of the credit, debit and prepaid card industry. The subscription newsletter provides in-depth rankings and statistics on the current status of the industry, as well as company, personnel and product updates. Nilson Report Publisher, David Robertson, is a recognized expert in the field, and is a frequent speaker at industry conferences. Over 18,000 readers in 90 countries worldwide value The Nilson Report to track industry trends and market information.

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