



# Consumers Ready to Take Action Against Card Fraud, According to New Brightwell Survey



If you process or receive credit card payments as part of your business, you've probably accepted card fraud as par for the course. According to a December 2021 Nilson Report, [global credit and debit card fraud hit \\$28.6 billion in losses in 2020](#), and losses stemming from fraud are expected to balloon to more than \$408 billion over the next decade. What's more, experiencing fraud can open up businesses to costly fines and legal fees for failing to comply with card, payment, and data privacy regulations. [The largest such fine in 2022 was over \\$1 billion.](#) However, when assessing the time vs. dollars involved in correcting the issue, many businesses have simply concluded that it's easier to absorb the costs of fraud rather than invest the time and resources in eliminating it.

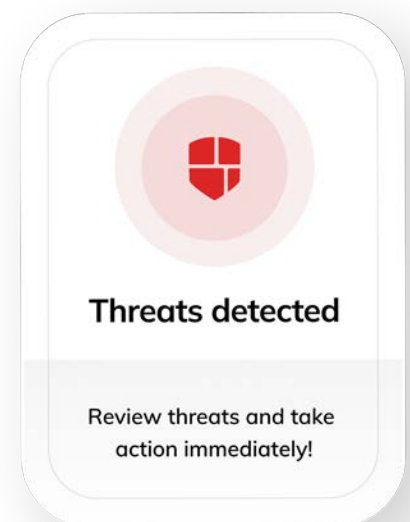
But a new [Brightwell](#) survey of 1,000 consumers across the U.S. suggests the vast majority care deeply about how card providers are protecting them against fraud. Not only is it a serious consideration when opening a new credit or debit card, but when fraud happens, consumers are ready to take immediate action, including canceling cards and talking to friends and family about their negative experiences.

## Card fraud is a common – and frustrating – experience

If consumers aren't experiencing card fraud themselves, they're hearing about it and even bracing for it. It's not just the actual loss of dollars they're concerned about, it's the hassle of the entire process, even if they get their money back in the end.

Regardless of whether the consumer is reimbursed for fraudulent funds, when fraud is reported or identified, banks typically void the card in question and send a new one, leaving consumers without access to their line of credit until the new card is received.

Consumers also risk their credit score taking a hit, should they fall victim to card fraud and fail to report it. Not all card fraud is detected by the cardholder, which means it could go unreported



Arden, once activated, prevents all enumeration attempts



and unpaid, leading to a decrease in the consumer's credit score.

Addressing fraud-related issues is time-consuming, and often leaves the consumers feeling frustrated, depleted, and ready to move on. In fact Brightwell's survey data shows that nearly one in ten consumers consider leaving their financial institution after experiencing fraud.



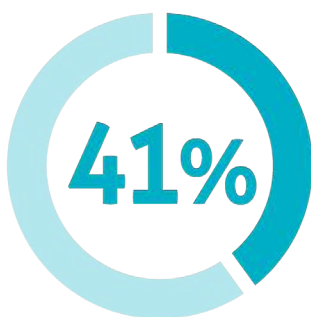
## Consumers have limited options to recoup stolen funds

Credit cards, debit cards, and prepaid or gift cards offer different levels of protection should consumers fall victim to fraud.

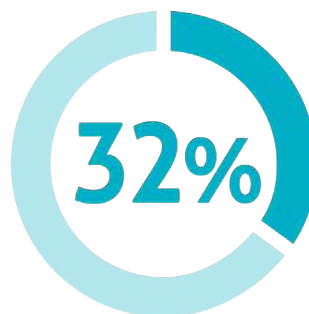
[The Fair Credit Billing Act \(FCBA\)](#) protects consumers against inaccurate or fraudulent credit card charges and billing errors. Credit card companies will perform an investigation to make a determination on the fraudulent charges. This is a lengthy process that can take up to three months. If the consumer can't provide documentation proving fraud has been committed, the card issuer may deny the claim and hold the consumer accountable for those funds.

Debit card fraud is not covered under the FCBA, but is instead protected by the [Electronic Fund Transfer Act \(EFTA\)](#). In the case that the bank finds evidence of fraud, consumers are only personally liable for up to \$50 if they report the activity within the 48 hour window or \$500 if they report it within 60 days. If they wait more than 60 days, the EFTA does not protect the consumer, who may now be legally liable for all of the funds.

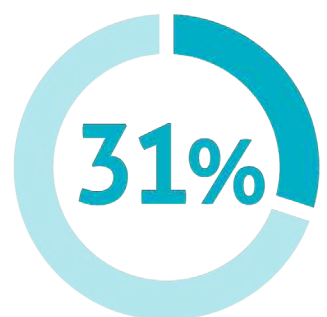
Prepaid cards and gift cards don't offer the same protections credit or debit cardholders receive, as they are not covered by the FCBA or EFTA. Unfortunately, if fraud occurs on a prepaid card, the chances of reimbursement are significantly slimmer. In the case that the issuer will consider disputes for fraudulent charges (many do not), they will typically only do so for cardholders who registered their personal information with the issuer upon receipt of the prepaid card.



of consumers view **credit cards** as **most secure** card type



of consumers view **prepaid/gift cards** as **secure**



of consumers view **debit cards** as **secure**



## Brightwell survey highlights card fraud is top-of-mind for consumers

It's easy to write off card fraud as annoying but reconcilable, which comes with the danger of undermining its impact. Consumers fear card fraud not just because of the very real possibility that they'll never see their hard-earned cash again, but also because of the loss of their time, the difficulties regaining access to their account, and the stress of the overall uncertainty in the process.

These reasons are likely why 83% of Brightwell survey respondents said security and fraud prevention is extremely important when opening up a new credit or debit card. A whopping 95% said security and fraud prevention is extremely or somewhat important when choosing a prepaid card or gift card.

Consumers view credit cards as the most secure card type, with 41% ranking them as extremely secure, compared to just 32% who said the same about prepaid and gift cards and 31% who ranked debit cards as extremely secure.

**75%** of Brightwell survey respondents would consider canceling their card in the event of fraud

Not only does card fraud come into consideration when opening a new account or purchasing a prepaid card, consumers are also ready and willing to take action should they fall victim to fraud. 75% of respondents would consider canceling their card in the event of fraud, and 52% would talk to their friends and family about their experience. This indicates that despite fraud being commonplace, consumers are holding the bank's feet to the fire when it happens to them. And, if they're talking about it to their friends and family, businesses aren't exempt from the crossfire either.

**71%** Income higher than \$75,000

ranked **card issuers** as **highly at fault** for card fraud

**57%** Income lower than \$75,000

ranked **card issuers** as **highly at fault** for card fraud



While the vast majority of respondents both consider fraud prevention when opening new cards and are likely to cancel them should fraud occur, perceptions of fraud differ by income level and gender.

The higher their income, the more likely consumers are to blame card issuers for fraud. 71% of respondents with a household income over \$75,000 ranked card issuers as highly at fault for card fraud, while 57% of respondents with a household income of \$75,000 and under said the same. Still, both groups hold the issuer responsible.

**When it comes to gender, men tend to be more confident in card security than women, with 46% of men ranking credit cards as extremely secure compared to 39% of women.** 29% of women and 35% of men said the same for debit cards, with prepaid cards pulling in similar ranks with 30% of women ranking them as extremely secure compared to 34% of men.

With less than half of all respondents, regardless of income and gender, ranking any type of card as extremely secure, it's clear consumers lack confidence in the safety of their finances.



Younger generations also tend to take fraud detection and prevention more seriously than their older counterparts, suggesting that businesses providing greater security will win out with Gen Z and Millennials. [Read “Improve Fraud Detection and Prevention to Retain Younger Customers”.](#)

## Businesses need to fight card fraud before it strikes

Fortunately, fighting payment fraud and complying with security regulations does not need to be a headache. Industry leaders like [Brightwell](#) are offering automated fraud detection and regulatory compliance audit services for businesses, allowing them around-the-clock protection without a massive time commitment. Brightwell's Arden platform prevents prepaid and debit card fraud by leveraging proprietary technology to detect malicious patterns in card transactions at the merchant-level while displaying card data in real-time. Arden, once activated, prevents all enumeration attempts. Businesses implementing Arden are 95% protected from losses related to enumeration and BIN level fraud.

In addition to fraud prevention, Brightwell's CaaS tools help businesses verify customer identities with KYC verification and ensures compliance with card, data privacy, and cross-border payments regulations, providing complete security and

**Nonstop coverage**  
Arden's fraud watch is around-the-clock coverage you can depend on.

**24/7**

**Rest easy**  
Fraud happens at the most vulnerable times. Arden is watching when you can't.

**365 coverage**  
Arden's 365 days a year, 24/7 coverage guarantees that we've got your back.

Around-the-clock protection without a massive time commitment



compliance assurance to businesses and their customers and reducing costly fines associated with non-compliance.

## Preventing card fraud is an opportunity for businesses to solidify consumer trust

Consumers care about card fraud. When it happens at your business, the trust you've built with your customers will be shattered. Rather than seeing this as a threat, businesses should treat this as an opportunity to stand out among the competition and provide an extra layer of security others won't. By implementing cutting-edge technology and compliance services, businesses can fight prepaid, debit, and credit card fraud at the source so it never crosses the consumer threshold. [Learn more about Brightwell's security and compliance offerings](#)



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Reach out today to learn more about what Brightwell can do for your company.

