

19 March 2014

Dear Editor

We thank Mr Wong Boon Hong and Mr Jairam Amrith for their feedback (“Banks must do more to address online fraud”; March 3, and “Mandate use of PIN for credit card transactions”; March 5).

With regard to Mr Wong’s remarks, we recognise the need to have secure authentication for credit/debit card payments at online merchants. Since 2010, the payment card industry has enhanced security by requiring two-factor authentication using a One-Time Password (OTP).

However, this preventive measure works only when the online merchant has also embraced the 3-D Secure (3DS) protocol to authenticate cardholders for online transactions.

A merchant that does not use 3DS is liable for fraudulent transactions even if the transaction was appropriately authorised.

The decision to implement 3DS rests with the online merchants and is not within the purview of The Association of Banks in Singapore (ABS).

To protect cardholders against fraudulent card transactions at online merchants, card issuers have enhanced their fraud monitoring systems and implemented transaction alerts. These measures aim to notify issuers and cardholders of fraudulent transactions early so that prompt action can be taken to block further unauthorised transactions on compromised cards.

Although cardholders are not liable for charges from fraudulent transactions at non-3DS merchants, we encourage them to keep their card details safe, transact with trusted/reputable online merchants and alert the card issuer if they detect any unauthorised transactions on their card.

Mr Jairam pointed out that a personal identification number (PIN) may reduce the fraudulent use of lost or stolen cards. The ABS monitors the trend of payment card fraud, including that relating to lost or stolen cards.

Card issuers have not implemented PINs for credit cards in Singapore as the incidence of lost or stolen cards is low and not systemic here.

Currently, a cardholder’s liability for unauthorised transactions due to lost or stolen cards is limited to S\$100, provided the cardholder reports the loss as soon as reasonably practicable, has not acted fraudulently or has not been grossly negligent.

The ABS will continue to monitor the payment card fraud trend and implement additional card security measures where necessary.

Ong-Ang Ai Boon, Mrs  
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