

BANK CARDS: USERS BEWARE!

**By: Rita Chrolavicius, Staff Lawyer,
Advocacy Centre for the Elderly**

*This article was originally published in ACE'S Fall 2002 Newsletter
which is available at www.ancelaw.ca*

Persons using bank cards should be aware that there are many rules involved in using these cards and several pitfalls. This article is intended to alert readers to some of the dangers involved in using these cards.

Many of the dangers connected with the use of bank cards have to do with the secret code or personal identification number (PIN). Card users are usually asked to make up a PIN. The PIN usually consists of several numbers, although it can also include a password or other identification code, whether selected by the individual or provided by the bank.

WRITTEN RECORDS OF THE SECRET CODE

Most banks require that you keep any written record of your secret PIN separate from your card. If you keep your bank card in your purse or wallet, your PIN should not be kept in that purse or wallet.

It is also a good idea to disguise the written PIN record so no one else can easily guess it is your secret PIN.

CHOOSING YOUR PIN OR PASSWORD

Banks prohibit you from using a PIN or password that contains all of any part of the following:

- The birth date, telephone number or address of you or any close relatives;
- A number on your bank card or account number;
- A number on any I.D. card that you keep with your bank card (such as driver's licence, health card, or Social Insurance Number); and
- Any other number that can easily be obtained or guessed by someone else.

GIVING OUT YOUR BANK CARD

You should under no circumstances give your bank card to someone else to use. If you do so, you will be responsible for any loss. This may include an overdraft that is incurred by using the card. For example, individuals might use the card to claim that they are making a deposit to the bank. Instead, they deposit worthless scraps of paper. The card is then used to withdraw money that the bank does not actually hold in the account. You will be responsible for any losses.

UNAUTHORIZED USE OF BANK CARD

If someone takes your bank card and uses it without your knowledge, you may be responsible for any losses if you have broken any of the bank's rules about choosing a secret PIN or keeping the card and the PIN together. You will be considered as contributing to the unauthorized use of the card if the PIN you chose is the same or similar to an obvious number combination, such as your date of birth or telephone number.

Notify the bank immediately, by telephone and in writing, of the loss, theft, or any unauthorized use of the card. You will be liable for the unauthorized use of your card until the bank receives this notice.

ALTERNATIVES TO USING A BANK CARD

Most banks have telephone banking that is free to individuals aged 60 and over. However, this also involves secret codes and is subject to the same risks as using bank cards.

I sometimes recommend that the safest use of a bank is the old-fashioned way; using cheques to pay bills and to withdraw money, and by attending at the bank in person.

Bank cards are convenient if you choose a secret code that is not written down anywhere and complies with all the rules.

It is risky to rely on the use of bank cards if you are having memory problems or have trouble adapting to the new technology. Get your bank's standard banking service agreement and read the small print about choosing passwords and using bank cards.