



Crime Prevention Notice

A Crook Has Drained Your Account. Who Pays?

Federal laws and other protections may limit your losses if you fall victim to a bank fraud or theft. A swindler runs up a big bill on your credit card or steals hundreds of dollars from your bank account. Do you suffer the loss? In many cases of bank crimes, your liability is limited by law or industry practices to the first \$50 of loss, but that depends on the type of account and how quickly you report the problem.

Suppose a thief obtains your **ATM card** and uses it at an automated teller machine to withdraw money from your bank account. Under the Electronic Funds Transfer Act, your losses are limited to \$50 if you report your ATM card lost or stolen within two business days of discovering the loss. If you wait between two and 60 days of discovering the loss, you can be liable for up to \$500 of what a thief withdraws. If you wait more than 60 days after receiving a bank statement that includes an unauthorized transfer, the law doesn't require your bank to reimburse you for any losses. You're not responsible, however, for any funds withdrawn after you notify your bank that the ATM card is lost or stolen.

What if your **credit card** is lost or stolen and gets used by a thief? Under the Fair Credit Billing Act, your losses are limited to \$50 per card. As with ATM cards, you're not responsible for charges made after you report the card lost or stolen.

More and more people are using **debit cards** (or "check cards") to pay for purchases from a checking account without writing a check. By law, a consumer's liability for an unauthorized use of a debit card is comparable to that for an ATM card, which may be far higher than that for a credit card (\$50 maximum loss). However, it's easier for a thief to deplete an account with a debit card than with an ATM card, because some debit cards require only a signature, not a personal identification number (PIN). Fortunately for consumers, though, VISA and MasterCard have voluntarily limited debit card liability to the same \$50 limit that exists for credit cards.

The **stored-value card** has emerged in recent years as another way to purchase items. These cards are purchased with cash and have a fixed value that gets reduced as purchases are made at merchants that accept the card. If a stored-value card is lost or stolen, it's like losing cash, and no federal law protects you.

While no federal law limits your losses if someone steals your **checks** and forges your signature, you do have protections under state law. Most states hold the bank responsible for losses from a forged check. However, most states also require the customer to take reasonable care of his or her account. You may be held liable for the forgery if you don't notify the bank in a timely manner that a check was lost or stolen, or if you don't monitor your account statements and promptly report an unauthorized transaction. Pay attention to your accounts. Contact your state's consumer protection office to learn more about your rights.

Many banks also purchase a form of insurance called a banker's blanket bond that may protect them from robbery, burglary, embezzlement and other causes of disappearing funds. The banker's blanket bond would cover the bank and, most likely, ensure that funds taken from your account would be covered.

Finally, your credit history can receive unfair blemishes when a thief uses your credit card, debit card or checking account. But under the Fair Credit Reporting Act, if you think your file contains incorrect information you're entitled to an investigation by the credit bureau. If you disagree with the results, you have the right to include in your credit file a brief statement giving your side of the story.

**City of Oakley
Police Department**

**To report a crime, call:
Oakley P.D. Dispatch
(925) 625-8060**

Administrative offices:
(925) 625-8855

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