

DANMARKS NATIONALBANK

12 DECEMBER 2017

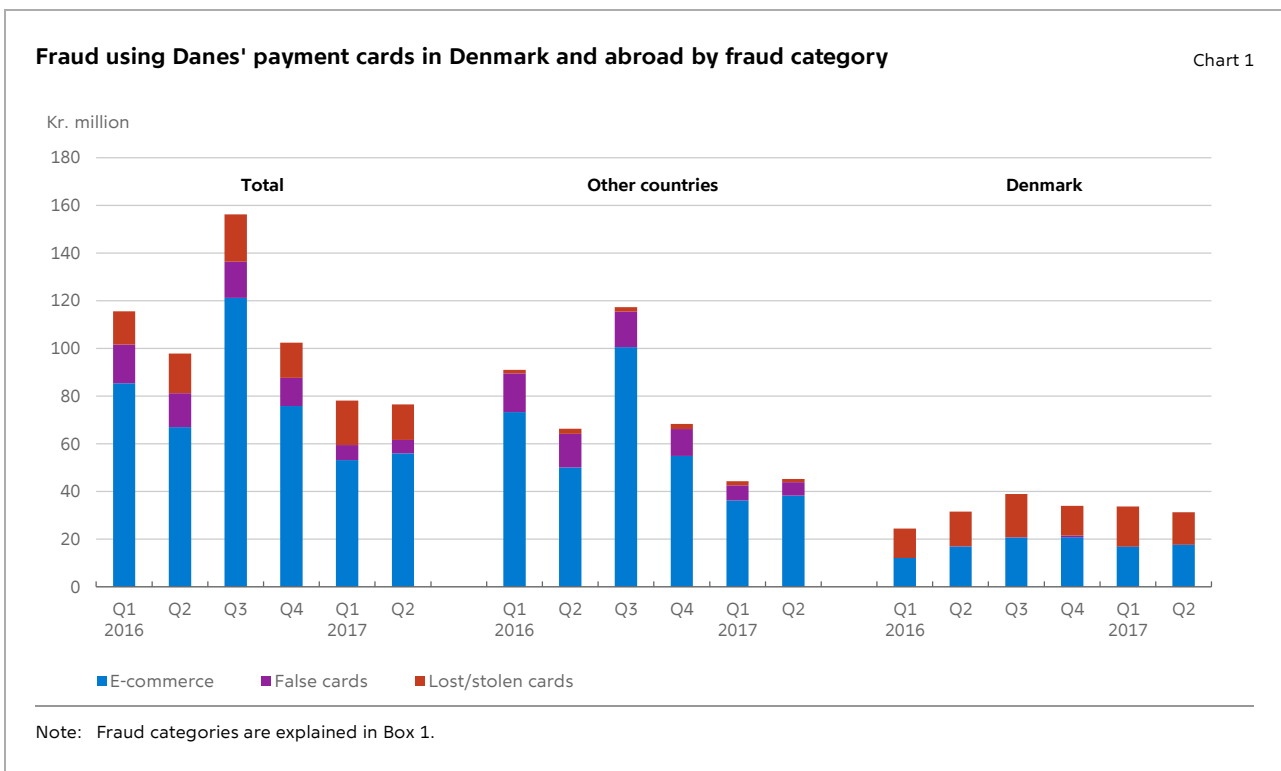
PAYMENTS, 2ND QUARTER 2017

Fraud using Danes' payment cards occur above all in e-commerce

The total fraud using Danes' payment cards amounted to kr. 76.6 million in the 2nd quarter of 2017, of which 73 per cent related to e-commerce, cf. Chart 1. The data form part of a new compilation on Danish payments, as described in detail in the brief "New Statistics for Payments" ([link](#)).

Danes' payment cards are above all misused in foreign e-commerce, totalling kr. 38.3 million in the 2nd

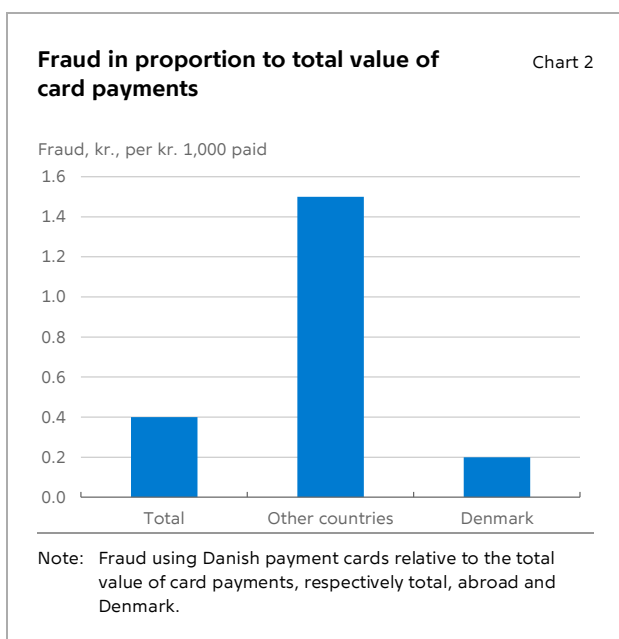
quarter. In comparison, fraud using these cards in Danish e-commerce totalled kr. 17.7 million. The level of fraud in conjunction with e-commerce using Danish cards is lower in Denmark than in other countries. It constitutes, however, the greater part of card fraud in Denmark.



Other kinds of card fraud, e.g. fraud using false cards and fraud using lost/stolen cards amounted to kr. 5.7 and 14.9 million respectively in the 2nd quarter. Fraud by means of false cards does rarely occur in Denmark. However, it is common abroad. The opposite is the case for fraud using lost/stolen Danish payment cards, which occurs primarily in Denmark, cf. Chart 1.

Fraud is low to total value of card payments

Seen in proportion to total value of payments using Danish cards, fraud is fairly low, as it is 0.4 per mille in the 2nd quarter of 2017, cf. Chart 2.



Fraud abroad using Danes' payment cards is – seen in proportion to value of total card payments – larger than the level observed in Denmark. Fraud in Denmark using Danish cards equalled 0.2 per mille of the total value of card payments in the 2nd quarter, i.e. Danes perceived a misuse in the order of kr. 0.20 for every kr. 1,000 paid. In comparison fraud abroad using Danish cards was 1.5 per mille in the 2nd quarter, equivalent to a misuse of kr. 1.50 per kr. 1,000 paid. Fraud abroad in proportion to total value of card payments was about seven times as much as in Denmark.

Categories of payment card fraud

Box 1

Fraud using payment cards is grouped in three overall categories, which reflect the underlying crime that precedes the actual card fraud.

- Fraud in e-commerce typically occurs by misusing card details, i.e. card number, expiry date and card security code. Cybercrime, whereby hackers steal saved card details from a recipient, is one manner in which card fraudsters can obtain card details.
- Fraud using false cards typically occurs by reading and copying the information stored on the magnetic strip to a blank, false card. Afterwards this card is used for payments, etc., where authorisation requirements do not demand reading of chip and entering pin.
- Fraud using lost/stolen cards typically occurs by card fraudsters noting the pin when cardholder authorises a payment, and then stealing/robbing the payment card. Afterwards the card is used for payment at point of sales or to make cash withdrawals at ATMs.

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