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Arizonans may not feel safe about their plastic, but they keep charging

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Jennifer Dunafin figures her credit card information isn't really secure, but she and her husband still use their cards almost every day.

"I don't think it's completely safe, but what choice do you have?" the 29-year-old said while shopping at an upscale mall here. "Most places you can't make major purchases without a credit card."

On Friday, MasterCard International Inc. disclosed that 40 million credit card accounts belonging to it and other companies were exposed to possible fraud by a security breach at a card processing company, the latest in a string of recent breaches at financial institutions.

Such cases are likely to remind consumers that data isn't secure, but the nation's plastic behavior is unlikely to change, industry watchers say.

Federal laws that protect people from liability for fraudulent charges help quell widespread fears, and even though many people feel vulnerable, the realities of the economy dictate credit or debit card use for many transactions.

"There's no way around it," said Lewis Mandell, a professor of finance at the University of Buffalo. "We live in a sophisticated payment environment. Everyone is expected to have a credit card."

But he noted there is a cumulative effect from the mishandling of information, and it could increase people's anxiety about using plastic, which card companies are pushing for nearly every transaction, all the way to buying a cup of coffee.

"We have a notion that the folks that have our credit card information are pretty savvy, reliable people ... I may become a little more apprehensive" if breaches continue, Mandell said.

On Friday, it was disclosed that a computer virus had captured customer credit card data processed by the Tucson branch of Atlanta-based CardSystems Solutions Inc.

The compromised data didn't include Social Security numbers, a key piece of information often needed for identity theft. But it did include names, banks and account numbers.

The disclosure followed others by financial institutions in the past two months, including information lost on 3.9 million Citigroup Inc. consumer finance customers, theft of 1.4 million credit card numbers from a DSW Shoe Warehouse database and theft of information on 100,000 Wachovia Corp. and Bank of America Corp. customers.

Under federal law, credit card holders are liable for no more than \$50 of unauthorized charges. Some card issuers offer zero liability to customers on unauthorized use of cards.

But Jean Ann Fox, director of consumer protection at the Washington-based Consumer Federation of America, said financial liability isn't the only concern. The time and aggravation that people suffer while clearing up fraud is also an issue, she said.

Debit card fraud can be an even bigger problem because there are not as many protections, Fox said. If customers don't notify their banks within two days of learning about the problem, they

can be held liable for up to \$500.

If it's more than 60 days after the statement is sent by the bank, consumers can be out all the money in their accounts plus the overdraft amount.

That's especially problematic because many people don't bother to open their bank statements, Fox said.

"The burden is really on consumers to be very careful in how they use their card and how they safeguard their PINs and passwords and to check statements," she said.

Dick Winter, a 62-year-old Kansas City, Mo., retiree, said he doesn't worry much about credit card fraud because it can be fixed fairly easily and because he watches his statements.

"I'd be much more worried if 40 million Social Security numbers were stolen. That's really what you want to protect," said Winter, who has two Visas and an American Express card. "If you keep a close eye on your bills, you'll be fine."

Beth Givens of Privacy Rights Clearinghouse, a San Diego-based advocacy group that takes complaints from consumers, said many consumers agree, which is why thefts involving Social Security numbers are more worrisome.

Most consumers have given up on the idea that their information is secure and rely on liability guarantees and account monitoring, she said.

Harold and Barbara Freedman, a couple visiting Scottsdale from London, said they've twice had their account information stolen and take advantage of services that help monitor accounts, but they don't really feel their information is secure.

"It does deter me" from using plastic as often, said Harold Freedman, 67, holding an armload of shopping bags.

He was using cash to pay for most things during his vacation shopping spree, but he acknowledged paying that way "is not very clever because you have to carry cash."

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