

Banking Automation **BULLETIN**



The war on ATM crime rages on

Nigerian ATM and card growth spur increase in crime

Cashless transactions grow but SEPA challenges remain

Australia considers interchange rate de-regulation

Innovation in the midst of crisis

Country profile: Switzerland



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Skimming still the greatest threat

I recently spent two days chairing a conference on ATM security. Despite being a close observer of most ATM related issues, I was nevertheless struck by how the ATM industry is once again

struggling with the issue of card skimming.

Card skimming at ATMs is not new – concerns about this type of fraud have been around for well over a decade, and more recently have been a major driver of the migration to EMV.

Following initial successes in addressing skimming, such attacks and associated losses are on the rise. The root cause of this problem is that skimmed cards can still be used in countries which have not adopted EMV, but there are other contributory factors:

- Not all ATMs are fitted with anti-skimming devices
- Criminals have devised ways to bypass some of the less sophisticated anti-skimming devices
- Public awareness of preventative measures, such as shielding of PINs, remains relatively low
- The potential for ATM skimming is growing as the number of ATMs around the world increases. Greater geographic diversity provides the opportunity for criminals to move between countries, taking their expertise with them.

Until magnetic stripes are removed from cards, which does not appear likely for the foreseeable future, the industry can only try to minimise this problem. ATM owners can make greater use of anti-skimming technology (particularly devices that detect foreign objects attached to the ATM) and increase use of surveillance cameras, while issuers can further improve detection of suspicious transactions and make greater efforts to increase customer education.

There was a second, important point that struck me during the conference which deserves a mention here. Several speakers highlighted that the number of attacks during ATM cash replenishment is rising. There appears to be a real concern that as physical protection of the ATM improves, criminals will move to a new weakest link – worryingly this is not a card, or an ATM, but CIT staff themselves.

Dominic Hirsch, Editor

2 ATM SECURITY

The war on ATM crime rages on

5 ATM AND CARD CRIME IN NIGERIA

Nigerian ATM and card growth spur increase in crime

7 WORLD PAYMENTS REPORT

Cashless transactions grow but SEPA challenges remain

10 AUSTRALIAN PAYMENTS

Australia considers interchange rate de-regulation

12 RUSSIAN PAYMENT CARDS

Increasing competition in Russian card manufacturing

13 ATM, DEBIT CARD AND PREPAID FORUM

Innovation in the midst of crisis

14 NEWS BULLETIN

Banking, ATM and payments news

15 ROB'S REFLECTIONS

RBS move signals end of Maestro in the UK

16 COUNTRY PROFILE

ATM and cards intelligence on Switzerland

20 CONFERENCE DIARY

Upcoming industry events from around the world

Editor Dominic Hirsch

Managing Editor Morten Jorgensen

Assistant Editors Tomomi Kimura, Rob Walker

Contributors Rowan Berridge, Andrei Charniauski, Robert Chaundy, Rich Cummings, Bill Donges, Sarah Jones

Subscriptions Manager Susie Lens

Advertising Manager Felix Kronabetter

For all editorial and advertising enquiries:

Telephone: +44 20 8940 1398

Fax: +44 20 8940 1527

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304 Sandycroft Road, Kew Gardens
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