

Banking Automation **BULLETIN**



ATM security still a critical issue for banks and vendors

Surge in ATM skimming attacks, but losses fall

Cheques fast falling out of fashion

EMV – Broken in theory, secure in practice?

Vietnam victim of rising levels of card fraud

**Country profile:
Ireland**



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Is the USA any closer to adopting EMV?

Reviewing the latest ATM crime statistics from the European ATM Security Team (EAST), one

statistic stood out – international losses due to card skimming were nearly five times greater than domestic losses.

Much of this fraud is being pushed to markets which have not adopted EMV – the country that stands out more than any other in this category is of course the USA. Until now, the US card industry has been resolutely against any movement towards EMV. It had been thought that fraud migration might soften this position, but so far this does not appear to be the case.

There is another factor that does seem to be having an effect however – US cardholders having problems using magnetic stripe cards when they travel abroad. While the costs associated with this issue are negligible, and the share of the US population that this impacts is relatively small, for those customers who do travel, this could become a major issue.

While none of the large US banks have started issuing EMV cards, at least one credit union has started to do so. Interestingly, the United Nations Federal Credit Union is offering EMV only on their platinum cards, and trying to market the benefits of EMV to attract premium customers.

A consultant speaking at the recent *ATM Security 2010* conference in London (see page 2) indicated that he believed that the USA would move to EMV sooner than many people believe. Is he right?

No and yes. No, because at present, US issuers and acquirers are not prepared to even entertain the costs that would be incurred by a wholesale migration to EMV. Yes, because this was the case in Europe too, until skimming losses started to escalate rapidly, and suddenly the investment required for EMV did not seem quite so eye-wateringly painful after all.

Dominic Hirsch, Editor

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