



Statistics Confirm Chip Technology on Credit Cards is Not 100% Secure

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Manchester, NH ? June 9, 2016 ?Financial institutions and the authorities have been looking for ways to fight identity theft. However, it seems that the crime continues to grow and affect millions of people from around the world.

Chip technology as a security fix for credit cards believed to be ineffective against fraud. This security fix comes in a form of microchips embedded in the credit cards.

In the last few years it has been reported about \$200 million to \$800 million were spent by card issuers to provide cardholders with new debit and credit cards. Large retailers, on the other hand, have spent over \$8 billion just to install card readers, which work by reading the microchips.

Unfortunately, despite of all these costs and measures, retailers believe that the new system is highly flawed. According to retailers, instead of using a two-factor authentication from chip ?n? PIN cards, card issuers are distributing chip ?n? signature cards, which crooks can undermine with ease.

Brian Dodge, executive vice president of the Retail Industry Leaders Association, believes that chip and PIN has been proven to fight fraud significantly. However, unfortunately, it is not exactly what American consumers are getting.

The new chip technology is also believed to be ineffective in eliminating fraud and instead it will only divert the type of fraud that may take place.

A new technology called Europay, MasterCard, and Visa (EMV) consists of cards that contain microchip. This microchip possesses data that is traditionally stored in the magnetic strip of cards. It works with readers that have the ability to scan the chip as well as process payment transactions. This is securely done with the use of encryption.

It is believed that the chip can reduce fraud due to the fact that it contains a cryptographic key. This key works by authenticating the card as a legitimate bank card. It also generates a one-time code with every transaction.

The retail industry believes that using signatures with chip cards is less secure because it can be extremely easy to forge signatures. Card readers also don't do anything to authenticate the signatures.

The good news is that there are blocking sleeves for credit cards available nowadays. Consumers can use this product to increase their protection against thieves. Crooks with skimming devices won't be able to steal information when these credit card sleeves are used.

The set of RFID blocking sleeves can be purchased at amazon.com. Consumers can use this product while dining and traveling. These sleeves won't just free them from hassles but also save them from financial embarrassment. (<http://amazon.com/rfid-passport-sleeve-protector/dp/B0150T0AI2>).

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RFID Vault

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