

## Get the FACTS

### Setting the Record Straight on Credit Card Security and the Need for Chip + PIN

**MYTH: Current data security measures are keeping consumers safe.**

**FACT:** Data breaches are reaching an all-time high. In 2014, the number of American businesses that suffered a data breach experienced a staggering 27.5 percent increase from 2013. Nearly 800 data breaches – a record high – were tracked last year. 2014 was the “Year of Mega Breaches,” and 2015 is forecasted “to be as bad or worse.” ([Source](#))

**MYTH: The United States is a global leader in credit card security, using the most secure and cutting-edge technology available.**

**FACT:** The United States is unacceptably lagging behind countries all over world in implementing modern credit card security to protect consumer with the best available technology. In fact, the United States is the *last* G-20 nation to issue chip-equipped cards. Big banks and credit unions are failing to provide consumers with Chip + PIN protections that are commonplace around the world.

**MYTH: Chip-equipped cards without PIN requirements provide sufficient security.**

**FACT:** Chip-equipped cards that rely on signature validation and not PIN technology do not protect consumers or provide any real protection at all. Only the chip + PIN combination offers a two-step verification process that is nearly impossible to clone. [The results speak for themselves](#) around the world – Canada saw a 50 percent in-store fraud loss after adopting chip and PIN, and the United Kingdom experienced a 70 percent drop. The White House recognized these benefits, taking an important first step by issuing an [Executive Order](#) mandating that all government transactions use chip and PIN-equipped cards and payment terminals.

**MYTH: Americans won't be able to remember a four digit pin required to use a chip and PIN card.**

**FACT:** From the moment they wake up, Americans use a multitudes of passwords to access their smartphones, computers, and email. With nearly 60 percent of Americans using five or more unique passwords, consumers are fully capable of remembering a four-digit code that will protect some of their most important financial information. ([Source](#))

**MYTH: Consumers are moving away from credit cards.**

**FACT:** While payment alternatives like ApplePay and other mobile options are slowly entering the market, nearly *three-quarters of all Americans* had at least one credit card in 2014. Moreover, not every American consumer has the means to use more sophisticated mobile payment options and others – particularly lower income consumers – rely on paying with credit at times. Bottom line – the majority of consumers will continue using credit cards for some time and they should not be disenfranchised or left behind. ([Source](#))

**MYTH: The implementation of chip and PIN will drive hackers online, rendering in-store protections like PINs or signatures less important.**

**FACT:** When chip and PIN was introduced in Europe, fraud flowed in two directions: online in Europe and to the United States because we still widely use the less secure payment security system. The fact that fraud flowed in these directions *proved* that chip and PIN cards were effective at thwarting common credit card abuses and point-of-sale fraud wherever they were implemented.

In-store protections are critical to consumers and commerce. Brick and mortar stores remain a bedrock component of the American economy and the retail industry as “90 percent of all retail sales are transacted in stores and 95 percent of all retail sales are captured by retailers with a brick-and-mortar presence.” Most Americans still rely on offline shopping. ([Source](#))