70 Percent of Consumers Still Fear Online Credit Fraud

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Close to 70 Percent of Consumers Still Fear Online Credit Fraud

Despite Retailer Efforts, Mintel Report Reveals Consumer Concerns Regarding On-Line Purchasing

Chicago (February 1, 2007)- Consumers are escalating their purchases on the Internet, but concerns still remain regarding the safety of online purchases. According to a recent Mintel report, close to 70 percent of respondents are either â€œvery concernedâ€• or â€œsomewhat concernedâ€• that their credit or debit card information will be stolen if they purc things on the Internet. Retail, banking and credit companies have implemented aggressive programs to combat these fears, but consumers are still skeptical about secured information.

More than one third of respondents to Mintelâ€™s exclusive survey perceive the Internet as the medium most likely to result in identity theft. This is compared to 28 percent who claim mail theft and one fifth who say credit card receipts. In contrast with these perceptions, the 2006 Identity Fraud Survey Report released by the Council of Better Business Bureaus/Javelin revealed that more than 60 percent of fraud actually occurred at the hands of friends, family neighbors and through other means than Internet purchasing.

â€œThe fear of fraud will always remain for consumers who make online purchases,â€• said Susan Menke, senior financial analyst for Mintel. â€œCompanies have done a great job of educating consumers about protecting themselves against fraud, but some people are still cautious about putting their personal information out on the Web. With millions of fraud cases being reported each year, consumers have a right to remain cautious about protecting their private information.â€•

Mintel Comperemedia, a competitive intelligence service that analyzes direct mail, e-mail marketing, and print media, reports that top card issuers are addressing cardholder concerns through increased protection programs. These programs are offered both through the bank and third party partnerships. In addition to highlighting built-in fraud protection, top issuers such as American Express, Citibank and Chase now offer fraud protection insurance, often up to $25,000, for a monthly premium.

Despite the public information awareness campaigns run by federal and state governmental agencies, Mintel reports that only one third of respondents check their credit report more than once a year. One fifth of respondents state they have actually been victims of identity theft, which shows a greater need for companies to continue educating consumers about their online security practices to ease fears.

â€œBy purchasing from secured sites and checking credit reports, consumers can work to better protect themselves from incidents of online fraud,â€• said Menke. â€œIn an increasingly digital world, consumers need to ensure that they are well educated about the resources and processes that are in place to protect them from fraud.â€•

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