

New book for merchants on preventing credit fraud

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New Book Advises Businesses On Keeping Safe From Fraud

Merchants are unaware of the liability they face for credit card transactions and the hit they take when a transaction is marked as fraudulent.

San Ramon, CA...A merchant's transaction that's approved does not mean that the transaction is good. This is one of many red flag warnings in *Preventing Credit Card Fraud: A Complete Guide for Everyone from Merchants to Consumers* by Jen Grondahl Lee and Gini Graham Scott (Rowman & Littlefield/March 2017), a new book for merchants and consumers on preventing credit card fraud and what to do if one becomes a victim.

"I get several calls a month from merchants who discover the product they shipped to a purchaser was bought with a stolen or fraudulent credit card," says author Jen Lee, the San Ramon-based attorney who focuses on debt and credit strategies and bankruptcy.

With the proliferation of online scams targeting consumers, businesses take the hit when a transaction is marked as fraudulent.

"Not only are the merchants unaware of their liability, they also face a double loss from having to refund their bank and be out the product. As a merchant, especially an online merchant, it's crucial you understand the extent of your liability for fraudulent transactions," warns Lee.

The book points out that while consumers are protected from paying for fraudulent transactions, the laws for businesses and banks are not as forgiving. Business owners and merchants are seen as sophisticated players in the marketplace and there are few protections for a business that takes credit card payments. This is especially the case for transactions where the business does not see the card (also known as "Card Not Present" transactions). Lee emphasizes in the book that business owners understand both their rights and the extent of their liability when accepting credit cards.

Here are a few of the topics in *Preventing Credit Card Fraud* that merchants who accept credit cards should heed:

- When a transaction is a dispute and when it's fraud.
- Types of frauds that merchants and service providers need to be aware of.
- Encouraging cash-type payments.
- Protection from fraudulent chargebacks.
- Balancing the need for security while creating barriers to sales.

In addition to laying bare the staggering and growing problem of credit card and identity fraud, *Preventing Credit Card Fraud* offers merchants and small business owners several protective measures for preventing credit card fraud, including these 5 basic steps:

1. Use an address verification service, which is usually provided by most credit card companies.
2. Ask for the security code on the physical card (often called the CVV).
3. Be cautious about uncommonly large orders for a product.
4. Check that the shipping and billing address match.
5. Check with your payment processor to see if they have an IP verification tool

Lee also advises that business owners review their merchant services agreement to identify how fraudulent charges are handled. "Comparing agreements and understanding liability should be key for any business owner deciding to take credit cards, she cautions. It isn't just about finding the lowest rate."

For a review copy of the book (hard copy or PDF) contact Jen Grondahl Lee at jen@jenleelaw.com or 925-586-6738.

To interview Lee, contact jen@jenleelaw.com or 925-586-6738.

ABOUT

Jen Lee is a California bankruptcy attorney who focuses on debt and credit strategies. She advises business owners and individuals facing difficult financial situations and works with them to find workable solutions for getting back on track. Combatting credit card fraud is one of the sticky situations she helps merchants overcome. Other client work includes strategies to deal with overwhelming debt, post-bankruptcy options, and strategies for rebuilding credit.

Jen's new book, *Preventing Credit Card Fraud: A Complete Guide for Everyone from Merchants to Consumers*, is being released March 2017 by Rowman & Littlefield. The book guides business owners on protecting against credit card fraud and advises consumers on how to avoid

becoming a victim of credit card fraud or identity theft. Jen Lee Law has offices in San Ramon and Tracy, California. www.jenleelaw.com

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