



Credit Card Fraud Guide



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Fact checked



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Credit card fraud costs Americans hundreds of billions of dollars per year. It also leads to a lot of aggravation and wasted time for victims, as well as a lot of worrying for the rest of us. No one wants to become a credit card fraud statistic, so it's important that you know what to watch out for and how to go about protecting yourself. You can learn about those things and more below.

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What Is Credit Card Fraud?

Credit card fraud is when someone opens a credit card in your name or uses one of your credit card accounts to make purchases without permission. It can happen in many different ways, though. You can get the full story from our [credit card fraud guide](#) and the FAQ below.

Is credit card fraud a felony?

What is an extended fraud alert?

Can I use someone else's credit card if they let me?

What are the effects of identity theft?

Fortunately, your credit card protects you from having to pay for fraudulent purchases. You can learn more from our [fraud liability study](#). You may also want to check out our [guide to identity theft](#), as credit card fraud can be a symptom of a larger problem.

How Does Credit Card Fraud Happen?

The FAQs below will give you a better idea of how credit card fraud occurs, so you can be ready to stop it from happening to you.

What do identity thieves do with your information?



Can chip credit cards be hacked?

Types of Credit Card Fraud

Criminals use a number of different methods to perpetrate credit card fraud, from [credit card skimmers](#) to phishing schemes. You can learn more about these methods and what fraudsters do with your credit card information below.

What is a phishing scam?

What is the NETIVOX.COM charge on my credit card?

What is the APP DEALS TODAY charge on my credit card?

Is it illegal to use a fake credit card for free trials?

Is there a reward redemption scam?

What should I do if I lost my Capital One credit card?

What can I do if I lost my Bank of America credit card?

What happens if you put wrong income on a credit card application?

More Resources

[How To Address An Unauthorized Change Of Address](#)

[Most Common Debt Collection Scams & How To Avoid Them](#)

[What to Do If Your Credit Card Is Lost or Stolen](#)

Credit Card Fraud Statistics

Credit card fraud is a problem, for sure, but it might not be as common as you think. You can get the latest data from the statistics pages and studies listed below.

[Credit Card Fraud Statistics](#)

[States Most Vulnerable to Identity Theft & Fraud](#)

[Credit Card Statistics](#)

Credit Card Fraud Detection & Protection

No one is completely immune from credit card fraud, but there are things you can do to minimize the threat and find out about any issues that do crop up as quickly as possible. For starters, you can check out our picks for the [best identity theft protection services](#). You can also peruse the FAQs and additional resources below.

How do I prevent fraud?

What are the biggest signs of fraud to watch out for?

How much should I pay for identity theft protection?

Should I give someone my credit card details?

What is this charge on my credit card?

Are contactless credit cards secure?

What is a travel notification?

How do I find out who charged my credit card?



What are the dangers of using a contactless card?

Why are chip cards safer than traditional cards?

More Resources

- [Credit Card Protection Guide](#)
- [What Is Credit Monitoring & What Does It Actually Do?](#)
- [How to Protect Yourself From Identity Theft](#)
- [Credit Freeze Guide](#)
- [Placing Fraud Alerts On Your Credit Report: When and How To Do It](#)
- [Don't Recognize an Account on Your Credit Report? Here's What To](#)

How to Report Credit Card Fraud

Reacting quickly to credit card fraud makes it much easier to deal with, and being prepared is the key to a fast response. Below, you can find the answers to some related FAQs and read our guides addressing the steps you should take in common situations.

What should I do if someone opened a credit card in my name?

More Resources

- [What to Do If Your Credit Card Is Lost or Stolen](#)
- [How to Dispute a Credit Card Charge](#)
- [6 Steps You Should Take Following Identity Theft](#)
- [What To Do If You Think A Delinquent Account Is Fraudulent](#)
- [How To Handle An Unauthorized Credit Inquiry](#)

Credit Card Fraud Punishments

Credit card fraud is a crime. Not only are there legal ramifications for fraudsters, including possible jail time, but victims can also end up having to cover at least part of the cost if they're not careful. You can learn more below.

Is credit card fraud a felony?

Do you have to pay for unauthorized credit card charges by family members?

If a teenager uses a parent's credit card without permission, can the charges be disputed?

Credit Card Fraud Lawyers

If you're a victim of credit card fraud and you're having a difficult time getting your money back or your identity restored, a good attorney could be helpful. You can [read reviews right here on WalletHub](#).

Finally, anyone can benefit from an identity theft protection service. For example, [WalletHub offers ID theft protection](#) that monitors your financial accounts, credit report and personal information 24/7. You can also get identity theft insurance, access to identity restoration professionals, and various other features.

Ask the Experts

WalletHub posed the following questions about credit card fraud to a panel of experts. You can see who they are and what advice they had to share below. Just click "Read More" under an expert's name and title to check out their comments.

1. How concerned should people be about credit card fraud?
2. What can people do to minimize the threat of credit card fraud
3. Do you have any advice for people who suspect credit card fraud?
4. Are there any forms of credit card fraud that you think aren't talked about enough?

**Qi Liao**

Ph.D., Professor of Computer Science - College of Science and Engineering – Central Michigan University

How concerned should people be about credit card fraud?

Contrary to common belief, I am not overly concerned about credit card fraud compared to other financial transaction methods. Unlike bank transfers (wire or ACH), money transfer services (such as Western Union), mobile payment apps (like PayPal, Venmo, or Zelle), or cryptocurrency transactions, which are often irreversible and difficult to dispute, credit card transactions provide strong consumer protection.

Most credit card companies offer zero-liability policies, meaning customers are not held responsible for unauthorized transactions. Additionally, disputing fraudulent charges and initiating chargebacks is relatively simple and can be done through a bank's website, mobile app, or customer service. For this reason, when making high-risk transactions, such as purchases from unfamiliar merchants or online marketplaces, I strongly recommend using a credit card for maximum security and ease of dispute resolution.

What can people do to minimize the threat of credit card fraud?

1. Monitor Statements Regularly – Reviewing your monthly credit card statements is one of the simplest yet most effective ways to detect unauthorized transactions. If you notice any unrecognized charges, filing a dispute is quick and easy via the card issuer's website, mobile app, or customer support.
2. Enable Account Alerts – Set up email or text notifications for specific transaction criteria, such as purchases above a certain amount, foreign transactions, etc. This allows you to detect and report fraudulent activity in real time.
3. Use Virtual Card Numbers – When dealing with unfamiliar merchants, personal sellers, or potentially suspicious websites, consider generating a virtual card number through your credit card provider's app or website. These temporary card numbers protect your real credit card details while still allowing you to complete transactions securely.
4. Use Chip Cards Instead of Swiping – Always insert your card rather than swiping it. The chip technology uses cryptographic encryption to secure transactions, making it significantly harder for fraudsters to clone your card compared to the outdated magnetic stripe method.
5. Minimize Data Exposure – While credit card numbers alone may not be enough for fraudsters to cause damage, it's still best to limit exposure. This includes:

Using end-to-end encryption where possible to protect payment information.

Using secure websites (look for HTTPS) when entering card details.

Avoiding public Wi-Fi networks for transactions unless using a VPN to prevent man-in-the-middle (MITM) attacks.

Being cautious of phishing attempts—just because a website uses HTTPS doesn't mean it's legitimate. For example, a fraudulent shopping site offering amazing discounts may "securely" steal your data.

Do you have any advice for people who suspect credit card fraud?

If you suspect fraudulent activity on your credit card, take immediate action:

1. Report the Fraud – Notify your credit card issuer immediately. They can freeze or cancel the compromised card and issue a replacement.
2. Dispute Unauthorized Charges – Most credit card companies allow disputes to be filed online or through their mobile app, ensuring quick resolution.
3. Monitor Your Credit Report – If you suspect that your personal information has been compromised, check your credit report for any unauthorized accounts.
4. Address Potential Identity Theft – If new accounts have been opened in your name, you may be a victim of identity theft. You can file a report with the Federal Trade Commission (FTC) at www.identitytheft.gov and consider placing a fraud alert on your credit file.

Are there any forms of credit card fraud that you think aren't talked about enough?

Fraudsters operate fake online stores, collecting credit card details from unsuspecting buyers. They may deliver counterfeit products or nothing at all while using stolen card data for other fraudulent transactions. To make these scams even more convincing, phishing sites are often promoted through search engines and social media ads. Many people assume that if a website appears on Google or is advertised on platforms like Facebook, it must be legitimate.

Credit card fraud continues to evolve, making it essential for both consumers and businesses to stay informed about emerging threats and adopt proactive security measures.

Questions & Answers

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Fraud vs identity theft: what's the difference?

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Benjamin Bartholf
@bartholf_ben

There are two big differences: the damage involved, and the liability.

If someone's doing credit card fraud, it means he's using your card without your permission, and adding charges fraudulently. In this case, basically the card company'll block the card, and notify you. As far as liability goes, whatever the thief buys, the maximum you'll have to pay will be \$50. In most cases you won't even have to pay that.

As far identity theft goes, that much more severe. Someone is pretending to be you, applying for cards, driver's license, phones, you name it. Whatever they can get away with, they'll do it. The nasty part is that you might even end up paying for it, because it's not as easy to figure out, and it can cross companies, fields, countries, etc.

The point is you should always be careful where you use your personal details.

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What is a phishing scam?

Upvotes

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Phishing is the attempt to acquire sensitive information such as usernames, passwords, and credit card details (and sometimes, indirectly, money), often for malicious reasons, by masquerading as a trustworthy entity in an electronic communication. Most often, this is done via an email such as an "Urgent Notice" from your bank stating your account or debit card has been compromised and requesting you to call or submit information via a website immediately to prevent your account...

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