

Credit Card Fraudⁱ

Fraudulent transactions attempted on legitimate credit card accounts have risen sharply in recent years. While in some instances, credit card fraud occurs when someone's physical credit card is lost or stolen by another party who uses it, credit card fraud is driven primarily by compromise of credit card account data during their normal course of usage. Such compromises can range from theft of data by skimming (copying) the information contained on a small number of credit cards' magnetic stripes to large scale data breaches where millions of credit card accounts are compromised through exploitation of a data security weakness at an online or physical store or chain. Stolen credit card data is then often used to attempt fraudulent online purchases or to create counterfeit credit cards to attempt fraudulent in-store purchases.

ⁱ <https://www.americanexpress.com/us/content/fraud-protection-center/types-of-fraud.html>