



Lloyds TSB

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Lloyds TSB Calls On 'Phone Alerts' To Tackle Rising Tide Of Card Fraud

Lloyds TSB is stepping up the fight against card fraud, becoming the first UK bank to introduce automated telephone alerts¹ to warn customers of suspicious transactions on their current accounts. The announcement comes as APACS reveals that cases of counterfeit fraud, where cards are cloned, have risen by three per cent, while card not present fraud, where cards are used over the phone, Internet or mail order, has increased 16 per cent.

The technology, called 'First Alert', is designed to work alongside Lloyds TSB's fraud detection systems, automatically calling customers, whenever and wherever card fraud is suspected on their account. The system has been in use for credit card customers since 2005 and has proved so successful in tackling fraud that it is now being extended to cover all debit card customers.

Lloyds TSB customers will receive an automated phone call, whenever the bank notices a potential fraud on their account. The message customers hear will ask them if they recognise the transaction in question. If the customer thinks fraud has taken place they will be transferred directly to a Lloyds TSB call handler who will then help freeze the account and organise a refund. Where customers recognise the transaction, they will be able to confirm it is genuine and end the call.

The new system will dramatically increase the speed at which fraudulent transactions are spotted and dealt with by the bank. It will allow more customers to be contacted directly where fraud is suspected and will mean this can be done faster than ever before. It will also allow customers to notify the bank straight away if they know the transaction is genuine.

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First Alert will help clamp down further card fraud, particularly 'card not present' fraud, where card details are used fraudulently over the phone, online or for mail order purchases; and counterfeit fraud, where card magnetic stripe details are copied onto a cloned card before being used.

The launch of 'First Alert' comes as new figures from APACS reveal total card fraud losses in 2006 of £428 million. 'Card not present' and counterfeit fraud, have both risen in the past year. 'Card not present' fraud has risen by 16 per cent to £212.6 million while counterfeit fraud has risen three per cent to £99.6 million.

Gerrard Schmid, director of transaction banking, Lloyds TSB, said: "First Alert will enable us to spot fraud more quickly so we can put things right for customers faster than ever before. The system proved a huge success on credit cards and by extending it to our debit card customers we're planning to crack down further on card fraud.

"We're constantly developing and launching new technologies to fight fraud on every front, and the expansion of our 'First Alert' system to debit cards, will be a real asset."

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