



Texas Department of Savings and Mortgage Lending



From: Caroline C. Jones, Commissioner

To: State Savings Bank Presidents and Chief Executive Officers

DEBIT CARD CLONING SCAM AT STATE SAVINGS BANK

December 17, 2015

This email is to notify you of a debit card cloning scam discovered by one of our state savings banks.

Bank customers' debit cards were cloned by fraudsters and used to make purchases at big box stores in other states. The bank discovered the issue because the amount of debit card transactions disputed in two days was four times the amount normally disputed for an entire month.

The bank, through its data processing provider, after discussing with compliance experts and being sure to comply with Regulation E, flagged certain merchant codes to require pin based transactions rather than signature based transactions when debit cards are used at certain merchants.

Be aware – these cloning schemes are still out there and are costing banks and customers money.

If you know of a scam that would be helpful for your fellow state savings bankers to be aware of, or if you have any comments or feedback on this email, please contact Commissioner Jones.

Caroline C. Jones
Commissioner