



Is Using Your Credit Card Online Safer?

Consumers less concerned about online credit card fraud than offline, reveals Ipsos-Insight's surprising survey results

January 22, 2004, New York, NY – Americans are very concerned about problems with credit card security that might make it possible for someone to steal their credit card information and use it fraudulently, according to new survey results from Ipsos-Insight, the global survey-based marketing research firm. But when respondents were asked about online credit card security, they expressed less concern, the survey also found.

While 76% of respondents said credit card fraud is either a moderate or major concern, only 69% of respondents felt the same way about online credit card fraud. The results are from a survey of 943 American credit card holders fielded last week who were asked their opinions about credit card security, both online and offline, as well as about their experiences with credit card fraud.

"The results are surprising," said Greg Mahon, Senior Vice President, Financial Services with Ipsos-Insight. "Even though people have become more comfortable with the Internet, online retailers have increased security measures, and banks have increased security policies, we didn't expect consumers to be *less* concerned about online credit card fraud than they are about offline credit card fraud."

Credit card fraud is still a major concern to 4 in 10 Americans—both online and offline. Forty-two percent of respondents expressed serious worries about credit card security, and consider fraud a major concern. Nearly the same number of Americans—41%—consider online credit card fraudulence a major concern and 38% of respondents said they are less likely to make an Internet purchase because of those anxieties.

The apprehension seems to be justified: 12% of respondents to the Ipsos-Insight survey said they have been the victims of credit card fraud. The number of people who reported knowing someone who had been a victim of fraud as a result of a stolen credit card concurs with the recent estimate from the Federal Trade Commission that 27.3 million Americans have been the victims of identity theft in the last five years.

"The perception that online is safer may be derived from the fact that, up to this point, less people have been the victim of online fraud," said Mahon. "Credit cards have been around for over 50 years, but making purchases online is a relatively new phenomena."

Only 4% of the Ipsos-Insight survey respondents reported having been the victim of credit card fraud as a result of using their credit card online. Despite these low numbers, Internet-based credit card fraud is increasingly prevalent: about 18% of Americans reported being a victim or knowing someone who had been the victim of online credit card fraud.

"This is certainly a fascinating development," added Mahon. "Time will tell whether people change their view of online security as their experiences with making purchases online—and potentially being the victim of fraud—increase."

For more information, please contact:

Greg Mahon
Senior Vice President, Financial Services
Ipsos-Insight
212.265.3200 ext.293
greg.mahon@ipsos-na.com

**Methodology**

Data were gathered using the Ipsos U.S. Express from January 16 to 19, 2004. Interviews were conducted via telephone among a nationally representative U.S. sample of 1,000 adults age 18 and older. A total of 943 current credit card holders were interviewed.

Ipsos-Insight

Ipsos-Insight is a member of the Ipsos Group, a leading global survey-based market research company. As the company's flagship marketing research division in the U.S., Ipsos-Insight provides custom and tracking research services to domestic clients, as well as U.S.-based multinationals. Ipsos-Insight offers concept and product testing, package testing, attitude and usage studies, omnibuses, tracking systems, brand equity, volume forecasting, marketing models, advanced analytics and global research. Ipsos-Insight specializes in research for companies in the following industries: agrifoods, consumer packaged goods, energy and utilities, financial services, health, lottery and gaming, retail, and technology & communications. To learn more, please visit www.ipsos-insight.com.

Ipsos

Ipsos is a leading global survey-based market research group, which conducts research in more than 100 countries. Ipsos offers a full suite of research services—guided by industry experts and bolstered by advanced analytics and methodologies—in advertising, customer loyalty, marketing, media, and public affairs research, as well as forecasting and modeling. Member companies in Europe, North America, Latin America, the Middle East and Asia-Pacific also offer a full line of custom, syndicated, omnibus, panel, and online research products and services. Visit www.ipsos.com to learn more about Ipsos offerings and capabilities.