

**28 November 2005**

Mr Raymond O'Rourke  
Consumer Panel

**Re: ATM Fraud**

**Our Ref: CONI 05/5438**

Dear Raymond

Thank you for your letter of 15 November 2005 in relation to ATM fraud and your suggestion that it would be useful to have guidelines for financial institutions in this particular area.

I have noted your suggestion but I would hope that the general principles attached to the proposed Consumer Protection Codes – acting honestly and fairly and in the best interests of consumers together with correcting errors and handling complaints speedily and efficiently – would address the problems raised in relation to ATM fraud.

Part of the role of Consumer Information is to help consumers to make informed decisions about their personal finances and also to inform them on the best way to resolve the issue when something goes wrong. “How to Complain” one of our most popular fact sheets explains the process and also leads into the role of the Financial Services Ombudsman. In respect of individual queries in this area we concentrate on how it impacts on consumers, their expectations of the service itself and how best they can resolve the issue to their satisfaction. From March 2004 until the present day we have had 28 queries that relate to fraudulent use or disputed transactions on credit, laser and ATM cards – out of 3769 consumer contacts. Only 8 of those queries related to card skimming and ATM problems – the balance relate to disputed transactions on customer accounts.

A better-informed consumer who is aware of their rights, the complaints process and the options that are available to them will usually succeed in resolving the issue if they have a genuine case. Disputed transactions on ATM's usually fall into two categories of fraud and systems errors. In relation to the fraud element we have produced a fact sheet on this advising consumers what to look out for in relation to their ATM, credit and laser cards. In relation to systems errors – this is where the person uses their card to take out funds from an ATM and only part or none of the funds requested, is received by the consumer. It is in these situations that some consumers depending on their age and the time the transaction took place may have difficulty in getting their money back but we have found that when the issue is raised with the financial institution and information is sought on possible systems errors the issue is resolved to the satisfaction of the consumer.

Yours sincerely

Mary O'Dea  
Consumer Director