Financial Transactions on the Internet, Part II

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Financial Transactions on the Internet, Part II

Posted on August 1, 2003 by Editor

By Jeffrey Barlow <barlowj@pacificu.edu>

In our editorial for the May/June issue, “To E- Or Not To E-: Financial Transactions On the Internet” <http://bcis.pacificu.edu/journal/2003/04/edit.php> we discussed our discovery that our credit card number had been compromised in the context of an on-line electronic purchase. Here we report on subsequent events and upon our conclusions.

We discuss this not simply because Interface provides us with a bully soapbox from which to pursue our personal problems, but because this is an issue of potential importance to anyone who uses a credit card on the Internet. As we reported earlier, recently the Visa USA Corporation had reported that it processed one trillion dollars in transactions for the last twelve months. At present, of all consumer economic activity, 38 dollars of every hundred is spent with payment forms other than cash or checks, 12 dollars of which is transacted with a Visa card. [1]

Also as reported earlier, the theft of information in on-line transactions cannot be called a rare occurrence. Doubtless those who run the security systems intended to protect such transactions would argue that the event is rare relative to the enormous volume of such transactions. But credit card numbers have been taken by the millions [2], as well in isolated transactions such as my own. In going through the necessary steps to inform those who had accepted my compromised card and in setting up new accounts, I learned of several individuals who had experienced a similar problem. And they each, like me, reported that it was not only a major hassle to deal with, but that it produced a great feeling of insecurity.

I have had prior experience with the theft of a checkbook consequent to a break-in and having the miscreant attempt to write checks on my account. This was a concern, of course, but one on a much lower scale than having one’s credit card number stolen. With the speed of communications on line, it is easy to imagine that this is a problem that may well haunt me for some months as the old credit card number is passed from criminal hand to criminal hand. Having once made the mistake of replying to a Nigerian e-mail scam in order to write about it for
BCIS (See the May, 2002 edition of *Interface*, “Globalism, Crime, and the Internet”, <http://bcis.pacificu.edu/journal/2002/05/editorial.php>) I am well aware now of how truly globally distributed electronic criminals have become. While it is true that electronic verification procedures will likely protect me in the United States against cloned cards, I know that there are many countries where such protections do not exist.

The electronic transactions industry asserts that the fact that I can contest any spurious charges is adequate protection. My repeated efforts to find out precisely what had happened in the recent case of my card being hijacked were met with some puzzlement at the relevant agencies; after all, I could refuse to pay. However, among other things, being involved with computers now means that I can, and do, work just about all the time. The specter of losing two or three hours (a minimal estimate) per criminal transaction is truly horrifying to me. After all, the credit agency holds the trump card in this game; if they choose not to honor my protests, then it becomes my attorney vs. their attorneys while they control my credit and bank accounts.

There are also additional concerns that appear to bother me much more than the industry. I want, for example, to know precisely where my card number was taken. Whose security broke down? I tend to use my card in a small number of such transactions per month, and often at the same site on repeated occasions. It is clearly important for me to know if I have a problem at a particular site.

I finally pushed my demands for this information to the point where one put-upon executive explained to me that the merchant’s right to privacy outweighed my right to know. In short, the information, of course, exists (earlier individuals interviewed over the phone denied that the information could be known!) but I have no right to it.

There are several possible explanations for their refusal to give me this explanation. Possibly they are primarily concerned about protecting their merchant clients from lawsuits. If a given site advertises greater security than actually provided, are they liable for my losses and for my time? What if I order a critical piece of equipment that never arrives because the card has been compromised? Who is liable for my down time or lost sales?

Another possible concern is simply adverse publicity. If it proves that site A has been compromised, and I say so, and they lose business, then the transactions firm is hurt a good deal less if they protect their clients against such exposure.

I have to speculate on motives here, because I was ultimately unsuccessful in gathering specific information. My attempt to pressure the agencies involved by refusing to take out a new card until they clarified the abuses of the old one were initially successful. As they reviewed my incredibly foolish use of credit over the years and calculated the number of retirement accounts that would be disrupted were I to go cold turkey on using plastic, they were inclined to be helpful. Then, with a masterstroke, one such individual cut right through that strategy by simply sending me a new card unasked, which, of course, I soon used.
There is another important reason why I need to know where and how my card was compromised. I want to be both aware and wary. As a good inhabitant of urban environments I have learned not to leave my car door unlocked nor valuables exposed in it, not to carry large amounts of cash, not to go down dark streets, not to give my social security number out over the phone, etc., etc., and I want to know what sorts of electronic security measures have been compromised. When I see that little lock on the bottom of a web page telling me that the site is a secure one, should I believe it or is it the equivalent of being visually evaluated by a pickpocket on a Hong Kong subway?

The industry recognizes the rights of merchants to understand the nature of the protection given their transactions. Go to http://international.visa.com/fb/paytech/secure/main.jsp and scan the "3-D Secure System Overview", a PDF file in 75 pages if you want to better understand one company’s concern for security in electronic transactions.

We feel that citizens should have equivalent awareness. There are various levels of electronic security, and just as the modern citizen comes to understand the advantages of dead bolts versus brass chains on their doors, so do we need to understand the electronic equivalents. And when criminals find one class or type of electronic security easier and easier to penetrate, we need to be so informed.

The appropriate parallels here seem to me to be with “real” forms of theft. If money is illicitly withdrawn from my savings or checking accounts I have a rich variety of options. Throughout I am protected by statute and case law, and ultimately by FDIC insurance. I appear to have no equivalent rights in Internet transactions. If I am robbed on the street, I have a wide array of legal rights; if I am robbed on the Internet, I seem to have a great many fewer.

I recognize the necessity and the advantages of electronic transactions and certainly do not intend to forego their many conveniences. But for the electronic transactions industry to treat us as though we have no stake in the outcome of our transactions is simply foolish. Some people will probably choose not to go down such dark electronic alleys, and that would be too bad for all concerned.


This entry was posted in Uncategorized by Editor. Bookmark the permalink [http://bcis.pacificu.edu/interface/?p=2764] .

29 THOUGHTS ON "FINANCIAL TRANSACTIONS ON THE INTERNET, PART II"

Tracie Pressler
We are a group of volunteers and starting a brand new scheme in our community. Your website offered us with helpful information to work on. You have done a formidable job and our entire community can be thankful to you.

I am not sure where you are getting your information, but good topic. I needs to spend some time learning more or understanding more. Thanks for great information I was looking for this info for my mission.

I pay a quick visit every day a few websites and sites to read articles, except this webpage gives feature based content.

Wow that was odd. I just wrote an extremely long comment but after I clicked submit my comment didn’t show up. Grrrr… well I’m not writing all that over again. Anyhow, just wanted to say wonderful blog!

http://bcis.pacificu.edu/interface/?p=2764
Hey there! This is kind of off topic but I need some guidance from an established blog. Is it difficult to set up your own blog? I’m not very techincal but I can figure things out pretty fast.

I’m thinking about creating my own but I’m not sure where to start. Do you have any ideas or suggestions? Cheers

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**best induction cooktop**

on **February 3, 2014 at 8:26 PM** said:

Hi mates, good piece of writing and fastidious urging commented here, I am really enjoying by these.

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**best humidifier**

on **February 3, 2014 at 8:30 PM** said:

It’s a pity you don’t have a donate button! I’d certainly donate to this brilliant blog! I guess for now i’ll settle for book-marking and adding your RSS feed to my Google account. I look forward to fresh updates and will share this blog with my Facebook group. Chat soon!

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**band saw reviews**

on **February 3, 2014 at 8:38 PM** said:

I’m amazed, I have to admit. Seldom do I encounter a blog that’s both educative and entertaining, and without a doubt, you have hit the nail on the head. The issue is something which too few men and women are speaking intelligently about. I am very happy that I found this during my hunt for something concerning this.
pressure washer reviews

on February 3, 2014 at 9:21 PM said:

I have been surfing online greater than 3 hours today, but I by no means found any interesting article like yours. It is lovely value enough for me. In my view, if all webmasters and bloggers made just right content material as you did, the web will probably be a lot more helpful than ever before.

pastor zac allen

on February 3, 2014 at 10:20 PM said:

Very good blog! Do you have any tips for aspiring writers? I’m hoping to start my own site soon but I’m a little lost on everything. Would you propose starting with a free platform like Wordpress or go for a paid option? There are so many options out there that I’m completely confused .. Any recommendations? Kudos!

jig saw reviews

on February 3, 2014 at 10:33 PM said:

What’s up to everybody, it’s my first visit of this website; this webpage includes remarkable and actually fine stuff for readers.

vacuum sealer reviews

on February 3, 2014 at 11:57 PM said:

Having read this I believed it was really informative. I appreciate you taking the time and energy to put this article together. I once again find myself personally spending a significant amount of time both reading and posting.
comments. But so what, it was still worthwhile!

infrared grill reviews
on February 4, 2014 at 12:10 AM said:

Thanks for finally talking about > Financial Transactions on the Internet, Part II | Interface < Liked it!

best rifle scope
on February 4, 2014 at 12:42 AM said:

It’s an awesome paragraph in support of all the online users; they will get benefit from it I am sure.

folding bike reviews
on February 4, 2014 at 1:48 AM said:

I would like to thank you for the efforts you’ve put in writing this blog. I’m hoping to check out the same high-grade content by you later on as well. In truth, your creative writing abilities has motivated me to get my very own site now 😊

nigeria entertainment news
on February 4, 2014 at 10:37 AM said:

One far more point I would like to talk about is that as an choice to trying to accommodate all your on the net degree lessons on times that you just end jobs (since the majority persons are tired after they get home), try for getting most of the instructional classes on the week-ends and only a couple courses in weekdays, even if it approaches a modest time away through the saturday and sunday. This really is very good since on the saturdays and sundays, you are much more rested along with concentrated in school work. Thanks a lot for ones numerous elements I have figured
I’d like to find out more? I’d love to find out some additional information.

With havin so much content and articles do you ever run into any problems of plagorism or copyright infringement? My blog has a lot of completely unique content I’ve either authored myself or outsourced but it appears a lot of it is popping it up all over the internet without my authorization. Do you know any methods to help stop content from being stolen? I’d certainly appreciate it.

Fantasic web site. A lot of helpful info here. I’m sending it to several friends ans additionally sharing in delicious. And of course, thank you for your effort!

I’m realpy enjoying the design and layout of your site. It’s a very easy on the eyes which makes it much more enjoyable for me to come here and visit more often. Did you hire out a designer to
create your theme? Superb work!

god heals mental illness
on February 4, 2014 at 11:39 PM said:

I need to thank you for this excellent read!!
I certainly enjoyed every bit of it. I have got you
bookmarked to check out new things you post...

attac.org
on February 5, 2014 at 2:11 AM said:

Wow that was strange. I just wrote an extremely long comment
but after I clicked submit my comment didn’t appear.
Grrr… well I’m not writing all that over again.
Regardless, just wanted to say fantastic blog!

Http://www.coocoonhome.com
on February 5, 2014 at 3:08 AM said:

Hey there! I simply wish to give you a big thumbs up for
the excellent information you have right here on this post.
I will be coming back to your web site for more soon.

saint peter definition
on February 5, 2014 at 5:24 AM said:

I know this site offers quality depending articles or reviews and extra stuff, is there any
other web site which provides these kinds of things in
quality?
christian church louisville ky
on February 5, 2014 at 10:15 AM said:

Great post. I used to be checking continuously this blog
and I am inspired! Extremely helpful info particularly the final part 😊 I handle such
information a lot. I used to be looking for this certain information for a
very lengthy time. Thanks and good luck.

Home Loans Poor Credit
on February 5, 2014 at 11:03 AM said:

Wonderful, what a website it is! This weblog gives useful data to us, keep it up.

toplista.bestnews.pl
on February 5, 2014 at 12:00 PM said:

Excellent post. I was checking constantly this blog and I am impressed!
Extremely useful information specially the last part 😊
I care for such info much. I was looking for this certain info for a very long time. Thank you and best of luck.

christian ministry north korea
on February 5, 2014 at 12:44 PM said:

Hi, i think that i saw you visited my website thus i came to “return the favor”. I am attempting to find things to enhance my website suppose its ok to use some of your ideas!!
dallas austin  
on February 6, 2014 at 2:58 AM said:

It’s very trouble-free to find out any matter on web as compared to textbooks, as I found this post at this site.