With the recent spate of compromises of credit card data, you might be wondering if it is safe to use any type of credit. Target, Neiman-Marcus, and now Michaels have all had some challenges in keeping their data safe from cybercriminals.

Cybercriminals have switched their tactics as they have found the easy entrance into our system. At one time, these hackers worked exclusively to break into targeted banks. Banks have become much more active in protecting their customers. Now criminals have found it is much easier to get the same information from retailers.

Why are our credit cards so easy to compromise? The magnetic strip on the back holds your name, bank and credit card information. It is easy to read with the right equipment and holds all the things a crook needs to steal from you.

When you swipe your card, the merchant records your credit information but also makes notes of your buying habits. The new chip and PIN system that has been proposed will immediately encrypt your data so it isn’t available to crooks. However, it also keeps merchants from knowing your buying habits.

Merchants have a lot to gain by maintaining our current system. It is fast, smooth and can run millions of cards almost without challenges. However it doesn’t protect the information that is on that magnetic strip. One of the fears merchants have concerning the proposed new system is that it might slow down checkout lines. I bet this would irritate lots of consumers as well.

Just like our own budget, it all boils down to dollars and cents. Though it is cheaper for the credit card company to maintain the current system, that comes at the cost of security. This transfer to a more secure form of cards is estimated to cost more than $8 billion. Lest you point fingers at the credit card companies for not making the investment for security, remember that most of the price will be passed on to the customers of the company. That breaks down to a cost of more than $7 per credit
card. Then add in the cost of changing out the credit card terminals and ATMs and you are talking real money. It is cheaper for these large companies to pay for remediation than to switch out to the new system.

How can you protect your credit accounts from being compromised? Be sure to check your credit card and your debit card accounts on a regular basis for any unauthorized charges. Sometimes it is weeks or years before these criminals use your numbers, so continue to check. If you have any suspicion that your accounts were compromised, call the bank and have it issue new cards.

The most effective method to keep your credit card data safe is for you to be diligent in keeping track of your information.

Roxie Rodgers Dinstel is a professor of extension on the Tanana District Extension Faculty. Questions or column requests can be e-mailed to her at rrdinstel@alaska.edu or by calling 907-474-2426. The Cooperative Extension Service is part of the University of Alaska Fairbanks, working in cooperation with the U.S. Department of Agriculture.