

# Can Raising the Limit on Contactless Cards Increase the Risk of Fraud?

*Customers can now put higher limits on contactless cards, but is it safe? Pengeretur specializes in fund recovery, cautions Customers*

NEW YORK, USA, November 24, 2021 /EINPresswire.com/ -- Customers can now put higher limits on [contactless cards](#), but is this new convenience safe? It was announced in October that limits on contactless cards would be raised from £45 to £100. Despite concerns, the [FCA reported](#) no measurable increase in fraud with these higher limits.

However, [Pengeretur.dk](#), that specializes in fund recovery, cautions there may be more to the story. Given that the time period for testing was short and the fact that many banks, including the Danske Bank, UK are allowing customers to set their own limits, could the perception of the security of contactless cards change?

Maybe fraudulent activity will continue to be minimal for cards with limits between £45 to £100, as the FCA observed, but there is a good reason to believe that when customers set higher limits, such as £500 or £1,000, theft and fraud with contactless cards may increase.

### Contactless Cards and the Move Away from Cash

Increasingly, governments and companies are encouraging people to move away from cash. Issuing contactless cards is part of this trend. These cards can conveniently slip into a wallet without requiring the customer to carry bulky currency. In addition, contactless cards are often considered at least as secure as cash, since limits are placed on them, and there is only so much money that can be stolen.

When contactless cards were first released, the limits were as low as £10 or £30. With the recent hike to the £45 to £100 range, there has been no dramatic increase in fraud, but it is uncertain whether this continues as limits go higher.

As Pengeretur professionals have observed patterns of fraud with their extensive work recovering funds on behalf of clients and have raised concern about the provision that allows customers to set their own limits.

This feature is provided by contactless cards issued by Danske Bank UK, Bank of Scotland, Lloyds, and Starling. It is known that fraudsters are attracted to larger amounts of money and won't

bother the risk of trying to swipe £10 to £30 from a contactless card.

However, as the numbers grow beyond £45 to £100 to flexible limits set by customers, which could go into the thousands, Pengeretur has stated that there is reason to be cautious, and to expect more fraud.

#### Are Flexible Limit Contactless Cards Still Safer Than Credit Cards?

One of the reasons people feel more secure with contactless cards than with regular credit cards is the limits placed on how much can be spent. Now that certain customers can set their own limits, they may be tempted to set the amount higher. Will higher limit contact cards still be safer than traditional credit cards?

Contactless cards require verification after a certain number of purchases or a specified amount. In this sense, it is like confirming the owner of the credit card with a signature on the back or a pin number. Another advantage of contactless cards is that they can be switched on or off. For instance, if someone feels that another party may be using their contactless card, they can turn it off to prevent further charges.

In addition, contactless cards are more secure because they cannot be counterfeited, unlike magnetic stripe cards. There are multiple confirmations and technological processes that make it difficult to use a contactless card fraudulently. However, those who carry out these schemes have shown ingenuity in the past and are likely to develop strategies to get past these barriers.

#### Fund Recovery and Contactless Cards

With contactless cards, just like credit cards, customers can get money back from unauthorized charges. The chargeback process for these cards is similar to regular credit cards. The customers file a complaint about an unauthorized transaction or dispute a purchase.

In the case of charges that are proven to be unauthorized, the charges are refunded to the card. With merchant disputes, banks will consider both sides of the argument and make a decision whether the chargeback will be granted or rejected.

If you are seeking a chargeback from a credit card, a contactless card, or a bank wire purchase, it is important to seek guidance immediately. Consult with MyChargeBack experts and provide information that can help you prepare your claim. We have extensive working knowledge and relationship with banks and can improve our prospects for fund recovery success.

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