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ON THE VIGIL FOR CUSTOMER FRAUD

Every year, the vast majority of retail companies lose a significant portion of their revenue to customer theft and fraud, and nationally, it's in the billions. From activities such as shoplifting to credit card fraud, retail associates need to be on constant guard against these types of losses.

In order to understand customer fraud issues, we first need to ask ourselves a few fundamental questions that will help us to better understand the problem, and also what we can do to help reduce losses. First, what are some common types of customer theft and fraud? Second, what are the observable signs of customer theft and fraud? Third, what can retail sales associates do help to help reduce losses due to theft and fraud?

First of all, customers often engage in theft and fraud in variety of ways: shoplifting, credit card fraud, refund fraud, counterfeit media and quick-change artists. If we learn to pay attention, there are observable behavioral signs of behavior for each of these crimes. For example, shoplifters often appear nervous and tend to look at sales associates. With credit card fraud and counterfeit media, the suspect—with little regard to size or cost—will often rapidly

select large quantities of merchandise.

While at point-of-sale, the suspect may appear rushed, aggressive or too friendly, and this is an attempt to intimidate the sales associate into silence. A quick-change artists' behavior will often appear the same, but with a key difference: their transactions involve cash, but they'll make every attempt to confuse the sales associate. Often times, a quick change artist wants to "change up" numerous smaller bills for a larger one, or pay for a small transaction with a large bill.

Provided that we follow a few simple rules, each of these types of losses are easily detectable and avoidable. When performing credit card transactions, be certain that you always carefully check your customer's ID. The credit card should always be present during each transaction. The only exception will be if your store allows telephone orders, so along with the account number, you will also want to get the CVV2 number.

On the back of the card, the CVV2 is a three-digit number which follows the account number. Also, if a card has to be manually keyed, be certain to get an imprint of the card

and an authorization number, as often times thieves purposefully disable the magnetic stripe.

When it comes to theft, be certain to greet each guest as they enter your store, and provide excellent customer service. When ringing sales, carefully check each item to ensure that tags haven't been switched or that additional items haven't been concealed within others. When guests are making a return, ensure that they have a valid receipt, and, if not, contact a member of management for approval. Lastly, if you find that you're confused when confronted by a possible quick-change artist, immediately close your till and call for a manager. These types of thieves rely of confusion and intimidation to carry out their trade.

Keep in mind that you can go a long way in reducing shortage when you learn to recognize the signs of theft and fraud, so, for more information, speak to your loss prevention representative or a member of management. By following a few simple rules and by paying attention to the signs, you help your store become a better place to work and more profitable.



QUICK REFERENCE FOR REDUCING FRAUD:

- Be certain to carefully check your credit card customers' ID.
- To protect your store from credit card fraud, you'll need a credit authorization number, an imprint or magnetic swipe of the card.
- Be certain to greet every guest, and carefully check each item for ticket switches, concealed items or switched packaging.
- Carefully inspect all large bills and traveler's checks. Signs of counterfeits are blurry or smeared ink, off-color paper and crooked lines.
- Do not rush through sales.

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