



5 TIPS:

Protecting Your Checking Account



1 Don't give your account number and bank routing information to anyone you don't know.

Give out your account information for transactions only if you are familiar with the company you are dealing with. And if you have not done business with a company before, give out account information only if you have initiated the transaction. Criminals may ask you for your bank account number and then withdraw money from your account by creating a demand draft (sometimes called a "remotely created check") or making an electronic transfer. They may also ask for your debit or credit card number and other personal information. Don't fall for these scams and don't let yourself be pressured into "free trial offers." To be removed from telemarketing lists, sign up for the National Do Not Call Registry online (www.donotcall.gov) or by calling 888-382-1222.

2 Review your monthly statement.

Make sure all the checks, debits, automatic payments, and other withdrawals on your monthly statement are ones you authorized. If you see a transaction you did not authorize, notify your bank immediately. If your bank has online banking, you don't have to wait until your bank statement comes—you can check your transactions at any time.

3 Understand how your credit score is determined.

The sooner you alert your bank to a problem, the sooner they can get it resolved. In some cases, your bank may require you to notify them in writing. Keep copies of any documents you give the bank until the problem is resolved. If you think the problem is a result of fraud, you should also contact your state attorney general.

4 If you don't have enough money in your account, don't write the check or authorize the debit.

Checks are being processed more quickly these days, which means money may be debited from your account sooner. Also, many stores and utility, insurance, and credit card companies will convert your check to an electronic payment, which means that your account will be debited more quickly. If you don't have enough money in your account when you write a check or authorize a debit, you could find yourself paying a fee. For more information, see the Federal Reserve Board's publication "Protecting Yourself from Overdraft and Bounced-Check Fees" (www.federalreserve.gov/pubs/bounce/default.htm).

5 Know your rights under consumer protection laws.

If you have a problem with an electronic debit or electronic fund transfer, you have certain rights under the Electronic Fund Transfer Act (EFTA). You also have rights under the EFTA if you have a problem with a check that has been converted (see "When Is Your Check Not a Check?" at www.federalreserve.gov/pubs/checkconv/default.htm). The Federal Trade Commission's publication "Automatic Debit Scams" (www.ftc.gov/bcp/edu/pubs/consumer/telemarketing/tel06.pdf) explains your rights and what to do if you have a problem with a demand draft or remotely created check.