

# Texas Department of Banking

## Press Release

---

---

### ATM/DEBIT Card Users Offered Safety Tips By Banking Commissioner, EFT Expert

Date: June 3, 2004

AUSTIN, Texas –ATM and debit card users need to observe some basic precautions when using these increasingly popular payment cards to make purchases or withdraw cash.

That was the message delivered here today by Texas Banking Commissioner Randall S. James and Stan Paur, CEO of PULSE EFT Association, the nation's leading independent electronic funds transfer network. The two appeared at a morning joint news conference in front of an ATM at the new Frost Bank Tower in downtown Austin to kick off observance of ATM/Debit Card Safety Awareness Month in June.

“ATM and debit cards have transformed the way we handle money,” Commissioner James said. “Recent studies show people prefer using debit cards because they are easier to use and more convenient than cash or checks. But unless proper caution is exercised, they also pose the same potential risks to their users, both physical and financial, as carrying cash. We’re here to urge people to continue to use their ATM and debit cards, but to safeguard them by following some simple guidelines.”

Paur announced that PULSE has launched a national campaign to educate consumers on the range of safety tips regarding electronic payments, and is distributing large supplies of consumer guides for its financial institution members to make available to their customers.

“We are on pace to process a record-breaking 1.4 billion ATM and debit card transactions this year, and we want to make all of those customer experiences safe and secure,” he said.

Paur listed a number of precautions from the PULSE guide:

- **Treat your card like cash; always keep your card in a safe place.**
- **Keep your personal identification number (PIN) a secret.**
- **Do not disclose information about your card over the telephone or Internet.**
- **Always observe the ATM surroundings before conducting a transaction.**
- **Block the view of others when using an ATM or point-of-sale (POS) terminal.**
- **Look for possible fraudulent devices attached to the ATM.**
- **Never allow the cashier or any other person to enter your PIN for you, even if they are assisting you with the transaction.**

Commissioner James noted that these precautions are more timely than ever since ATMs have become so ubiquitous.

“In preparing for today’s event, we took an informal census of ATMs in the downtown Austin neighborhood,” he said. “I was astounded to find out that there are at least three dozen ATMs within three blocks of where we are standing.”

The commissioner pointed out that the Texas Department of Banking urges ATM owners to conduct periodic safety assessments of ATMs and their surroundings. He also cautioned both ATM owners and cardholders to be on the lookout for scams such as “skimming,” in which a device illegally attached to an ATM collects data from the card.

An acknowledged expert on electronic payments, Paur reviewed the history of ATMs and the growth of usage over the past quarter century.

He noted that seven Texas banks came together in 1980 and created a \$75,000 investment pool to launch PULSE as a shared electronic funds transfer network to facilitate usage of this revolutionary new banking device. He recalled that in 1982, its first full year of operation, PULSE processed only 2 million transactions. It now processes more than 130 million transactions each month and serves more than 4,600 member financial institutions across the country.

Paur also traced the development and growth of the debit card payment system, which now is the fastest growing consumer payment option and currently rivals cash as the most preferred retail payment method.

Paur noted that PULSE now connects 90 million cardholders with 250,000 ATMs and 3.3 million POS terminals at merchant locations nationwide.

A Frost Bank executive invited consumers to pick up one of the safety tips guides at any of the institution’s locations across the state.

### **About the Texas Department of Banking**

The Texas Department of Banking is dedicated to excellence in Texas banking. Since 1905, the Department has sought to ensure that Texas has a safe and sound financial services system. Among other responsibilities, the Department of Banking is the chartering authority and primary supervisor for Texas’ over-300 state-chartered banks, trust companies, and foreign bank operations. Department press releases and other information are available on [our website](#), or by calling (512) 475-1300.

### **About PULSE EFT Association**

PULSE is the nation’s leading independent financial industry-owned and controlled electronic funds transfer network, currently serving more than 4,600 bank, credit union and savings institution members across the country. It is the only major network solely owned by financial institutions.

In recent years, PULSE has become known as a valued resource for consumer research related to EFT services and an effective national voice on public policy issues relevant to the financial services industry. For more information, visit [www.pulse-eft.com](http://www.pulse-eft.com).

Contacts: Mary Brown  
CindyBallard  
PULSE EFT Association  
(800) 420-2122

Julian Read  
Ben Flusche  
GCI Read-Poland  
(800) 472-4122

Kurt Purdom  
Texas Department of Banking  
(512) 475-1333