

Lost or Stolen ATM Debit Cards - Your Liability

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As our economy becomes more and more digital, ATM debit cards have become a frequent payment method. This article discusses your liability for lost or stolen card charges.

ATM Debit Cards

ATM debit cards have certainly made life a lot easier. For many people, carrying around a checkbook is a thing of the past. My debit card has been used so much I can barely see the numbers on it anymore. The downside, of course, is inevitably you will lose the card. For the unlucky, the card may even be stolen. If this occurs, you need to act quickly to cut off liability for any of the charges.

ATM debit cards are not credit cards for legal purposes. With a credit card, your liability is limited to \$50 so long as you let the credit card company know about fraudulent charges when you get your statement. The laws governing ATM debit cards provide much less protection.

If you report an ATM debit card missing, you cannot be held liable for any subsequent withdrawals or charges. However, the rules are different if the unauthorized charges happen before you report the card missing:

1. You are responsible for losses up to \$50 if you report the card missing or stolen within two business days of unauthorized charges occurring.
2. If you report the card lost or stolen after two business days have passed, you could be on the hook for up to \$500 in unauthorized charges.
3. If you fail to report the lost or stolen card within 60 days of receiving a bank statement with unauthorized charges, you are totally and completely liable for all charges.

While these laws may seem unfair at first, they really aren't. I procrastinate as much as the next person, but even I wouldn't wait 60 days to report a stolen or lost debit card. At some point, you simply have to take responsibility for your life. Heck, I don't think I could survive two days without a debit card.

If you suffer a lost or stolen ATM debit card, contact your banking institution immediately. You'll regret it if you don't. Richard A. Chapo is a San Diego business lawyer with <http://www.sandiegobusinesslawfirm.com> - providing legal services and legal advice to businesses in San Diego, California.