



THE  
CANADIAN  
PRIVACY  
INSTITUTE

# AIDING, ABETTING IDENTITY THEFT

*Beware credit card receipts that give out your number*

It was Halloween, so the rush home to hand out candy to neighbourhood toddlers pre-empted our normal evening dinner. After all the Nibbs, gumballs and miniature chocolate bars were handed out — along with cups of sangria for the parents — my wife and I were ravenous.

Dare I say, we ordered Swiss Chalet and paid for our feast with plastic.

After receiving these succulent chicken dinners — don't you just love the dipping gravy? — we began devouring our meals. But as I licked the tips of my fingers, my wife noticed a receipt stapled to the accompanying Swiss Chalet bag. Unbeknownst to me, the receipt carried my full Mastercard number and its expiry date.

I was going to chuck this bag without giving it a second thought. But instead I sat in my dining room, a little peeved because I was out of gravy, and even more peeved because I almost threw out some highly sensitive financial information.

At a time when identity theft is running rampant, it drives me absolutely batty when I see companies behaving so irresponsibly. Less than two months before federal privacy legislation is applied to all businesses across Canada, you'd think that big-name merchants would have their houses in order, particularly for the small, easily correctible things.

Think again.

Rogers Video, Radio Shack, Rona, Winners, Bluenotes, Ikea — these are just a handful of the companies or merchants that include full credit-card details and expiry dates on the receipts they keep and hand out to customers.

When you buy something with a credit card, Visa or Mastercard assigns the merchant an authorization number and the transaction is instantly approved. The merchant doesn't need to include the credit-card number or the expiry date on customer sales slips.

Granted, it does help to have certain information to help deal with product returns or exchanges. But an increasing number of companies are recognizing that there's no value to printing the expiry number. They're also beginning to truncate the actual credit-card numbers, meaning groupings of numbers are replaced with XXXX but enough digits are printed — say, the first and final four — to properly identify the card.

Kudos to retailers such as Dominion, Zeller's, Shoppers Drug Mart and, just recently Hudson's Bay Co., for truncating their credit-card sales slips.

Come Jan. 1, all businesses won't have a choice. That's when the final phase of the Personal Information Protection and Electronic Documents Act kicks into gear, creating a number of obligations for organizations that gather and use personal information for commercial purposes.

One obligation is that personal information "be protected by security safeguards appropriate to the sensitivity of the information." These safeguards are meant to prevent loss, theft and "unauthorized access, disclosure, copying, use, or modification" of personal data.

According to the law, methods of protection should include "limiting access on a 'need-to-know' basis." It seems clear that detailed credit-card information is sensitive data that, in the wrong hands, could be used to commit identity fraud. Also clear is that printing this information on slips that most people throw out doesn't adequately prevent unauthorized access, use or disclosure.

Finally, this information doesn't need to appear on printed receipts, meaning some companies aren't doing enough to limit access on a "need-to-know" basis.

So what do Visa and Mastercard have to say about it?

Rolly MacDonald, vice-president of security and risk management with MasterCard Canada, said that by April 2005 all newly-installed, replaced or re-located point-of-sale terminals used by MasterCard merchants can only show the last four digits of an account number on a receipt. "Prior to that, we have strongly recommended to the Canadian industry to (voluntarily) truncate the numbers," said MacDonald.

The changes are being slowly phased in, he added, because the expense of replacing all point-of-sale terminals across Canada overnight would be immense.

Visa Canada had the same argument. Gord Jamieson, director of risk and security, said that truncating will likely coincide with the rollout of new terminals that can handle future "chip-based" credit cards. Unlike MasterCard, Visa hasn't yet mandated truncating. "It's optional right now," he said. "However, Visa International put through a paper recently addressing a policy moving forward to make it mandatory."

By optional, he means it's optional in Canada. South of the border, Visa has mandated truncating in response to government pressure and a proposed Identity Theft Protection Act. Apparently, no pressure is being felt in Canada.

A study released last week by the Public Interest Advocacy Centre in Ottawa recommended that the government introduce legislation that would allow no more than five numbers of a credit card to be printed on a receipt.

I don't think this is necessary. The privacy legislation we already have, the one that hits every business on Jan. 1, already deals with this issue. Unfortunately, it hasn't caught anybody's attention. "It's something that hasn't been discussed yet with our legal department," admitted Jamieson.

Well, here's a chance to catch their attention, and the attention of merchants who deal with Visa and MasterCard. Go to my Web site, <http://www.privacypayoff.com>, and click on the word "Advocacy." There you'll find a list of merchants who don't yet truncate credit-card numbers on the receipts they create. Further down you'll find a list of merchants that do.

The list is small so far, and this is where you can help. Go through your credit card slips at home and find out which merchants continue to print full credit card numbers and expiry dates on their receipts. E-mail me the names of those companies and I'll add them to my list. My e-mail address is below.

This isn't an issue that can wait until 2006 or when merchants are ready to replace point-of-sale terminals. You can make a difference now, and hopefully the federal privacy commissioner will take notice, along with those merchants who continue to drag their feet.<sup>1</sup>

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<sup>1</sup> Summarized from: Tyler Hamilton, The Star 03/11/10