



## Economic Review

# Payment Card Fraud Rates in the United States Relative to Other Countries since Migrating to Chip Cards

by: Fumiko Hayashi

November 26, 2019

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The United States has lagged somewhat behind other countries in implementing steps to mitigate payment card fraud, such as chip card technology and personal identification numbers. Small delays in implementing fraud mitigation strategies could translate to large fraud losses relative to other countries. Although comparing fraud rates across countries can be challenging, Fumiko Hayashi examines payment card fraud rates in the United States along with three countries with the best available data—Australia, France, and the United Kingdom—and finds that the United States has the highest overall fraud rate. Even after migrating to chip card technology, the United States has a significantly higher in-person fraud rate than all three countries but a lower remote fraud rate than Australia and France. Fewer safeguards and differences in prevalent types of transactions may help explain this.

Publication information: 4th Quarter 2019

DOI: 10.18651/ER/4q19Hayashi

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Fumiko Hayashi is a Senior Policy Advisor specializing in payments in the Economic Research Department at the Federal Reserve Bank of Kansas City. Since joining the Federal Reserve in 2001, Ms. Hayashi published studies on the ATM and debit card industry, regulatory developments around interchange fees and card network rules, consumer payment choice, various types of payment methods (including credit, debit, and prepaid cards, mobile and QR code-based payments, instant payments, and central bank digital currency), payment fraud and security, nonbanks and fintechs in the payment system. She is currently conducting research on undeserved consumers in payments, fraud and scams involving instant payments, role of intermediaries in the payment system modernization, among others. Prior to joining the Federal Reserve Bank of Kansas City, Ms. Hayashi conducted research examining consumer savings and long-term care insurance, social security reform in Japan, and nursing home markets in the United States. She holds a B.A. and a M.A. in economics from Hitotsubashi University, and a Ph.D. in economics from the University of Minnesota.

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