

Your Money: Debit Cards

What is a debit card?

Debit card is a plastic card that is linked to your checking or savings account. You apply for a debit card at a bank **after** you set up and put money into a checking or savings account. Debit cards linked to your checking account allow unlimited transactions (uses) at stores and ATMs (Automatic Teller Machine). Debit cards linked to your savings account may be limited to 6 uses per month and limited to uses at ATM machines.



How do I use a debit card?

After selecting groceries, clothing, or shoes, go to the cashier. 1) You swipe or insert your debit card into Point Of Sale (POS) machine. 2) Machine asks if you want extra "cash back." Punch "no." 3) Machine asks you to enter your PIN (Personal Identification Number). Punch keys to tell the machine your PIN number. 4) Machine asks you to approve if total amount is correct such as, "Do you accept amount of \$35.62?" 5) Take time to see if amount is correct. Then punch "yes" or "no." Be sure to keep the receipt for proof in case you discover later that more money was taken out of your account than you approved at the store. It is a good idea to keep empty shoe box in your home so that you can throw all your receipts into the empty shoe box. Then, if there is a problem, you know you have all your receipts in the shoe box for proof.



Why do people like debit cards?

Debit cards are quicker and easier to use in stores than checks. Check take more time and effort because checks are documents that you must use a pen to write out to give to cashier. Check are still used to pay monthly bills such as rent, utilities, cable, and car payments when the person prefers to use regular (snail) mail rather than pay these bills online using a computer.

Do debit cards keep me out of financial trouble?

Debt cards only work if you have money in your linked checking or savings accounts. You cannot shop and buy more than your current money allows using a debit card. You may shop and buy with borrowed money using a credit card. To buy things (such as clothes, TV, or car) for which you do not have cash money is called "going into debt." Debt is a word to mean the amount of money you owe to a store, car dealership, bank, or other person. Going into debt is a terrible thing to do and may prevent your future happiness. Number one reason for relationship fights and divorce is financial problems caused by going into debt.



How do I find out if the bank got my debit card transactions correct?

1) Use computer to sign into your bank. 2) Go to your debit card linked checking or savings account. 3) Use your receipts to remind you of exact amount you spent at the store. 4) Check every amount subtracted from your account. If there is a mistake, call or go to the bank **IMMEDIATELY** to report the mistake. Remember, you must put money into your checking or savings account if you want to use your debit card. Debit cards only work if you have money in your linked account.

What are the dangers of using a debit card?



Your debit card information and PIN may be stolen. NEVER give your debit card and PIN to friend or relative! The person may double-cross you and take extra money from your account. Check that a stranger or camera is not watching as you enter your PIN. If a criminal uses your debit card, money immediately leave your account. This is why you need to login to your bank to check your debit card account often. You must to notify your bank within 2 business days that a criminal is using your debit card to limit your loss to \$50 no matter how much money was stolen from your account. After 2 days, bank only pays you back for stolen money

above \$500. It is a good idea to not put too much money into your debit card linked account. You may keep most of your money in a **separate bank account that is NOT LINKED to your debit card.** Then, login to your bank to transfer just the money you need for a week from the unlinked to linked bank account at the beginning of each week.

Online shopping is #1 place where debit cards should not be used because hacking (stealing) is easier online with debit cards. Use credit card when doing online purchases. **Do not use your debit card at fancy restaurants** where the waiter takes your card, goes away to process the payment, then returns to your table. Use a credit card or cash at fancy restaurants.



Thieves use "skimming" devices, about the size of a deck of cards, attached to POS debit card machines to "skim" or steal your debit card information — or take a picture of your debit card. Then criminals make plastic copy of your debit card to use. "Skimming can occur almost anywhere, but be especially aware at restaurants, gas pumps, and ATMs," said Kristi Arey, Fraud Manager. Skimming most often happens at unattended places — on gas pump that is farthest from the store or on ATM that is not well lit. Please go to YouTube.com, and search for "How to spot skimmer on gas pump or ATM." Watch videos to show you how recognize skimmer device attached to debit machines, gas pumps, and ATMs. If you think something is wrong or looks strange on the POS debit machine, do not use it!

QUICK CHECK:

1. a) What is a debit card? b) Where do you apply for a debit card — and after what?
2. a) What do debit cards linked to your checking account allow? b) What may debit cards linked to your savings account be limited to?
3. List the 5 steps to use a debit card in a machine.
4. a) Why do you need to keep the receipt?
b) Why is it a good idea to keep an empty shoe box in your home?
5. Why do people like debit cards?
6. a) With debit card, can you buy more than your current money allows? b) Which card allows you to shop with borrowed money? c) What does "debt" mean? d) What may going into debt prevent? e) What is number one reason for relationship fights?
7. List 4 steps to make sure the bank got your debit card transactions correct.
8. What do you do if you find a mistake?
9. a) What do you NEVER do? b) Why?
10. As you enter your PIN, what do you check?
11. a) What is your loss limited to if you notify the bank within 2 days? b) After 2 days, above what amount does the bank pay you back for stolen money?
12. a) Where do you keep most of your money?
b) Then, what may you do each week?
13. a) What is #1 place debit cards should not be used? b) Where else do you not use debit card?
14. a) What does skimming device do? b) Then what do criminals do? c) Where does skimming most often happen? d) Give 2 examples.
e) What can you watch on YouTube?