



Issue Overview: Reported Fraud Attempts at Merchant Locations

The modus operandi of the fraud is that a fax is delivered to a merchant location instructing the clerk/manager to run a “refund” on a card because a consumer refund was supposedly not processed. The fax appears to come from the merchant’s corporate office. In some cases, the faxes include a description of the goods originally purchased (then returned). They are purportedly signed by a senior executive of the company and are on what appears to be company letterhead. In addition, the stores are instructed to fax a copy of the refund receipt to a specific fax number.

According to the corporate offices of the impacted merchants, these faxes are not legitimate.

User Impact:

At this time, First Data is aware of four attempts as described above. In at least two of these attempts, the merchant followed the fraudulent instructions and processed a refund on the card. Based upon information to date, it appears that mid-market supermarkets have been targeted. However, given the lack of information aside from the above, at this time we are unable to determine how wide spread this issue is or if only supermarket merchants are being targeted.

Resolution / Next Steps:

Since this issue involves the processing of improper refunds at merchant locations, it is imperative that you communicate to your merchants that we have recently seen this occur and that they should guard themselves against this fraudulent activity.

If you have any questions, please contact the TriSource Solutions Risk Department at 1.800.697.0480.

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