Contactless Cards

The Pros and Cons

Understanding Contactless Cards

Contactless cards have become a popular way to make quick, secure payments. If you are used to swiping or inserting your card at check out, it might be time to consider trying the "tap to pay" method.

Before your next purchase, here is what you should know about contactless cards. Below are a few pros and cons to consider.

What Are Contactless Cards?

Contactless cards let you pay by simply holding or tapping your card near a compatible point-of-sale terminal. No swiping, inserting, or even touch is required. The action of paying via a contactless card is often referred to as "tap to pay" or "tap and go."

These cards use near-field communication (NFC) technology to transmit your payment information securely through a short-range electromagnetic field.

Most new credit cards are issued with contactless functionality. If you are unsure if your credit card has this functionality, look for a symbol on the front or back that looks like a sideways Wi-Fi symbol. This symbol can be seen on our APCI FCU Mastercard® Plus below:
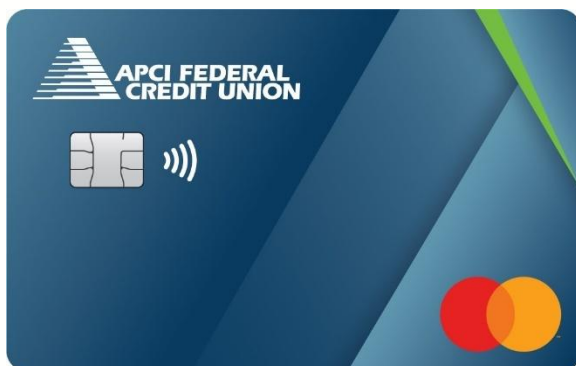
If you are still unsure if your card has contactless technology, try tapping your card at a contactless payment terminal to see if it works. If it does not work, you can still swipe or insert your card as usual.

Advantages of Contactless Cards

As contactless payment technology becomes more widespread, many consumers are discovering the benefits of using contactless cards.

Some pros of using a contactless card include:

- **Speed:** Contactless transactions are typically faster than traditional swiping or inserting. Most do not require a PIN or signature, making checkout more efficient.

- **Reduced wear and tear:** Because there is no physical contact with the terminal, your card is less likely to experience damage overtime from frequent use.

- **Health and hygiene:** Contactless payments minimize your need to touch public surfaces, helping to reduce your exposure to germs, especially in high-traffic areas such as a payment terminal.

- **Acceptance:** Contactless cards are now widely accepted by businesses of all sizes across the U.S., Europe, and Asia. Since 2020, their use has become increasingly common, making them a reliable payment option whether you are at your favorite local store or traveling abroad.

- **Security:** Contactless cards come equipped with built-in security features like encryption and tokenization, which can help to safeguard your payment information during transactions.

Disadvantages of Contactless Cards

While contactless cards offer convenience and security, it is important to be aware of a few potential limitations and risks.

Some cons of using a contactless card include:

- **Technology glitches:** Like any digital system, contactless technology can sometimes experience issues. A terminal might malfunction, or the card may not read properly. It is a good idea to carry a backup method of payment with you to use in the event that this happens.

- **Transaction limits:** Some contactless cards place a cap on how much you can spend per transaction. This limit is often set to reduce the risk of fraud since PINs or signatures may not be required. Be sure to check with your card issuer to find out if any limits apply.

- **Unauthorized Transactions:** If your contactless card is lost or stolen, it may be easier for someone to make unauthorized purchases. As the case with any debit or credit card, it is important to regularly monitor your account for suspicious activity. The good news is that many credit card issuers offer zero liability protection, meaning you will not

be held responsible for fraudulent charges as long as you report the loss or suspicious activity quickly.

Are Contactless Cards Safe?

Yes! Even though contactless cards are a relatively new form of payment technology, they use advanced technologies to protect your data.

Some of the key security features of contactless cards include:

- **Encryption:** Contactless payments use advanced encryption technology to protect your data. During a transaction, your card information is scrambled, making it extremely difficult for any hackers to intercept and misuse your card's information.

- **Unique Transaction Codes:** Each time you make a payment, your contactless card generates a one-time code that is unique to that transaction. Even if someone were to capture the data, the code cannot be reused, rendering it useless for any future purchases.

- **Biometric Authentication:** Some of the latest contactless cards offer biometric security features, such as fingerprint or facial recognition. These ensure that even if your card is lost or stolen, it cannot be used without your personal biometric data, adding an extra layer of protection.

APCI Federal Credit Union and You

The APCI FCU contactless **Visa Debit Card** has all the features of the **ATM Card** with the added advantage of making signature debit purchases from your **Checking Account** at merchants worldwide displaying the Visa logo.

Our APCI FCU Mastercard® Plus contactless card uses EMV/chip technology and PIN protection for added security. You can learn more about our **APCI FCU Mastercard® Plus** on our website.