AN EMPIRICAL STUDY ON CREDIT CARD FRAUD IN LEGAL APPROACH

Hari Teja A.S[1] & Dr. B. Lavaraju[2]

ABSTRACT:

Credit card fraud means using your credit card number and password credit card for their use from your account ,without your knowledge.Credit card fraud can be, made where the genuine customer themselves processes payment to another account which is controlled by a person , unauthorised, where the account holder does not provide authorisation for the payment to proceed and the transaction is carried out by a third party.The objective of the study is weather the public have faced or fell under credit card fraud .to analyse the reasons for credit card fraudTo analyse the reasons for credit card fraud , To understand how can we prevent credit card fraud ,To find whether there is express provision for credit card fraud. To understand how can we prevent credit card fraud .The research method followed here is Empirical research. A total of 200 samples have been taken through simple randam and convenient sampling method.The independent variables taken by the researcher are educational qualification, gender, age .The statistical tools used by the researcher are chi square and graphical representation. The survey says that most can't decide whether the provisions for credit card fraud are adequate or not. Card issuers maintain several countermeasures, including software that can estimate the probability of fraud. For example, a large transaction occurring a great distance from the cardholder's home might seem suspicious. The merchant may be instructed to call the card issuer for verification or to decline the transaction, or even to hold the card and refuse to return it to the customer .The findings of the study is people is not aware of the credit card fraud in cyberspace and in our society .The government can file under section 66 E violation of privacy under IT act 2000.The government should take necessary steps to prevent credit card fraud.

KEYWORDS

Credit card ,Skimming, Online,Apps,Phishing,Mail,Skimming .

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[1] The author is a student of LLB at Saveetha School of Law, Saveetha Institute of Medical and Technical Sciences, Chennai.

[2] The co-author is an associate professor of Law at Saveetha School of Law, Saveetha Institute of Medical and Technical Sciences, Chennai.

INTRODUCTION :

The evolution of the credit card frauds score may be stated up to at least 5,000 years in the past in historical Mesopotamia. Inscriptions on clay capsules from that term display a report of transactions among Mesopotamian and neighboring traders from Harappa and are most of the earliest acknowledged examples of a settlement to shop for something withinside the second however pay for it later. Fast ahead hundreds of years, and those historical events gave manner to the earliest variations of save cards, wherein traders withinside the Old West might trouble items to farmers and ranchers who wouldn't have the cash prematurely to shop for the supplies. The traders might trouble steal cash or small plates as a receipt of the mortgage and because the farmers harvested their vegetation and ranchers offered their livestock, they might pay off the merchant.The government initiatives Reserve Bank of India through Consumer Awareness of Cyber Threats and Frauds come to the notice of Reserve Bank of India that defrauding and misleading of public by using innovative modus operandi.To report a fraudulent transaction that has been made using your credit card you should contact the RBI by giving a missed call to helpline .The Factors influencing credit card fraud Electronic commerce has gained a rapid growth or stolen credit cards,Skimming your credit card, such as fake emails,Predictive analytics amounts of data in the course of doing business,Experienced fraud analysts,Global profiling critical to identifying fraud trends initiated,Mobile card controls control over their own cards allows a financial institution to share the fraud responsibility .The current trend towards credit card fraud .Targeted modeling enhances the accuracy of fraud detection by pulling customer-specific data.This technique will be standardized across all card associations and banks.This approach is difficult because of customer's privacy concerns for customer data.The challenge is timeliness of the detection. Customers want their transactions approved in seconds, not minutes. To address this issue better machine learning algorithms are needed to raise fraudulent transactions in real-time. The comparison with countries like Uk Over an average month 170 Google searches for 'report credit card fraud' and 1,000 searches for 'credit card fraud'.Following closely behind the UK is France, which has the highest fraud value and volume per 1,000 cards. The aim of the research paper is that you do not ignore your detailed credit card bill every month and in case of theft or fraud report the event immediately in order to avoid paying for the transactions made on the card.

CASE LAWS :

1. United States v. Vaghela, 169 F.3d 729 (5th Cir. 1999) - This case involves an individual who used stolen credit card numbers and identity information to make unauthorised purchases. The court held that the defendant had committed credit card fraud under federal law and sentenced him to prison.

2. State v. Ono, 137 Haw. 404 (2016) - In this case, the defendant was charged with credit card fraud for using a stolen credit card to purchase merchandise. The court held that the defendant's actions constituted credit card fraud under Hawaii law and affirmed his conviction.

3. Commonwealth v. Goodwin, 54 Mass. App. Ct. 515 (2002) - This case involves a defendant who used a stolen credit card to make unauthorized purchases. The court held that the evidence was sufficient to support the defendant's conviction for credit card fraud under Massachusetts law.

4. People v. Harris, 304 Ill. App. 3d 100 (1999) - This case involves a defendant who used a stolen credit card to rent a car. The court held that the defendant's actions constituted credit card fraud under Illinois law and affirmed his conviction.

5. State v. Batten, 50 Ohio St. 3d 123 (1990) - In this case, the defendant used a stolen credit card to purchase merchandise and was charged with credit card fraud. The court held that the state had provided sufficient evidence to prove the defendant's guilt and affirmed his conviction.

OBJECTIVES:
- To analyse the reasons for credit card fraud.
- To understand how we can prevent credit card fraud.
- To find whether there is express provision for credit card fraud.
- To know whether the provisions are adequate for credit card fraud.

LITERATURE REVIEW:

The author examined Credit card fraud avoidance as the most famous trouble inside the advanced global. In this example, credit score card fraud is recognized by fraudulent transactions. On the grounds that e-commerce sites are getting greater famous, credit card fraud

is turning into extra common. whilst a credit score card is stolen it's miles used for cheating reasons, a fraudster makes use of the credit card information for his very own purposes, and it's miles referred to as credit card robbery.**Prof. Teena Varma 2021**. The author examined ``Have a look at unveils and describes fundamental fraudulent schemes with financial institution cards, analyses traits in issued bank cards for last 5 years and outlines a tendency towards financial institution card settlements. Based totally on the findings, I distinguish strategies of safety against the stated fraud and describe alleged criminals committing this type of cybercrimes.**FIN CREDIT 2018**. The author examined Gartner analyst Avivah Litan has warned that cyber-criminals are using a brand new tactic in opposition to banks. The so-known as 'flash assault' is where huge numbers of money mules make small coins withdrawals or transactions from the identical account in a short space of time**Alejandro correa bahnsen (2016)** The author examined Examined the Every year billions of Euros are lost worldwide due to credit card fraud. In recent years, several studies have proposed the use of machine learning and data mining techniques to address this problem. However, most studies used some sort of misclassification measure to evaluate the different solutions, and do not take into account the actual financial costs associated with the fraud detection process.**(Rajesh, Vengatesan, and Gnanasekar 2021) (Logan & Walker, 2021)** The author studies ought to think about as well as criminals as a part of the victimisation history because it is probably going to impact health and psychological state outcomes likewise as personal safety issues and responses for each man and lady.**Alejandro Correa, et al(2016)** The author examined "Feature engineering strategies for credit card fraud detection." Expert Systems with Applications 51 the last few year and Companies and institutions move parts of their business towards online services providing e-commerce information and communication services for the purpose of allowing their customers better accessibility. Regardless of location, consumers can make the same purchases as they previously did "over the desk". **(Montague 2004) Jon T.S quah (2008)**The author examined how Online banking and e-commerce have been experiencing rapid growth over the past few years and show tremendous promise of growth even in the future. This has made it easier for fraudsters to indulge in new and abstruse ways of committing credit card fraud over the Internet. This paper focuses on real-time fraud detection and presents a new and innovative approach in understanding spending patterns to decipher potential fraud cases. It makes use of self-organization map to decipher, filter and analyze customer behavior for detection of fraud.**(Patil and Vohra 2020)**. **Ekrem Dumas (2011)**The author examined and develop a method which improves a credit card fraud detection solution currently being used in a bank. With this solution each transaction is scored and based on these scores the transactions are

classified as fraudulent or legitimate. In fraud detection solutions the typical objective is to minimize the wrongly classified number of transactions..(*Detecting Credit Card Fraud: An Analysis of Fraud Detection Techniques* 2020) **(Al-Rahmi et al., 2019)** The author examined However, this study found a negative relationship from social media use on open learning that was dampened by CYber criminals that is taken into account a moistening issue. Also, open learning was reported to be negatively influenced by perceived quality as CYber stalking was found to dampen the connection with open learning. **(Onwubiko, 2016)** The author examinedCyber stalking is a fairly new type of cyber terrorism crime. even though it often gets a decrease precedence then cyber terrorism it's miles an important worldwide issue. due to new technologies, it's far from hanging in extraordinary paperwork. Because of the Internet's provision of anonymity and safety it's far proliferating quickly. Criminal acts to shield people from cyber stalking are geographically limited to the concerned country or United states. there may be an immediate need for studies within the various dimensions of cyber stalking to assess this social hassle. Joy long zong **Chen (2021)**The author Examined the usage of internet , numerous organisations, including the financial industry, have operationalized online services. The massive financial losses occur as a result of the global growth in financial fraud. Henceforth, devising advanced financial fraud detection systems can actively detect the risks such as illegal transactions and irregular attacks. Over the recent years, these issues are tackled to a larger extent by means of data mining and machine learning techniques.(**Society for News Design 2011) Joshi 2019)** the author analyses two types of cybercrime--local cybercrime and transnational cybercrime--to show how existing jurisdictional principles can accommodate the investigation of cybercrimes and the prosecution of its offenders. The resolution of conflicting jurisdictional claims is examined followed by a discussion of the factors that should be considered in India. There is a complete lack of case law on the issue of cybercrime jurisdiction in India. would throw far more clarity on complicated issues pertaining to jurisdiction. information impacting India in a more comprehensive way than in the manner as sketchily provided under current laws. **(digi infomedia 2020)** While cyberspace and the internet share very similar connotations, cyberspace can be defined as anything that is done using the internet, while the internet is a network or networks. In layman terms "cyberspace" is a virtual universe made up of the widely spread and interconnected digital gadgets and technology, enabling one to create, modify, share, exchange, extract and destroy the physical resources floating all over the internet. The world we live in is possibly at its simplest, most sophisticated version, as at this point in time, and we could only hope for it to make many innovative new changes.**(Umakanth and Umakanth 2020)** The law of the land has a set territorial boundary

with its jurisdiction based on where the defendant is located or has some contact with or the territory on which the cause of action arises. The Internet has no set geographical or fixed boundary which leads to a havoc in deciding which law applies and which court has an adjudicative jurisdiction over the dispute. This confusion allows one to be sued by anyone in any other country for defying his legal right or defying any law of that land without even realising the harm done. **("ISSUE OF JURISDICTION UNDER CYBER LAW IN INDIA" 2016)** With the pace at which cyber technology has improved, cyber legislations have not followed pace. The Information and Technology Act is a solitary and inadequate legislation in the face of global concerns. Countries like Singapore and Europe have although drafted them, they lack in enforcement. This leads to increase in terrorism and no remedy available. There are no International Standards with reference to the cyberspace jurisdiction. Such is the space that it cannot be controlled and is referred to as unruly. **(root n.d.) 2018** Despite having laid down various tests to figure out jurisdiction, it is still debatable in the courts of law to ascertain the jurisdiction in cyber-crime cases involving more than one country. The criteria to determine the jurisdiction are different in different countries. However, Internet usage will increase every second on this earth, and therefore the laws should also be made progressive enough to combat cyber crime and issues relating to their jurisdiction. International law should determine certain parameters in deciding the jurisdiction, and the cases in which jurisdiction cannot be decided should be tried in the international court of justice itself. **(LawBhoomi 2021)** On a concluding note, the internet is big, vast, complex and here to stay. Our traditional methods of legal systems have miserably failed in front of technology. Instead of altering our current systems and trying.. If digitally advancing countries, such as India, fail to establish an efficient legal framework, then the jurisdictional problem of cybercrime legislation will continue to threaten state sovereignty. **("[RIKO]" n.d.)** The Information Technology Act 2000 is an outcome of the resolution dated 30th January of the General Assembly of the United Nations Coming back to how we started off, the 'Modi Government' has been propagating the use of the internet and making the government's resources and documentation all online and easily accessible by all. **(UNCITRAL),1997** which adopted the Model Law on Electronic Commerce on International Trade Law. Cyber Crimes are one of the fastest growing crimes in the world. While the Act has been successful in setting down the framework of regulations in .Therefore we have no enforcement machinery to ensure the protection of domain names on the net. Time has come where we must enact special legislation for the protection of Intellectual property in cyberspace. **(Umakanth and Umakanth 2020)**

METHODOLOGY:

The research method followed here is descriptive research. A number of 200 samples have been collected of which all samples have been collected through simple random sampling method by field visit throughout Aravind eye hospital .The sample frame taken here is public areas in and around Chennai, Tamil Nadu.The independent variables are age, gender, educational qualification, occupation .the dependent variable is poverty family situation politics unemployment.statistical tools used here are graphical representation, chi square ,ANOVA, etc.

ANALYSIS:

FIGURE 1
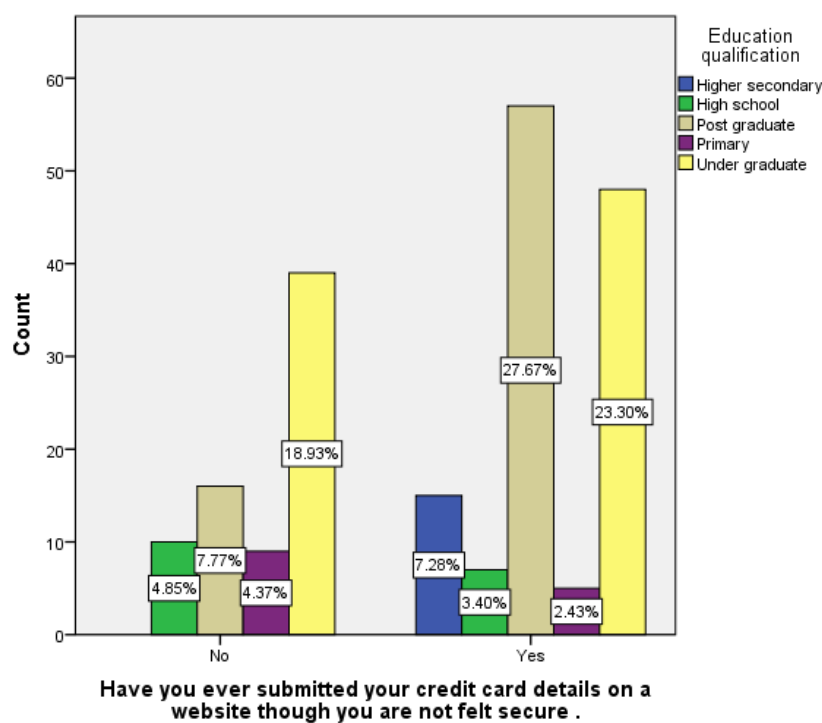
LEGEND: Figure 1 represents have you all undergone credit card fraud with age

FIGURE 2 :
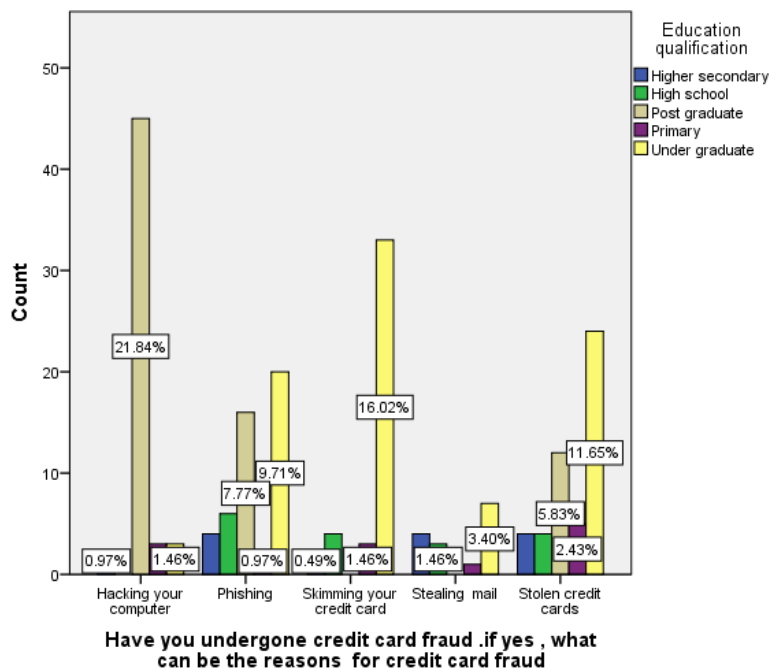
LEGEND: Figure 2 represents the independent variable have you not felt secure with education qualification .
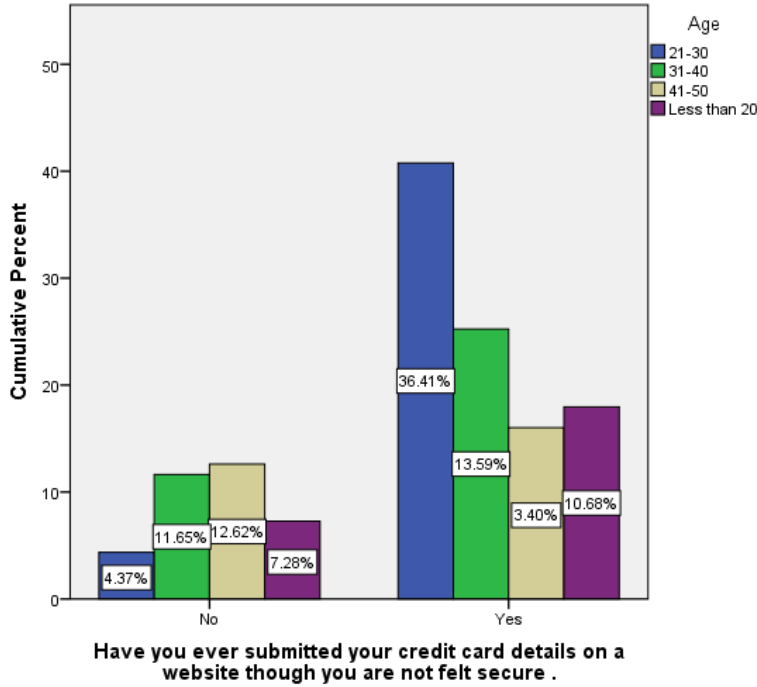
FIGURE 3
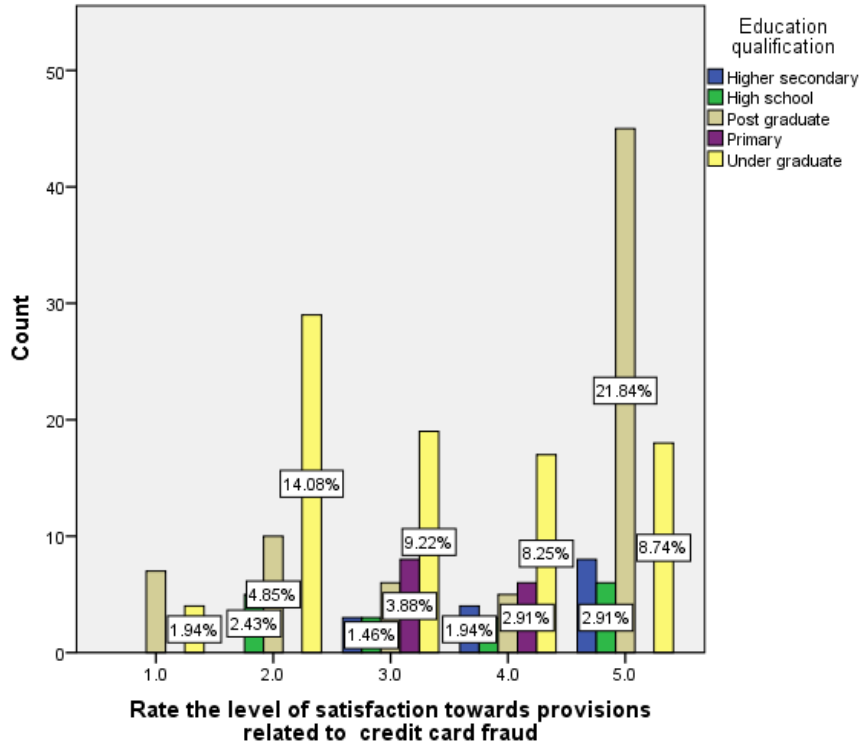
LEGEND : FIGURE 3 represents agreeability towards the provisions for credit card fraud .
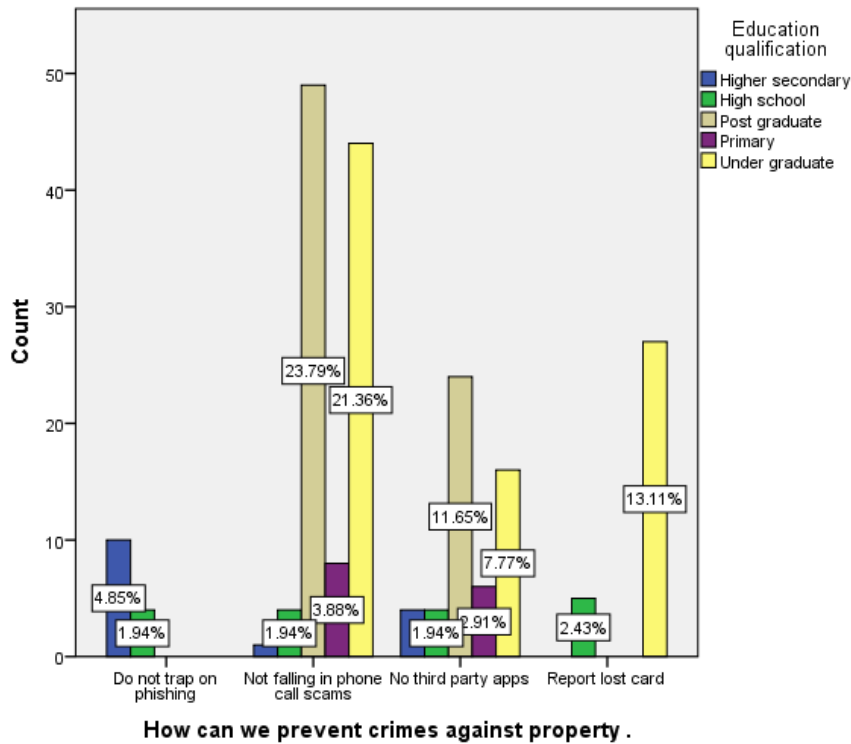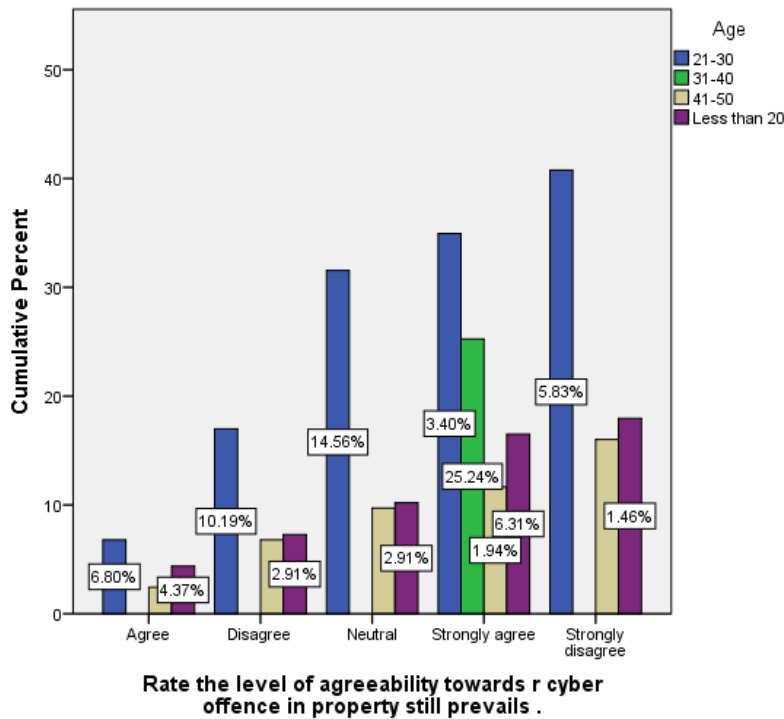
FIGURE 4 :

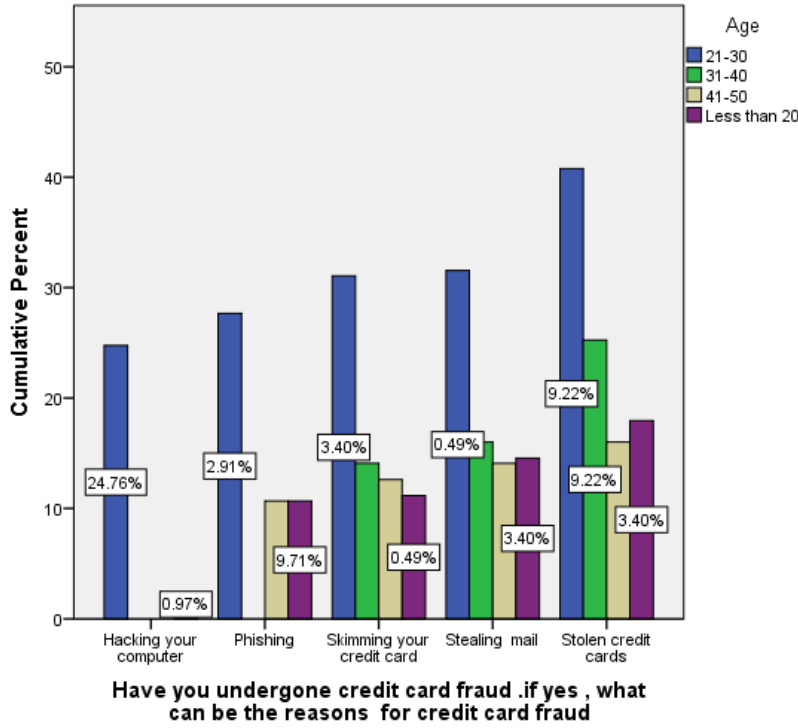**LEGEND** :Figure 4 represents how we can prevent credit card fraud .

FIGURE 5 :

LEGEND:Figure 1 represents have you all undergone credit card detail in websites which we feel insecure .
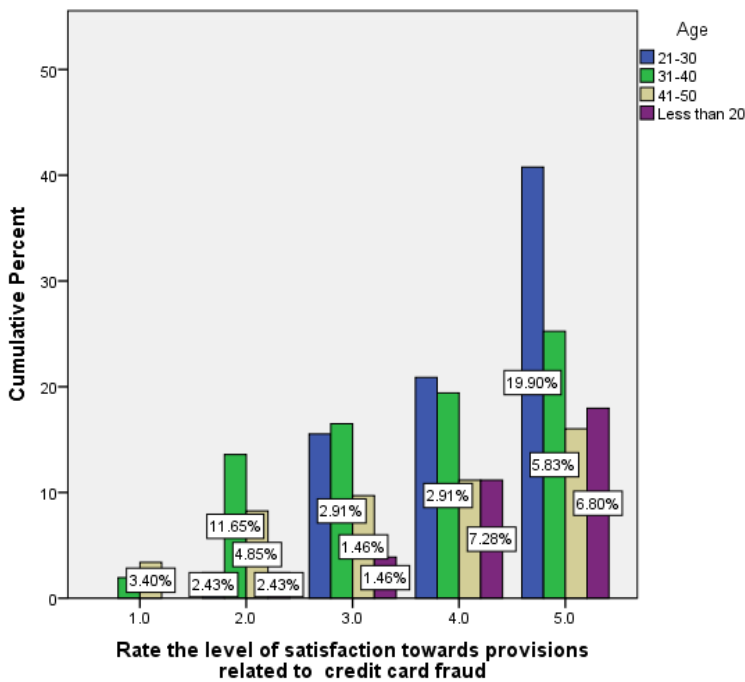
FIGURE 6 :

LEGEND : Figure 6 represents offences against credit card fraud still prevails .
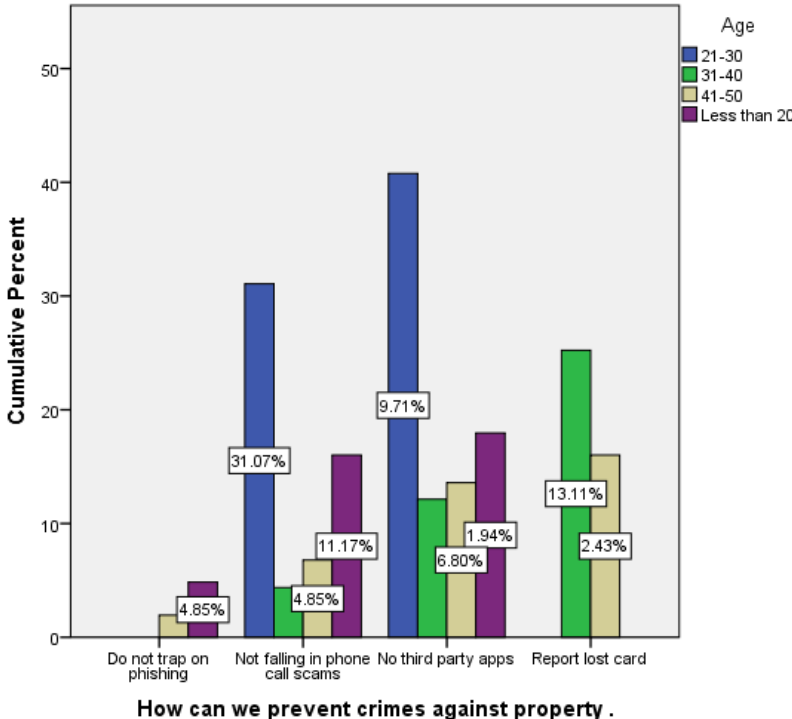
FIGURE 7 :

LEGEND:Figure 7 represents the independent variable have you not felt secure with education qualification .
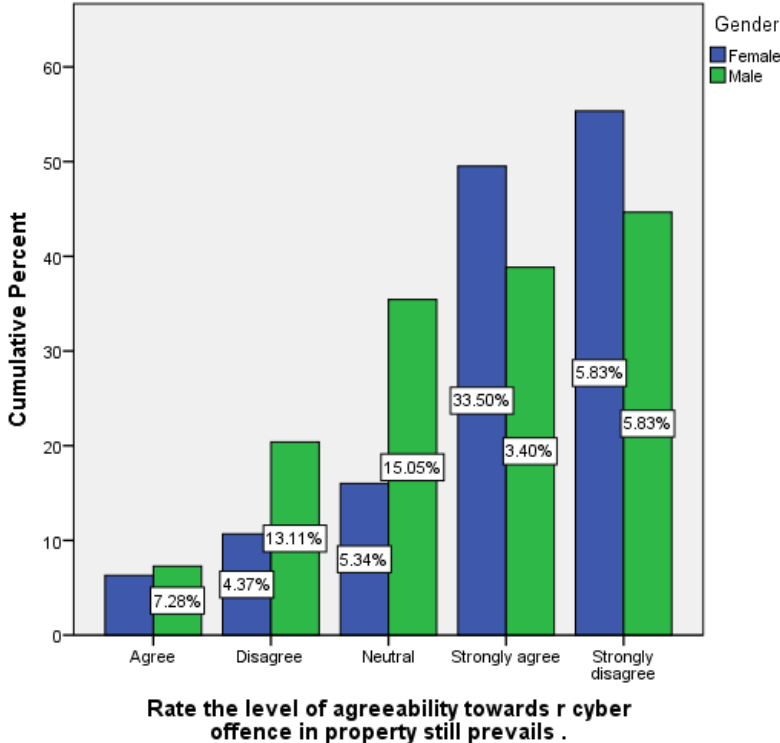
FIGURE 8 :

LEGEND : FIGURE 8 represents agreeability towards the provisions for credit card fraud .
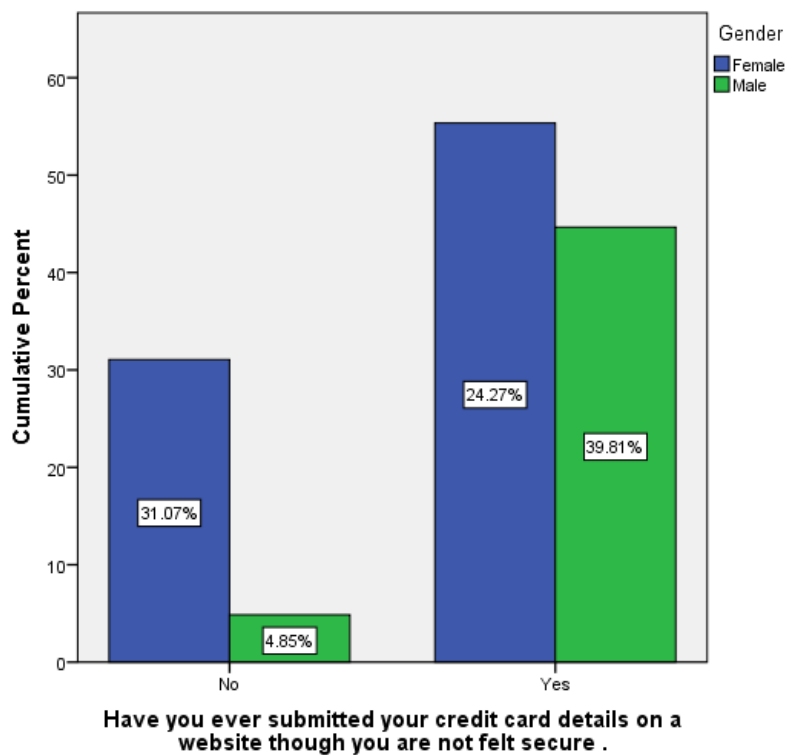
FIGURE 9:

LEGEND :Figure 9 represents how we can prevent credit card fraud .
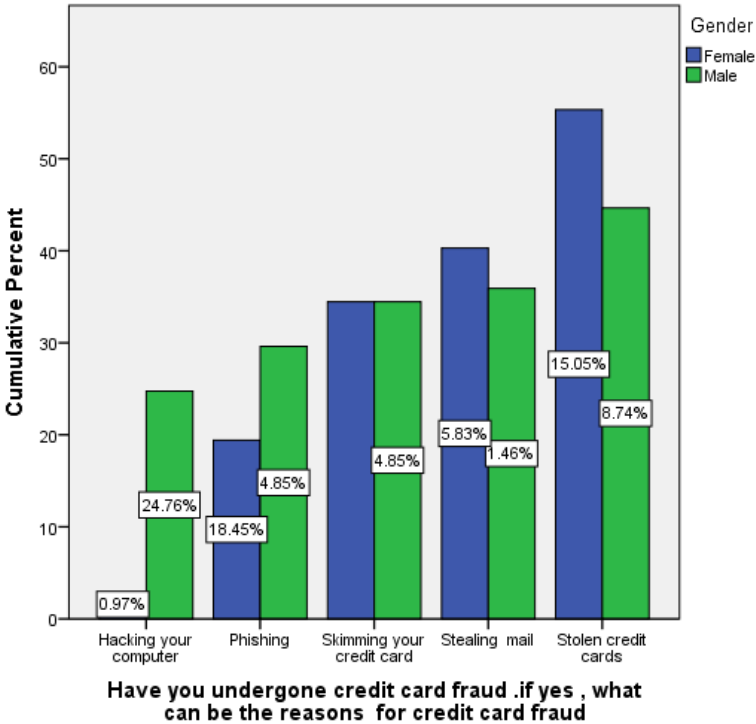
FIGURE 10 :

LEGEND : Figure 10 represents offences a result most people can't decide 14%
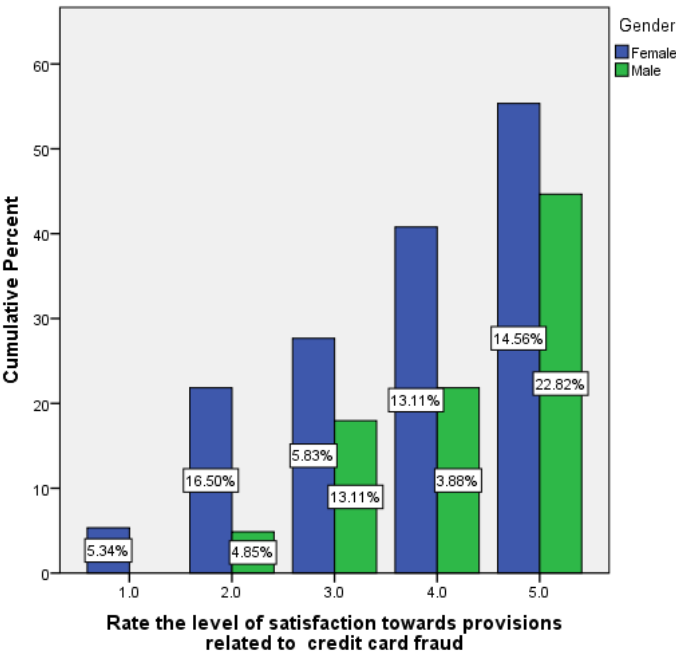
FIGURE 11:

LEGEND:Figure 11 represents have you all undergone credit card fraud with age

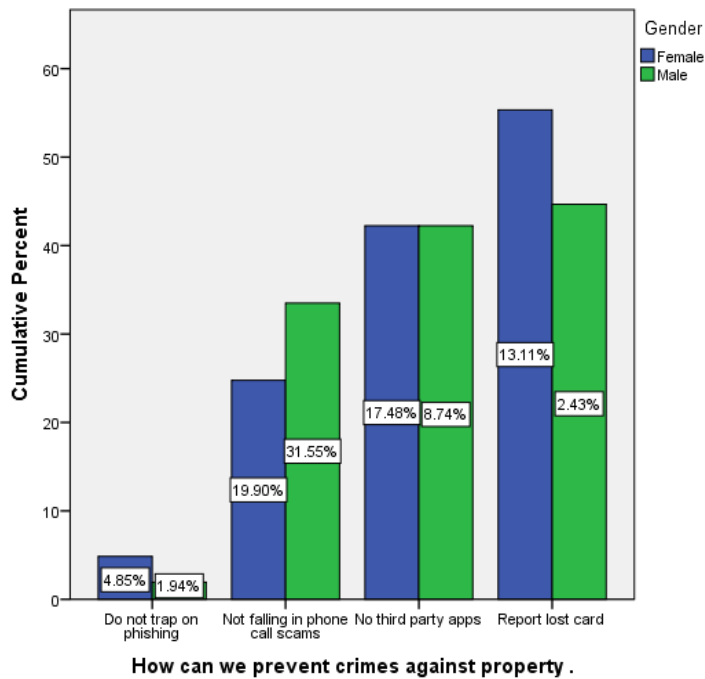**FIGURE 12 :**

LEGEND:Figure 12 represents the independent variable have you not felt secure with education qualification .

FIGURE 13:

LEGEND : Figure 13represents offences against credit card fraud still prevails .

FIGURE 14 :

LEGEND : Figure 14 represents how we can prevent credit card fraud .

RESULT :

Figure 1 represents have you all undergone credit card fraud with age , more than 27% of people responded yes.**Figure 2** represents the independent variable have you not felt secure with education qualification more than 22% of people suggested hacking your computer . **FIGURE 3** represents agreeability towards the provisions for credit card fraud.more than 21% of people responded 5 .**Figure 4** represents how we can prevent credit card fraud . more than 23 % of people responded no to falling in phone call scams .**Figure 5** represents have you all undergone credit card details in websites which we feel insecure .More than 36% of people responded yes . **Figure 6** represents offences against credit card fraud still prevails .most people can't decide 14% .Figure 6 represents offences against credit card fraud still prevails.most people can't decide 14% .:**Figure 7** represents the independent variable have you not felt secure with education qualification .more than 22% of people suggested hacking your computer .**FIGURE 8** represents agreeability towards the provisions for credit card fraud .more than 21% of people responded 5 .**Figure 9** represents how we can prevent credit card fraud .more than 23 % of people responded no falling in phone call scams . **Figure 10** represents offences against credit card fraud still prevails .Most people can't decide 14% .**Figure 11** represents have you all undergone credit card fraud with age.more than 24% of people responded yes .**Figure 12** represents the independent variable have you not felt secure with education qualification . more than 24% of people suggested hacking your computer .**Figure 13** represents offences against

credit card fraud still prevails . most people can't decide 14% . **FIGURE 14** represents how we can prevent credit card fraud.Nowadays most of the people are falling for this scam .

DISCUSSION:

Figure 1 represents that you have all undergone credit card fraud with age , more than 27% of people responded yes. Nowadays many of them use websites for the sake of phishing purposes and more cyber crimes happen in our society. That can be the major reason. **.Figure 2** represents the independent variable. Have you not felt secure with education qualification? More than 22% of people suggested hacking your computer most prefer hacking with computer sources because nowadays many are using credit cards for online purchases ,this can be the major reason . **Figure 3** represents agreeability towards the provisions for credit card fraud.more than 21% of people responded 5.the government should take necessary steps to prevent credit card fraud **. .Figure 4** represents how we can prevent credit card fraud . more than 23 % of people responded no falling in phone call scams nowadays most of the people are falling in this scam **.Figure 5** represents have you all undergone credit card detail in websites which we feel insecure .More than 24% of people responded yes Nowadays many of them use websites for the sake of phishing purpose and more cyber crimes happen in our society. That can be the major reason. **Figure 6** represents offences against credit card fraud still prevails .Most people can't decide 14% .Figure 6 represents offences against credit card fraud still prevails.most people can't decide 14% .**Figure 7** represents the independent variable have you not felt secure with education qualification most prefer hacking with computer sources because nowadays many are using credit card for an online purchases ,this can be the major reason . more than 22% of people suggested hacking your computer **.FIGURE 8** represents agreeability towards the provisions for credit card fraud .More than 21% of people responded 5: the government should take necessary steps to prevent credit card fraud . **.Figure 9** represents how we can prevent credit card fraud .More than 23 % of people responded by not falling in phone call scams. Nowadays most of the people are falling for this scam . **Figure 10** represents offences against credit card fraud still prevails .Most people can't decide 14% The crimes against property are prevented and the government is taking steps to prevent it . .**Figure 11** represents have you all undergone credit card fraud with age.More than 24% of people responded yes . Nowadays many of them use websites for the sake of phishing purposes and more cyber crimes happen in our society. That can be the major reason..**Figure 12** represents the independent variable that you have not felt secure with education qualification . more than 24% of people suggested hacking your computer .Most prefer hacking with computer sources

because nowadays many are using credit cards for online purchases ,this can be the major reason .**Figure 13** represents offences against credit card fraud still prevails . result most people can't decide 14% The crimes against property are prevented and the government is taking steps to prevent it . **FIGURE 14** Nowadays most of the people are falling for this scam. The most number of people who are the reason for stress most19% of people responded mind swing (Fig 8).

SUGGESTION :

The merchant may be instructed to call the card issuer for verification or to decline the transaction, or even to hold the card and refuse to return it to the customer .The findings of the study is people is not aware of the credit card fraud in cyberspace and in our society .The government can file under section 66 E violation of privacy under IT act 2000 .The government should take necessary steps to prevent credit card fraud.

CONCLUSION:

Credit card fraud means using your credit card number and password   credit card for their use from your account ,without your knowledge.Credit card fraud can be, made where the genuine customer themselves processes payment to another account which is controlled by a person , unauthorised, where the account holder does not provide authorisation for the payment to proceed and the transaction is carried out by a third partyThis approach is difficult because of customer's privacy concerns for customer data.The challenge is timeliness of the detection. Customers want their transactions approved in seconds, not minutes. .the reasons for credit card fraud can be phishing . To understand how we can prevent credit card fraud , To find whether there is express provision for credit card fraud . I conclude that The government should take necessary steps to prevent credit card fraud . people should be aware of credit card fraud.