

## 4. Payment cards and security in purchases

### VOICE 1

"I pay with the card." Each of you will certainly have heard this sentence countless times in a shop. In Europe, "electronic" payments, i.e. payments made not with cash, but with alternative instruments, are increasingly widespread. At the supermarket, at the bar, but also at professionals such as doctors or in public offices, there are so-called POS, which allow you to avoid the use of banknotes or coins. Also, for example, to recharge your mobile phone. But be careful: although the cards, looking at them, all look the same, they can actually be very, very different from each other. There are at least four kinds that need to be kept in mind.

The first, the simplest, is the ATM card. It is used, for example, to withdraw cash from vending machines located outside the bank branches, the ATMs. But they can also be used to pay in stores, by typing the PIN, which is a four or five-digit code, which is given to each holder of an ATM card. This is an extremely precious code that must be jealously guarded: disclosing it to third parties can jeopardize the security of your current account. When you pay and enter your PIN, the money is debited from your account. In fact, ATM cards are also called "debit cards". Warning: for small amounts, if the card is equipped with "contactless" technology, it is not necessary to enter the PIN. In fact, it is enough to physically bring the card close to the POS to pay.

Obviously, to have an ATM card you must have opened a current account. ATM cards usually have maximum ceilings, usually monthly, after which it is no longer possible to withdraw money or make payments. For example, if you have withdrawn cash worth more than € 1,000 per month. Or if you have made payments at the POS for more than 1,500 euros. These are limits set for safety. But which are still quite high. If you prefer a payment method similar to an ATM card, but more secure, then you can choose a prepaid card.

### VOICE 2

The "pre-paid" card is so called because the money must be loaded onto the card before it is spent, and it is you who top it up from time to time, deciding for what amount. Each time you make a payment or withdrawal, the money on the card decreases. Each time you top it up, the money goes up. The prepaid card is a good solution for a young person who does not have his own salary or for children. To have it you need to present an identity document and a residence permit, and for many banks it is not necessary to have a current account. With the prepaid card, you can withdraw cash from automatic teller machines (ATMs) and pay in authorized stores in Italy and even abroad if the card is connected to international circuits. To understand which Circuits operate on the card, it is necessary to look at the Marks printed on it: each Mark corresponds to a Circuit operating on the card itself. Looking at your card you will also be able to understand the type to which it belongs: on the prepaid card, in particular, there is the word "prepaid". You can use your prepaid card to buy on the internet with less risk. To use the prepaid card, you must enter the numerical secret code of the card (PIN), except for very low amounts if you are using a card with "contactless" technology. There are prepaid cards with an IBAN code that are enabled to receive credits and make payments like a payment account, for example by means of bank transfers or direct debits. How much? It depends on the banks, but usually you pay at the beginning, to buy the card, and every time you top up or withdraw. PLEASE NOTE for all credit, debit and prepaid cards: FOR YOUR SAFETY it is advisable to memorize the PIN; if you want to keep it, always do it separately from the card (therefore never in your wallet and / or purse together with the card) and also avoid storing it on your mobile phone. If your card is stolen or lost, immediately inform your bank or card issuer asking for it to be blocked, and report it to the competent authorities.

Finally, there is another type of card, called a credit card. Which is more difficult to manage for those not familiar with this kind of tool. In fact, it does not provide for an immediate charge of what we are paying. In other words, when we pay with a credit card, the payment is "prepaid" by our

bank. For a period of time indicated in the contract you have signed. Let's take a concrete example:

#### VOICE 2

A non-revolving credit card, therefore a traditional credit card works in this way: normally expenses are carried out within the month, a calendar month, for example the month of January, in the month of January the account is made at the end of all the expenses that have been made, purchases that may have been made in the store or online for example and, at that moment you do not pay anything, in fact at that moment it is the bank or the person who issued our credit card that he anticipated the money we have decided to spend.

But you have to be very careful not to exceed certain limits. Why? Because first of all the limit itself is given by the credit card. Many credit cards, almost all credit cards, have a maximum spending limit beyond which you cannot go. But above all we must avoid getting carried away, because all of this money will typically be debited and debited at the beginning of the following month. So the advance that the bank gives us, the credit it gives us through a credit card is limited to a few days or a few weeks of time.

At the beginning of the following month, the bank account on which we can say in jargon that the credit card is pointing will be charged for all of what we have spent during the month.

#### VOICE 1

Even more complex to use, and even risky, are revolving cards, which provide for repayment in installments of what you paid.

Before choosing an ATM, prepaid or credit card, it is therefore good to obtain all the necessary information. You can ask your bank for them. And even in this case, the advice is not to hesitate to ask. Get all the conditions of use, and the expected costs for each operation. For example, some cards have a maximum number of monthly transactions, beyond which commissions are applied. Take all documents home and study them calmly, returning to the bank again if necessary for further questions and clarifications.