

# Debit Cards Popular but Dangerous

## Funds Immediately Transferred From Your Checking Account

They may look like credit cards. They may feel like credit cards. They may even seem to work like credit cards. But debit cards are not what they seem. And using them on purchases may rack up hidden fees and provide little protection on your money.

For example, did you know–

### **Some stores assess fees for using a debit card to buy merchandise?**

It's like the fee you get charged at the ATM. Unless you specifically ask if there is such a fee, you probably won't be told.

### **Some merchants can put a hold on your checking account?**

If you use a debit card to cover expenses that are not yet known– say for a hotel bill or a car rental—the merchant can put a hold on your account for an amount much more than you'll end up spending. That freeze can take up to a few days to clear. In the-mean time checks can bounce and you'll be charged a bounced-check penalty.

### **You don't have much theft protection on debit cards?**

If your credit card or credit-card number is stolen and used, federal law limits your liability to \$50 as long as you report the card's loss within 60 days. But if your debit card is stolen, you have to report the theft within two days to limit your liability to \$50. If you don't report the theft after 60 days, all the money that had been used is gone forever.

Adapted from the New York Times