

FTC Business Alert

Federal Trade Commission ■ Bureau of Consumer Protection ■ Division of Consumer & Business Education

Slip Showing?

Federal Law Requires All Businesses to Truncate Credit Card Information on Receipts

What's on the credit and debit card receipts you give your customers? The Federal Trade Commission (FTC), the nation's consumer protection agency, says it's time for companies to check their receipts and make sure they're complying with a law that's been in effect for all businesses since December 1, 2006.

According to the federal Fair and Accurate Credit Transaction Act (FACTA), the electronically printed credit and debit card receipts you give your customers must shorten — or truncate — the account information. You may include no more than the last five digits of the card number, and you must delete the card's expiration date. For example, a receipt that truncates the credit card number and deletes the expiration date could look like this:

ACCT: *****12345

EXP: ****

Why is it important for businesses to make sure they're complying with this law? Credit card numbers on sales receipts are a "golden ticket" for fraudsters and identity thieves. Savvy businesses appreciate the importance of protecting their customers — and themselves — from credit card crime.

But there are other important reasons to make sure your slips are ship-shape. Noncompliance could open a company up to an FTC law enforcement action, including civil penalties and injunctive relief. In addition, the law allows consumers to sue businesses that don't comply and to collect damages and attorney's fees.

While Congress passed this provision in December 2003, it has been phased in gradually, requiring merchants with newer electronic card processing machines to comply by December 2004. Merchants with older machines were given until December 1, 2006. So now *all* companies that electronically print credit or debit card receipts must truncate the information on the copy they give their customers. That's why it's important to make sure all your equipment complies with the law.

Several details of the law are worth noting: It applies only to electronically printed receipts, not to handwritten or imprinted ones. And it applies only to receipts you give your customer at point of sale, not to any transaction record you retain. Be aware, however, that when you keep your customers' personal information — including account data — you have an obligation to keep it safe. Read *Protecting Personal Information: A Guide for Business*, available at ftc.gov/infosecurity, for tips on safeguarding sensitive data.

The FTC works for the consumer to prevent fraudulent, deceptive and unfair business practices in the marketplace and to provide information to help consumers spot, stop and avoid them. To file a complaint or to get free information on consumer issues, visit ftc.gov or call toll-free, 1-877-FTC-HELP (1-877-382-4357); TTY: 1-866-653-4261. The FTC enters consumer complaints into the Consumer Sentinel Network, a secure online database and investigative tool used by hundreds of civil and criminal law enforcement agencies in the U.S. and abroad.

Your Opportunity to Comment

The National Small Business Ombudsman and 10 Regional Fairness Boards collect comments from small businesses about federal compliance and enforcement activities. Each year, the Ombudsman evaluates the conduct of these activities and rates each agency's responsiveness to small businesses. Small businesses can comment to the Ombudsman without fear of reprisal. To comment, call toll-free 1-888-REGFAIR (1-888-734-3247) or go to www.sba.gov/ombudsman.

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