Card threat from app that 'sees' into wallets

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IT'S been described as electronic pickpocketing, a loophole in credit card technology that allows thieves to steal personal financial and identity details that consumers carry every day, without touching the victims.

A smartphone app, which enables the user to read credit card information through clothes, wallets and purses, is causing concern for consumers who carry credit cards with near field communication technology.

NFC is an emerging technology for "contact-less transactions" that uses radio frequency and is replacing bar codes. It is used in many credit cards, including tap-to-pay systems such as MasterCard's PayPass or Visa payWave. Its range is limited to less than 10cm, compared with older technology such as radio frequency identification that works up to several metres from the scanner. RFID is used for freeway tolling devices.

A free app, available for Android mobile phones such as the Samsung Galaxy S3 through the Google Play store, allows the phone to read information on a card, including the name, credit card number and expiry date.

It does not include the three-digit security number on the back usually used for larger purchases.

Hackers are already working on ways to crack the security protocols of NFC, according to Melbourne software developer Dan Washusen, founder of consultancy Sixty Digits.

Visa spokeswoman Judy Shaw said that it was technically possible to lift some details from its cards using NFC scanning technology but said consumers need not be concerned.

"Millions of contactless payments are being made every month and there has been no impact on fraud rates," she said.

The level of security was extremely high and contactless payments were as safe as traditional payment cards. Minimal account information was stored on a Visa payWave card, less than traditional magnetic stripe cards or contact chip cards.

Nearly half of smartphones in Australia are Androids, the majority of which have NFC capability, as do the newer Windows-based phones, which make up less than 10 per cent of the market. If the yet to be released iPhone 5S is NFC enabled, as is rumoured, well over half of phones could soon have this ability.

Using a Samsung Galaxy S III and the free downloadable app, *The Weekend Australian* was able to scan a credit card through a wallet, get the full card number and expiry date.

Marco Ciobo, head of IT strategy practice at AT Kearney, said the biggest risk associated with NFC was the ability to steal information from office swipe cards or name cards. You wouldn't even have to be close. Mr Ciobo said that by kicking up the power on an NFC reader, you could scan cards from metres away.