



Wisconsin Ag News Headlines

Avoid Credit and Debit Card Receipt Litigation

Wisconsin Ag Connection - 08/26/2008

Rural Mutual Insurance Company is alerting producers who sell products using debit or credit cards to make sure they are not violating a federal law regarding the printing of credit and debit card receipts.

The Fair and Accurate Credit Transaction Act prohibits printing anything more than the last five digits of a credit and/or debit card number, or the expiration date on a receipt. A violation may entitle the customer to recover statutory damages between \$100 and \$1,000 per incident. A merchant violates the law if it provides a customer a receipt that contains a card's expiration date--even if the card numbers are properly truncated.

"We want farmers who use plastic in their sales transactions to make sure the receipts they provide do not contain anything more than the last five card digits or the expiration date of a card," said Rural's Marketing Director Tom Thieding. "This federal law has become ripe for class action abuse, and the statutory damages can easily become overwhelming, because a small business will process hundreds or thousands of credit card transactions."

A column on this topic in the Washington Legal Foundation newsletter said that while identity theft is a serious problem and anything that helps reduce the amount of paper floating around that contains credit card numbers is a good idea. But, the way the law is crafted, a merchant violates the law if it prints a receipt containing a card's expiration date--even if the card numbers are properly truncated.

Merchants invite trouble if it has equipment on the premises that are capable of printing receipts with the entire credit card or debit card number and/or the expiration date, as those receipts could be passed to customers by employees.

Rural Mutual Insurance urges producers to contact their merchant banks or take other corrective action immediately if they believe they are not in compliance with FACTA.