

Bank Negara: Claims of charges to replace ATM cards not true

KUALA LUMPUR: Bank Negara has denied claims that ATM cardholders will be charged a fee and will not be able to use their cards for cash withdrawals if they do not change their existing cards to the new personal identification number (PIN)-based cards.

However, the central bank urged the public to stop delaying their replacement of cards.

"The replacement of the existing signature-based payment cards with the new PIN-based cards is an industry initiative aimed to further enhance the security of the use of payment cards at the point-of-sale (POS) terminals in merchant outlets.

"The current initiative to migrate to PIN-based payment cards for transactions at POS terminals is to improve security and protect cardholders' interest," it said in a statement yesterday.

It stressed that cardholders can replace their ATM cards at banks for free.

It added that banks were required to provide cardholders with adequate notice and a reasonable time period for the replacement of cards before disabling the existing cards for such transactions.

The Star 20/12
Banks have been progressively replacing their customers' signature-based payment cards with PIN-based cards and aim to complete this exercise by Jan 1.

This would provide cardholders with a six-month period to adapt to the usage of PIN-based cards at the merchants' POS terminals.

Effective July 1, all payment card transactions conducted using locally issued payment cards at POS terminals in Malaysia can only be completed with a PIN entry.

Signature verification will no longer be facilitated.

Over the past week, viral messages on social media alleged that there was a penalty of RM12.70 for replacement of new debit cards if cardholders have not done so prior to respective deadlines set by the banks, and that the cards would stop functioning.

Several banks have taken to their official Facebook pages to deny this claim and stressed that no charges would be imposed for first-time replacement.

There are, however, charges if the cards are lost, stolen or damaged due to the cardholder's misuse.