

## Mobile credit card application is safe -- and easier now

Fraud risk lower with phones than mail

By [Beth Braverman \(/credit-card-news/authors/beth-braverman.php\)](/credit-card-news/authors/beth-braverman.php) | Published: January 19, 2017



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For the past decade, we've been able to check our balances and pay bills online and with our smartphones, but new technology introduced in the past few years has made it possible to conduct even more complicated transactions, such as depositing checks or applying for a mortgage or credit card on our smartphone.

But is opening an account by mobile device safe?

The experts say it is. "Mobile technology is quite safe," says Don Bergal, chief marketing officer of Avoka, which helps companies to open digital and mobile accounts. "The wireless link is completely encrypted, and in many cases it's much safer than wired internet or an unsecured Wi-Fi system.

"Any digital system is going to be more secure than filling out paperwork and sending it through the mail," he adds, "where there are many places that someone could intercept a letter or the paper documents could be left around where someone could maliciously make a copy."

When you apply for a credit card online, you're essentially entering your info directly into the bank's database. Nothing is stored on your phone, so there's less opportunity for crooks to get access to it.

Historically, it's been tough for card issuers to offer applications on mobile, because of the difficulty authenticating the identity of applicants, and because many users abandoned the process because it took too long to manually enter all the necessary data from a tiny mobile keypad.

New technology introduced in the past two years and widely adopted in 2016 has made the process smoother.

Tech improvements mean that consumers can now enter just the first few numbers or letters of their address and have it auto-complete, or they can use their mobile devices to scan their driver's license and have their info automatically populated into the application.

In 2016, more than 1 in 5 consumers (21 percent) who opened credit card accounts did so via a mobile device, a [November 2016 white paper \(https://www.javelinstrategy.com/coverage-area/looking-beyond-kba\)](https://www.javelinstrategy.com/coverage-area/looking-beyond-kba) from Mitek and Javelin Strategy & Research found, with millennials even more likely to use mobile devices for such transactions. More than half (51 percent) of new credit card accounts were opened online, and 27 percent were opened in a bank branch. Only 9 percent of card accounts were opened by mail.

While consumers still prefer to open an account online instead of by mobile device, the Mitek and Javelin study found this is partially a function of demand far outstripping supply as only one-third of the top 30 financial institutions currently offer account opening via mobile devices

"The card issuers that we talk to have all seen major increases in the number of customers who are applying for credit cards via their mobile devices," says Sarah Clark, general manager of identity for Mitek.

Issuers are also implementing additional back-end security measures, such as blocking applications from devices associated with fraud, aimed at keeping crooks from opening accounts in your name via mobile, says David Stewart, director of financial crimes and compliance at SAS, a business analytics company based in Cary, North Carolina.

### Faster for consumers, favored by retailers

If you haven't yet run across auto-complete or scanning of your driver's license to transfer that information to an application form, you may the next time you time you apply for a credit card.

Here are four ways you may encounter these technological advances to speed the application process:

- You're surfing the web via a mobile browser on your phone or tablet and go to a site such as CreditCards.com or a bank's site to apply for a credit card.
- You apply for a credit card via your bank's mobile app.
- In a store, a retail associate helps you apply for a store card on a tablet either at the counter or elsewhere in the store.
- You use your own phone while in a retailer to apply for a store card that you can immediately use.

Retailers also like mobile applications, since the streamlined process means that fewer consumers are abandoning the process when it gets cumbersome.

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— Sarah Clark  
General manager of identity for Mitek

Alliance Data, which works with retailers to implement in-store systems that allow consumers to apply for store cards via mobile, reports that mobile applications made by scanning an ID automatically populate up to 70 percent of the application, shaving off about 25 percent of the time that it takes to apply.

All of the advances on the front end and behind the scenes to fight fraud “is all part of banks recognizing that their customer targets want to do business digitally and engage digitally, as opposed to always going into a bank,” Bergal says. Consumers “want to start things off on their digital devices.”

#### How to keep your ID secure

Any time you complete a financial transaction via a mobile device, you need to take basic precautions to protect your personal information. That means using strong, individual passwords on all accounts and never using public Wi-Fi to send private information.

Make sure, also, that you’re using the latest operating system for your device, and don’t download apps from anywhere other than Google Play or the Apple App Store, says Florin Arghirescu, senior vice president of information technology at Synchrony Financial.

In addition, avoid applying for credit cards via links sent to you by email, a common way for criminals to gain access to your devices. Instead, go directly to the mobile site or app of the financial institution or bank and tap through in order to make sure you’re applying via a secure site.

If you’re using a mobile browser, look for a lock icon or a green-colored address bar to indicate that the site is secure.

If you find the process of applying for a card via mobile difficult, consider that to be a red flag.

“A bank that makes it easy for its end user to apply for an account is probably smart about how they protect information and process it,” Bergal says. “If a bank is using best practices to make it simple to apply, they probably have best practices on security and risk mitigation.

Bergal adds, “If it looks really clunky on your end, it’s probably clunky on the back-end, too.”

**See related:** [As online fraud spikes, here's how to safeguard your accounts \(http://www.creditcards.com/credit-card-news/online-fraud-spikes-cut-your-risk.php\)](http://www.creditcards.com/credit-card-news/online-fraud-spikes-cut-your-risk.php), [Millennials most likely to fall prey to scams \(http://www.creditcards.com/credit-card-news/millennials-most-likely-fall-prey-scams.php\)](http://www.creditcards.com/credit-card-news/millennials-most-likely-fall-prey-scams.php)

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Chief marketing officer of Avoka

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