**1.1 Background of Study**

With the growth of online business around Nigeria, the number of credit card frauds has also increased drastically. The fraudulent credit card transactions result in yearly losses of a significant sum of money. Unauthorized financial fraud losses using credit cards and online banking in the UK reached £844.8 million in 2018. While in 2018, banks and credit card companies stopped £1.66 billion in unlawful fraud. This translates to the prevention of £2 out of every £3 of attempted fraud. In 2015, fraud losses on credit, debit, and prepaid cards issued worldwide reached $21.84 billion, according to a Bloomberg report. By 2020, Bloomberg predicts that this could grow by a rate of 45 percent. (Jesus, 2019)

Interestingly credit card fraud affects card owners the least because their liability is limited to the transactions made. The existing legislations and cardholder protection policies as well as insurance schemes in most countries protect the interests of the cardholders. However, the most affected are the merchants, who, in most situations, do not have any evidence (e.g., digital signature) to dispute the cardholders’ claim of misused card information. Merchants end up bearing all the loses due to chargeback, shipping cost of goods, card issuer fees and charges as well as their own administrative costs. Numerous fraudulent incidents involving the same business can scare away customers, force banks that provide credit cards to stop accepting payments, and harm the business' brand and goodwill. (Amanze & Onukwugha, 2018)

**Some Famous Credit Card Fraud Attacks:**

Between July 2005 and mid-January 2007, a breach of systems at TJX Companies exposed data from more than 45.6 million credit cards. Albert Gonzalez is accused of being the ringleader of the group responsible for the thefts. In August 2009 Gonzalez was also indicted for the biggest known credit card theft to date information from more than 130 million credit and debit cards was stolen at Heartland Payment Systems, retailers 7-Eleven and Hannaford Brothers, and two unidentified companies.

Approximately 40 million sets of credit card data were stolen from Adobe Systems in 2012 as a result of a cyberattack. According to Chief Security Officer Brad Arkin, the data exposed included client names, encrypted credit card numbers, expiration dates, and details on orders.

In July 2013, press reports indicated four Russians and a Ukrainian were indicted in the U.S. state of New Jersey for what was called "the largest hacking and data breach scheme ever prosecuted in the United States." Albert Gonzalez was named as a co-conspirator in the attack, which resulted in more than $300 million in losses and at least 160 million credit card losses. American and European businesses, such as Citigroup, Nasdaq OMX Group, and PNC Financial, were impacted by the attack financial Services Group, Visa licensee Visa Jordan, Carrefour, J. C. Penny and JetBlue Airways.

A Target Corporation system breach occurred between November 27 and December 15, 2013, exposing information from roughly 40 million payment cards. Names, account numbers, expiration dates, and card security codes were among the data taken.

A hacking attack that occurred between July 16 and October 30, 2013, exposed about a million sets of credit card data kept on Neiman-Marcus computers. Target's systems were compromised by malware that was intended to hook into cash registers and monitor the credit card authorization process (RAM-scraping malware), exposing data from as many as 110 million consumers.

The Home Depot acknowledged that their payment systems had been breached on September 8th, 2014. Later, they issued a statement claiming that the incident led to the theft of 56 million credit card details by hackers.

In a planned theft on May 15, 2016, a gang of about 100 people stole $12,7 million from 1400 convenience stores in Tokyo over the course of three hours using the information from 1600 South African credit cards. They are thought to have gained enough time to escape Japan before the robbery was uncovered by operating on a Sunday and in a nation other than the bank that issued the cards.