

## Credit Card vs. Debit Card Protections Comparison Chart

|   | Credit Card   | Debit Card  |
|---|---|---|
| Legal Liability Laws                                  | Strict.   | Lean.   |
| Liability Limit: Lost, Stolen or Unauthorized charges | Capped at \$50.   | Situational and time-sensitive. Zero liability if consumer reports debit card missing before it is used without their permission. Liability capped at \$50 if bank notified within 2 business days after discovery or loss. Capped at \$500 if notification is made after 2 business days. Liability is unlimited if consumer fails to provide notification within 60 days after bank statement is mailed to them listing the unauthorized withdrawals. |
| Billing Errors & Disputes                             | Protected against billing errors. In most cases may withhold payment on amount in dispute.  | Banks have up to 10 business days to conduct an investigation after receiving notice from cardholder. Can take up to 45 days to investigate but generally must credit consumer's account for amount of alleged error on a provisional basis.  |
| Defective Goods                                       | May, under certain circumstances, withhold payment on defective goods until problem has been corrected.   | Consumers do not have the right to withhold payment on damaged or defective merchandise.  |
| Fraud   | Consumer need only prove someone else has used the card.  | Consumer has to figure out how to get their money back. If any checks (debit charges) bounced, consumer is responsible for those as well.   |
| Over Limit / Exceed Balance                           | Card issuer cannot allow consumer to go over credit limit and then charge penalty fee for having done so unless consumer explicitly agrees to this practice in writing. | Most card issuers assess a high overdraft fee if consumer withdraws amount exceeding their account balance.   |