



Use Your Money Apps Wisely

It seems everywhere you turn, you can find an app. Our smart phones are full of them, and online stores offer them as convenient ways to track gas prices, build grocery lists and do a myriad of other things. But if you use a personal finance or budgeting app, make sure you use it wisely.

GreenPath's information security manager, Leo Hopper, recently took part in an interview with *CreditCards.com*, sharing ways to protect yourself when using such apps. Below is the article written, in part, by Lisa Bertagnoli.

Budget-minder apps such as *Mint.com* and *YouNeedABudget.com* can help spendthrifts track and control spending. They also carry a security risk, as they require users to hand over sensitive information, such as credit card and (checking) account numbers, then allow the apps access to that information.

In this era of headline-grabbing security breaches, just how safe are these apps? And what would happen to users if their sensitive information fell into the wrong hands?

Before answering those questions, it's helpful to review how budget apps work. They aggregate users' finances, assembling information from checking, savings, credit card and even retirement accounts, to give users a single snapshot of their finances: what they're spending, what they're saving.

Information entered into *Mint.com* is read-only, explains Holly Perez, consumer money expert at Intuit, the Palo Alto, California-based company that developed and owns *Mint.com*. That means the app cannot use account information to transfer funds between accounts or make purchases.

Too, not all budget apps require access to (financial) statements and credit card accounts. Rather than have users hand over account numbers, *YouNeedABudget.com* asks them to download statements into a Dropbox file; a YNAB spokeswoman says Dropbox uses 256-bit AES encryption to protect data.

Card protections kick in

Financial institutions and card networks say in the event of a breach, zero-liability protection would cover any fraudulent charges. MasterCard's policy covers both debit and credit cards. "Our zero liability protection applies whenever a MasterCard branded card is used," says Becky Kitchener, a spokeswoman for MasterCard. "App use has no impact on card protections."

Wells Fargo, too, would cover fraudulent charges on credit or debit cards if an app were to have a security breach, according to a spokeswoman.

Even if it didn't, U.S. law offers protection. The Fair Credit Billing Act limits consumer liability to \$50 for unauthorized charges on credit cards, and \$0 if the user reports a stolen card before the card is used fraudulently. The Electronic Fund Transfer Act offers similar protections to debit card users in certain cases.

The fine print

Both financial institution-based and law-based protections come with some fine print, though. Users must dispute charges within a fixed time frame. For instance, you have 60 days to comply with the Fair Credit Billing Act. You'll need to report fraudulent debit card charges within two business days or you could be on the hook for up to \$500. Wait more than 60 days and you could be liable for the entire amount.

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Seven Tips for Using Apps Safely

1. Be comfortable with your app and learn how to use it.
2. Protect yourself with a password.
3. Use complicated passwords.
4. Do not agree to auto-logins when you access a site.
5. Use anti-virus software on your phone.
6. Pay attention. Watch for app upgrades.
7. Be discreet in public.

The fine print at most financial institutions says cardholders must exercise reasonable care in protecting their privacy, as well as report fraud in a timely fashion.

Mint.com, for its part, referred to FCBA guidelines when asked about credit card protection. It says debit card protections depend on the user's financial institution.

Some financial institutions will not cover unauthorized debit card charges or fraudulent account activity if customers hand over private information to a third party, says **Leo Hopper**, information security manager at **GreenPath Debt Solutions**, a nonprofit financial consulting agency in Farmington Hills, Michigan.

Too, some financial institutions will not allow *Mint.com* access to customer accounts.

Hopper's advice: Check with your financial institution before signing up with a budget app to see what protections are available to you. He also suggests checking with the apps you plan to use to see what protection they offer.

Risks to personal information

Yet another caveat: Terms of service "always say they will not share or sell your information, but that's always subject to change," particularly if an app is sold to another company, Hopper says.

GreenPath counselors, he continues, encourage clients to use budget apps, as they're useful tools for people who need help organizing budgets and finances. For the most part, the apps are reputable and safe: Users are more likely to click on a spam-phishing email and get "had" that way rather than have a budget app experience a system-wide breach, he says.

The bottom line: Budget apps can do lots to help users gain financial wisdom; the rewards of using them outweigh the risk. Users — by being smart and careful — can do much to reduce that risk.



Webinar Wednesdays in September

GreenPath will host two webinars in September. These hour-long, online programs are taught by GreenPath education specialists. The webinars are always free and informative without a sales pitch. There's also plenty of time for Q&A at the end of the program.

Protect Your Identity – Wednesday, Sept. 2 at noon ET

One of our most popular webinars! From email scams and phishing to credit card skimming and fake pre-approval offers, identity theft is on the rise! This course will teach you practical tips on ways to avoid becoming a victim, as well as what to do if you suspect someone has stolen your identity.

Bankruptcy Basics – Wednesday, Sept. 16 at noon ET

Bankruptcy is a topic that is often talked about, but misunderstood in many instances. Although no legal advice will be provided by GreenPath, this webinar will discuss essential details you need to know about Chapter 7 and Chapter 13 bankruptcies.

To sign-up for any of these personal finance webinars, log on to www.greenpathref.com and click on Financial Education, then Webinars.

GreenPath Reviews on ConsumerAffairs.com

If GreenPath has helped you, consider sharing your story on *ConsumerAffairs.com*. Here's a recent submission:

From Amy: *"The GreenPath team was always positive and helpful. Since working with them, I paid off all my debts. They made everything really easy, consolidating everything into one payment, and they always checked up on me, which was important and helpful to keep me on track. I once missed a payment and they called me about it. We got it taken care of before there were any other repercussions or late fees. They were really on top of watching out for me, which was great."*

Log on to www.consumeraffairs.com/debt_counsel/greenpath.html to tell us your story! So far, more than 145 clients have shared their experience!