

15 ways to protect your money on vacation

By *Lucy Lazarony* at *Bankrate.com*

Highlights

- The zero-liability policy makes a credit card the best choice.
- Make copies of key documents and leave them at home with someone you trust.
- "Try to stay as organized as possible." This will make you less vulnerable.

Don't let a fraudster, pickpocket or identity thief ruin your next vacation.

These 15 financial safety tips will show you how to protect your wallet, your valuables and your financial information when vacationing in America and abroad.

15 safety tips for travelers

1. Lighten up your wallet.
2. Use credit cards for major purchases.
3. Pack a backup credit card.
4. Watch out for bogus ATMs.
5. Keep a close eye on that debit card.
6. Make copies of important financial information.
7. Tell bank and credit card companies about travel plans.
8. Use the hotel safe.
9. Protect your cash.
10. Watch out for crowds.
11. Clean out your rental car.
12. Stay organized.
13. Watch out for pickpockets.
14. Research foreign destinations before your trip.
15. Review your purchases.

Lighten up your wallet. Only carry the credit cards you'll be using on your trip and leave the rest at home. Pack an ATM/debit card for withdrawing cash at ATMs.

Remove any card with your Social Security number. For health insurance cards, the Identity Theft Resource Center, a nonprofit organization focused on identity theft prevention, suggests making a copy of the card and removing the last four digits of your Social Security number. Bring the photocopy with you on your trip and leave the original card at home.

Leave your checkbook at home.

"Limit what documents you are going to carry with you," says Linda Foley, co-founder of the Identity Theft Resource Center. "Clean out your wallet and purse before you take that trip."

Use credit cards for major purchases. Most credit cards have zero-liability policies, meaning you won't pay a penny for unauthorized charges if a card is lost or stolen.

The Fair Credit Billing Act specifies that your maximum liability for unauthorized credit card charges is \$50. So that's the most you'll end up paying if a thief should get a hold of your credit card.

"If you're worrying about safety, I don't think you can go wrong with credit cards," says Anne Banas, executive editor of SmarterTravel.com.

The sooner you alert a credit card company of a lost or stolen card, the better. So bring contact information for each of your credit cards with you on the trip.

You also can alert your credit card company if you're unsatisfied with the quality of a purchase that you make with your card or if a credit card purchase gets lost or stolen.

Brice Gosnell, regional publisher for Lonely Planet, bought a pair of sunglasses with a credit card while traveling in Italy. When a thief nabbed the sunglasses, all Gosnell had to do was make a quick phone call to his card company, and the money for the stolen sunglasses was refunded to his account.

"Using a credit card is just a smarter best bet," Gosnell says.

Pack a backup credit card. It's best to travel with a backup credit card or two. That way, if a card gets lost or stolen, you'll have another card you can use for major purchases such as hotel rooms and rental cars. And you can continue with your vacation without a hitch.

"Absolutely bring at least two credit cards," Banas says. "Definitely have at least one backup."

Keep your backup cards secure in the hotel safe so they'll be there if you should need them.

Watch out for bogus ATMs. Getting cash while on vacation is a snap if you pack your trusty ATM card. Just be sure the cash machine is legit before inserting your card.

Thieves place phony ATM machines at high-traffic tourist areas. So stick to ATMs that are near banks or in airports or in hotels.

VISA and Mastercard have worldwide ATM locators on their Web sites. So it's easy to scope out legitimate ATM locations in the areas where you'll be traveling.

Keep a close eye on that debit card. Debit cards are handy for withdrawing cash from ATMs and making small purchases while traveling. But you'll want to keep close tabs on your debit card at all times. It is linked directly to your checking account, and if a thief nabs the card, your account could be emptied in no time.

ATM and debit card transactions are protected under the Electronic Fund Transfer Act. But you'll need to act fast to limit your liability for the fraudulent transactions.

To limit your liability to \$50, you'll need to report the bogus debit card charges to your bank within two business days. After that, you could be on the hook for as much as \$500 in unauthorized charges. (There is a \$500 liability limit for up to 60 days after the bank statement reflecting the fraud is mailed to you.)

So keep a close watch on your debit card. And contact your bank immediately if your ATM/debit card is lost or stolen.

Make copies of important financial information. Make copies of the credit cards and bank cards you'll be carrying on your trip as well as your passport data page and your travel itinerary. Give a copy of this information to a friend or family member back home and bring a copy with you. Secure this information in the hotel safe.

Tell your bank and credit card companies about your travel plans. Be sure to alert your bank and credit card companies of your upcoming travel plans. If you don't, they may think a thief -- not you -- is making all those fun-filled vacation purchases and shut down your credit or ATM card.

So make a quick call to your bank and credit card companies before your trip. This is especially important for folks traveling outside the United States. Let your bank and your credit card companies know the countries you'll be visiting and when you'll be returning to the States.

Use the hotel safe. Don't get too comfortable in that hotel room.

"Nothing in your room is truly private," Foley says. "There are too many people with keys to that room."

Put your passport, backup credit cards, copies of financial information and extra cash in the safe in your hotel room. And be sure to lock up your laptop, camera and iPod whenever you aren't using them.

Protect your cash. There's a good chance you will need some cash for your vacation travels. Take the cash you need for the day and leave the rest in your hotel safe.

"You do need cash in hand," says David Lytle, editorial director of Frommers.com. "You don't want to use a credit card for everything and not everyone takes credit cards."

If you find yourself traveling to more remote areas where cash is still king, take some extra precautionary steps. "You split your money up. Put some in your money belt and some in the bottom of your shoe," Gosnell advises.

Bob Arno, co-author of "Travel Advisory! How to Avoid Thefts, Cons and Street Scams While Traveling," recommends securing cash in hidden travel pouches under your clothes. "Raise your antennas when out in public," Arno advised in an e-mail. "Only have as much cash as you are comfortable losing. Never resist a mugger. Have so-called 'give up money' to offer in a tougher confrontation."

Watch out for crowds. Be extra alert in crowded situations and tourist hotspots.

"Thieves don't take vacations," Foley says. "They are drawn to where there are large groups of people and large groups of distracted people."

From county fairs to sporting events to must-see tourist spots, thieves are on the lookout for easily distracted targets.

So don't be one. Keep your head in crowded situations and keep close tabs on all your possessions.

Clean out your rental car. Heading out to see the sights in a rental car? Lock away your valuables first.

"It is absolutely essential that all valuables are locked in the hotel room safe when leaving for the day," Arno says. "A car is incredibly unsafe if the valuable items can be seen through the windows. Even the trunk is an issue in many countries or cities, for example, Barcelona, Naples and most of South America."

Stay organized. Sure, you're on vacation and kicking back a bit, but you'll want to stay on top of all the purchases that you make. And don't relax so much that you lose track of a camera, laptop or credit card.

"Try to stay as organized as possible," John Morgan, director of AAA's credit card program, advised in an e-mail. "If you have to dig through your bags quickly to make a purchase, you are more likely to misplace or lose money or valuable items. If you are not organized, you will also be less likely to notice when important documents, money or credit cards are missing."

Watch out for pickpockets. Staying organized and alert will help you thwart pickpockets while traveling outside and inside the United States.

Don't leave bags on the floor or hanging off the back of a chair in a restaurant.

Arno recommends being especially alert when stepping out of a taxi with all your bags. Your focus may be on paying the taxi driver. But a thief's focus will be on your bags sitting on the curb.

Take extra care with your bags and possessions whenever you take public transit. "A public transportation vehicle -- be it a tram, a bus or a train -- is a perfect location for the thieves when it is crowded," Arno says.

Research foreign destinations before your trip. Consular information sheets from the U.S. Department of State are available for every country in the world. These sheets describe everything from entry requirements, currency regulations and health conditions to the country's crime and security situation to special information about driving and road conditions. They also provide addresses and emergency telephone numbers for U.S. embassies and consulates.

And this is all good information to have when traveling to another country, especially for the first time.

Review your purchases. Upon returning from your vacation, review your credit card purchases, debit card purchases and ATM withdrawals with your bank and credit card companies. Don't wait for your monthly statements.

If a thief has nabbed your card information, you'll want to alert your bank and credit card companies as soon as possible.