

NTT cash card falls victim to hacking

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From taking to prepaid cards from their early years to encouraging people to use mobile phones to purchase everything from train tickets to coffee, Japan has been quick to embrace the concept of a cashless society. Yet that openness to new models of paying for goods and services has backfired, as the country's telecommunications giant announced Tuesday that tens of thousands of its electronic money account holders' information had been leaked.

NTT Card Solution, a subsidiary of telecom giant NTT, reported that a hacker had broken into the server of its Net Cash network and gained access to about 81,105 accounts.

In a statement, the company apologized to its clients and added that it has already stopped selling more cards and terminated all transactions that could be done by existing cards. So far, about \$28,318 (3.27 million yen) has been abused as a result of the hacking, NTT Card Solution reported, and it is working closely with the police to find out who had broken into the system in the first place.

"We apologize deeply for such an incident occurring," the company stated.

While the amount of money that has been lost is not huge, the incident may well rattle Japanese consumers' confidence in buying goods and services online by giving out personal account information.

Since the phone group started offering the service four years ago, the

electronic money solution has been gaining popularity steadily partly for its convenience, but also often for the sense of security users had in being able to pay for products without having to withdraw cash.

Customers buy a card that has a 16-digit identification code and are able to load credit onto the card, so it can act like a debit card, without being tied to a specific bank account. That means people have control over how much money they can and want to spend on items.

The cash card has been particularly useful in encouraging people to shop online, especially when there is growing concern about handing over sensitive credit-card numbers over the Internet when cards often have credit limits easily exceeding \$10,000. To date, about 600 Web sites and approximately 30,000 stores nationwide have accepted the NTT net cash card as an acceptable payment form. The payment system has been particularly popular with Internet game players and those downloading music and videos online.

NTT said that it first was alerted to the hacking problem after several customers called to complain that they no longer had balances on their accounts and were unable to complete purchasing transactions as a result.

In order to stop the hackers from abusing the accounts they had gotten hold of, NTT said that all existing accounts will be shut down and clients will be issued new account numbers. Meanwhile, a special customer hotline has been set up to deal with the misuse.

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