

that the merchant location should be changed. The merchant location may be changed to the account holder's current location as verified by their communication device **112**, or a default "home" setting may be used. Account holders may change the required character string or code at random, in order to prevent others from using their transaction card in these types of purchases.

[0034] As noted above, the communication device **112** is preferably a wireless device. In this regard, the communication device **112** or pager may be carried by the cardholder and/or be kept on and/or close to the cardholder's person so that the central processing computer **104** may transmit signals and/or data to the communication device **112** so as to communicate and physically locate the cardholder at any time.

[0035] FIG. 2 illustrates the various components of the apparatus shown in FIG. 1 where like numbers are used for like elements. In FIG. 2, the point-of-sale terminal **102**, in the preferred embodiment, comprises a central processing unit or CPU **116**, a magnetic card reader **118**, which is connected to the CPU **116**, associated random access memory **120** (RAM) and read only memory **122** (ROM) devices, which are also connected to the CPU **116**, a user input device **124**, which is typically a keypad or other suitable input device for inputting data into the terminal **102** and which is also connected to the CPU **116**, and a display device **126** for displaying information and/or data to a user.

[0036] The point-of-sale terminal **102** also comprises a transmitter **128** for transmitting signals and/or data to the central processing computer **104**, and/or to the communication device **112** and/or to any other device associated with the cardholder and/or the apparatus, if desired. The transmitter **128** is also connected to the CPU **116**. The point-of-sale terminal **102** also comprises a receiver **130** for receiving signals and/or data from the central processing computer **104**, and from the communication device **112** and/or any other associated device which may be utilized, if desired. The receiver **130** is also connected to the CPU **116**. The point-of-sale terminal **102** may also comprise a printer **132** or other appropriate output device for outputting data to the user. The printer **132** is also connected to the CPU **116**.

[0037] In FIG. 2, the central processing computer **104**, in the preferred embodiment, comprises a central processing unit or CPU **200**, associated random access memory **202** (RAM) and read only memory **204** (ROM) devices, which are connected to the CPU **200**, a user input device **206**, which is a keypad and/or any other suitable input device for inputting data into the central processing computer **104** and which is also connected to the CPU **200** and a display device **208** for displaying information and/or data to a user or operator.

[0038] The central processing computer **104** also comprises a transmitter(s) **210** for transmitting signals and/or data to the point-of-sale terminal **102** and to the communication device **112**. The transmitter(s) **210** is also connected to the CPU **200**. The central processing computer **104** also comprises a receiver(s) **212** for receiving signals and/or data from the point-of-sale terminal **102** and from the communication device **112** and/or from any other suitable device which may be utilized in conjunction with the apparatus **1**. The receiver(s) **212** is also connected to the CPU **200**. The central processing computer **104**, in any and/or all of the

embodiments described herein, may utilize a fax/modem and/or any other suitable computer communication device.

[0039] The central processing computer also comprises databases **106**, **108** which contains account information and data pertaining to the cardholders and/or to the cardholder accounts. The databases **106**, **108** contain information about the cardholder, the cardholders account number, credit and/or account limits, communication device ID's and other information and/or data necessary to manage and/or process an account transaction as described herein. The databases **106**, **108** are also connected to the CPU **200**. The central processing computer **104** may also comprise a printer **214** or other appropriate output device for outputting information and/or data to a user or operator.

[0040] In FIG. 2, the communication device **112**, in the preferred embodiment, comprises a central processing unit or CPU **216**, associated random access memory **218** (RAM) and read only memory **220** (ROM) devices, which are connected to the CPU **216**, a user input device **222**, which is a keypad or a plurality of keys and/or switches for inputting data into the communication device **112** and which is also connected to the CPU **216**, and a display device **224**, for displaying information and/or data to the cardholder which is also connected to the CPU **216**. The communication device **112** also comprises a receiver **226** for receiving signals and/or data from the central processing computer **104** and/or point of sale terminal **102** and which is also connected to the CPU **216**, a transmitter **228** for transmitting signals and/or data to the central processing computer **104** and/or point of sale terminal **102** and which is also connected to the CPU **216**.

[0041] In the preferred embodiment, the communication device **112** is a mobile phone or a personal digital assistant (PDA) with location identification capabilities. A two-way pager and/or pager systems may also be utilized for implementing the respective component system(s) in the communication device **112**/central processing computer **104** combination and/or link.

[0042] The system of the present invention may be utilized in order to facilitate authorization, and/or security measures in financial transactions involving credit cards, charge cards, debit cards, and/or currency or "smart" cards, in the manner described below and with reference to FIG. 1. In this manner, the method and system of the present invention may be utilized to verify the location of the cardholder in a card-related transaction.

[0043] FIG. 3 is a flow chart illustrating the steps generally taken in this invention when a transaction card is used for the procurement of goods, services or distribution of currency.

[0044] In a merchant setting, initially, the user of a transaction card selects merchandise or services to procure and presents the transaction card for payment. The transaction card is swiped through a card reading device and the merchant enters the transaction amount, step **302**. When the transaction card is swiped through the card reading device, the card reading device is activated and initiates contact with a remote transaction card service provider, referred to as the central computer **104** in FIG. 1, at step **304**. The card reader is of the type known in the art to scan the card information from an information storage media affixed to the card, e.g.