

Newsflash...

Quick updates from your Relationship Manager



September 12th, 2011

CHIP AND PIN: REINFORCING PROPER PROCEDURES

With the holiday season just around the corner, we want to take this opportunity to remind Chase Paymentech merchants the importance of proper chip card acceptance at the point of sale.

THE IMPORTANCE OF PROPER ACCEPTANCE

As you may already know, Chip and PIN cards, when processed properly on a chip-enabled terminal (called “chip-to-chip transactions”) will help prevent certain types of payment card fraud and avoid certain fraud-related chargebacks.

When a chip card is processed incorrectly, however, it results in what is known as a “fallback transaction.” This occurs when a chip card is inserted incorrectly and a merchant is prompted to swipe the card instead. What should have been processed as a chip-to-chip transaction has now “fallen back” to a swiped transaction.

POTENTIAL IMPACT TO YOUR BUSINESS

Fall-back transactions are considered less secure than chip-to-chip transactions and, as such, expose you to additional liability for certain fraud related transactions. These transactions may, ultimately, result in a chargeback loss to your business. Furthermore, merchants who process a disproportionately high percentage of fallback transactions may be subject to fines from the Payment Brands.

EDUCATE YOUR STAFF

Reinforcing point-of-sale and card acceptance procedures (including Chip and PIN) with staff may help prevent certain types of fraudulent activity. In October, please look for our “Quick Tips” on chip acceptance in your merchant statements. A sample is included below. We hope that you will find this helpful when providing education and training to seasonal and existing staff about proper acceptance and other point-of-sale procedures you may already have in place.

Should you have any questions or require additional information, please contact your Relationship Manager. Your business is important to us, and we are pleased to assist you.

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QUICK TIPS

For better chip acceptance.

- Begin a purchase transaction on your terminal
- Ask the customer to insert the card into the chip-reading terminal. If a chip card is swiped, the terminal will prompt to insert the card.
- Do not remove card
- The customer follows the terminal prompts, confirms the sale amount and keys-in their PIN
- Customer removes the chip card when prompted or remind them to remove their card once the transaction is complete
- Provide the customer with their transaction receipt

Just for restaurant merchants:

Your terminal is already set up to allow for tip entry on chip credit and debit purchase transactions. The customer is simply given the option to enter a tip as an additional step.

QUESTIONS?

Call Chase Paymentech
Merchant Support 24 hours
a day, 7 days a week at:
1.800.265.5158
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www.chasepaymentech.ca



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