This Edition of Merchant News

- Our Name is Changing
- Fraud Prevention
- Card Scheme Compliance
- Technology Update / Commercial Opportunities
- Procedural Changes

NOW INCLUDING RETAIL SPECIFIC NEWS
Our Name Is Changing

In early 2013 our trading name is changing from HSBC Merchant Services to Global Payments; at the same time our legal name will also be changing to GPUK LLP.

This completes our journey which began in 2008 when Global Payments Inc entered into a joint venture with HSBC Bank plc to form HSBC Merchant Services LLP; and also saw us move onto Global Payments’ specialist card processing platform in 2011. However, before this takes place, we will write to you individually to let you know when this is going to happen and what you can expect to see as we go through this journey.

Although our name may be different, there will be no change to either our people or to the great service that we currently provide you with. Neither will there be any change to the way you operate your card processing facility with us. Our aim will continue to be to deliver a service that represents real value for money for your business. We will also remain HSBC Bank plc’s preferred strategic partner for card processing and together have an exclusive UK Marketing Alliance Agreement.

Please keep any eye out for our letter which will provide you with all the information that you need to know about our change of name. However, if you have any queries regarding this, please contact our helpdesk on 0845 702 3344*.

*Lines are open between 9am and 6pm Monday to Friday excluding public holidays. Communications may be monitored and/or recorded. Any recordings remain our sole property. We also provide a Textphone service on 0845 602 4818.

“Our aim will continue to be to deliver a service that represents real value for money for your business”
Do You Use Our Logo On Your Website Or In Your Advertising?

When our name changes to Global Payments in early 2013, we will be adopting the Global Payments logo at the same time.

If you have entered into a Trade Mark Licence Agreement (TMLA) with HSBC Merchant Services to use our current logo on your website, advertising or other promotional materials, we will be contacting you by email before the end of the year to provide you with the details of the new logo that you will need to display from early 2013.

If you currently use our logo on your website or in your advertising but do not have a TMLA in place, you must enter into an agreement with us. To commence the process, please email us at ‘enquiries.hms@globaipay.com’ and we will send you a questionnaire which you will need to complete and return to us. If you do not have access to email, please call our helpdesk on 0845 702 3344* and we will arrange for a questionnaire to be sent to you.

If you do not wish to enter into a TMLA, you must remove all uses of our logo as a matter of urgency, as unauthorised use of our logo is prohibited.

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Bogus Employee Telephone Calls

The card payments industry has seen a recent increase in businesses being contacted by individuals over the telephone that are perpetrating to be Point of Sale (PoS) terminal engineers. They are coercing the individual into processing a refund or refunds on to their credit or debit cards.

We are aware of several incidents of this nature occurring within the Republic of Ireland and some in the United Kingdom. If you receive this type of call do not process any refunds. In these instances you should call our helpdesk on 0845 702 3344*.

We are also aware that some customers have been contacted by individuals purporting to be PoS terminal engineers, advising that there is a system issue which is preventing the processing of card transactions.

These individuals are trying to persuade customers into providing them with credit and debit card numbers; together with card issuer details, cardholder names plus card expiry dates and security codes.

If you receive this type of call again do not provide any of the information requested. In these instances you should call our helpdesk on 0845 702 3344* immediately with the full details.

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“We are aware of several incidents of this nature occurring within the Republic of Ireland and some in the United Kingdom”
Merchant Agent Registration – Mandated Requirement

Visa Europe recently launched a new website www.visamerchantagents.com to enable third party suppliers, which Visa refers to as ‘merchant agents’, to register their services with Visa and to demonstrate to you that they take the protection of your customers’ card data seriously.

We are working with Visa Europe to make you aware of this change and to encourage you to check if any merchant agents you use are registered with Visa and if they are not, encourage them to commence registration as soon as possible, so that you can protect your ability to accept Visa payments.

Why Should I Inform My Merchant Agents Of This Website?

Using third party suppliers to handle customers’ card data contains an element of risk. Suppliers that cannot demonstrate they can protect this information could be leaving it at a higher risk of attack from fraud, which can leave your reputation at stake.

To help you control these risks, Visa Europe is developing a comprehensive, fully searchable online list of registered merchant agents at www.visamerchantagentslist.com. To be included on this list, merchant agents need to state and provide evidence that they meet a minimum set of security standards and follow acceptable business practises surrounding their handling of cardholder data.

You should inform all your merchant agents that they should visit www.visamerchantagents.com today to begin their registration. Much more information on the specific requirements are available on this website.

From 1 January 2013 if you use agents not listed on this website, it may impact your ability to accept Visa payments.

“Visa Europe is developing a comprehensive, fully searchable online list of registered merchant agents at www.visamerchantagentslist.com.”
Who Should Be Registered On www.visamerchantagentslist.com?

Any third party suppliers you use that touch cardholder data by either storing, transmitting and/or processing cardholder data should be registered.

If I Use Suppliers From This List Does That Mean I Am Not Responsible For Their Data Security Management?

No, under the Payment Card Industry Data Security Standards (PCI DSS), you must ensure that any suppliers you use to handle card data are secure and comply with PCI DSS standards. The only exception to this is if you use a fully hosted payment integration service, which is independent of your website to handle your cardholder data, as these suppliers must have already demonstrated their PCI DSS compliance.

Choose Visa-registered suppliers from www.visamerchantagentslist.com to protect your ability to handle Visa payments.

Once merchant agents have successfully registered, you can search the public listing at www.visamerchantagentslist.com. This Visa website:

→ Provides you with a comprehensive, searchable listing of all merchant agents that state they meet the necessary security standards.

→ Encourages agents that have not stated they satisfy Visa Europe’s requirements, to invest in doing more to secure your valuable assets – your reputation and your customers’ trust.

→ Helps you identify businesses to suit your card processing needs.

“Choose Visa-registered suppliers from www.visamerchantagentslist.com to protect your ability to handle Visa payments.”
What You Need To Do Next

→ You can check to see whether your supplier is Visa Europe registered by visiting www.visamerchantagentslist.com.

→ If they are not listed you will need to seek an alternative supplier to process your transactions. Using a supplier that is not included on this list by 1 January 2013 is in breach of Visa Europe rules, which could result in penalties being applied to you, increased risk of data breach and/or closure of your card processing facility.

→ If your supplier is not listed and you wish to continue using their services; you must encourage them to register with www.visamerchantagents.com. HSBC Merchant Services are also contacting suppliers to ensure they are registered with Visa, but we also encourage you to do this as well.

1The following is a list of some examples of registerable entities: e-commerce merchant payment processors, face-to-face merchant payment processors, online merchant payment solutions providers, online travel/hotel booking agency service providers, merchant network operator service providers, merchant aggregator/consolidators, full e-commerce solutions providers, corporate franchise servicing businesses, fraud screening service providers, unmanaged and managed hosting services providers, shopping cart solution providers; or other card payment related service providers.

Hotels, The Hospitality Sector And Vendor Supplied Passwords

If the nature of your business is in the hotel sector or a similar business type (for example – guest house, bed and breakfast, holiday letting agency etc), this is important to you and could require your immediate action.

If you use vendor supplied passwords for any system component in your card data environment (CDE), you need to stop this practice now and change the passwords to something you can easily remember but that adds security to your systems. Passwords should be at least 6 characters in length and use a mix of alpha and numeric characters as a minimum and you should avoid using proper names and/or words. All system users should be provided with their own unique accounts and user names rather than shared log-in details, which we understand can be common practice. The CDE is any part of your system that has any access to payment card data, however small or limited.

“Passwords should be at least 6 characters in length and use a mix of alpha and numeric characters”
PCI DSS And Password Requirements

If you have an on-line presence you need to be Payment Card Industry Data Security Standard (PCI DSS) compliant to comply with Card Scheme mandates. This will mean the vendor password issue should not impact you, as any deficiencies here should have already been addressed. If you are not PCI DSS compliant, you will need to achieve this if you have an on-line presence or, regardless, we would encourage you to do so as hospitality is a high-risk card data compromise industry.

We should remind you that to comply with PCI DSS, passwords need to be changed on a regular basis and every 90 days as a minimum.

For more information on PCI DSS, please see www.pcisecuritystandards.org or contact us on 0845 702 3344*.

To comply with Card Scheme mandates, if you are not PCI DSS compliant or have not provided us with evidence of your compliance, you need to confirm you have changed all vendor default passwords as soon as possible, but by the end of this year at the very latest. Your failure to do this could lead to significant financial penalty being applied to you by the Card Schemes, especially if you were breached, and/or removal by us of your card processing facility.

What Do I Need To Do?

If we are not aware of your PCI DSS compliance, you need to confirm to us that you have changed all vendor supplied default passwords in your Card Data Environments by the end of this year at the latest. You can do this by telephoning our helpdesk on 0845 702 3344*, providing us with your name, merchant ID and confirmation that passwords have been changed. HSBC Merchant Services, or our representatives, may make direct contact you later this year if you do not do this.

You should also ensure, where appropriate, that any third party agent you use is registered on the Visa merchant agent registration programme – see the previous article in this edition of Merchant News.

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HSBC Merchant Services Tally Rolls

HSBC Merchant Services are able to supply you and your business with a variety of high quality terminal tally rolls, which comply with your terminal’s warranty requirements.

<table>
<thead>
<tr>
<th>Terminal Type</th>
<th>Box of 20 Tally Rolls</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ingenico 930 series</td>
<td>£13.00 excl VAT</td>
</tr>
<tr>
<td>Ingenico iCT series</td>
<td>£13.00 excl VAT</td>
</tr>
<tr>
<td>Ocius Vx670</td>
<td>£13.00 excl VAT</td>
</tr>
<tr>
<td>Thales Artema</td>
<td>£16.00 excl VAT</td>
</tr>
<tr>
<td>Gemalto Tally Rolls</td>
<td>£15.50 excl VAT</td>
</tr>
<tr>
<td>Ingenico TT42</td>
<td>£15.50 excl VAT</td>
</tr>
</tbody>
</table>

All stationery items are delivered free of charge and can be ordered by calling our helpdesk on 0845 702 3344* selecting the option for stationery.

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The Latest On Contactless Payments

Consumer awareness of Contactless payments in the UK is growing fast and they are starting to become more commonplace in everyday business.

Most major UK banks are now issuing Contactless cards for any new, expired, lost or replacement credit and debit cards. There are currently over 24 million Contactless cards currently in circulation within the UK and it is forecast that 30 million will be in circulation by the end of 2012*. The limit for Contactless transactions also rose from £15 to £20 on 1 June 2012.

Many of the leading high street brands are embracing this innovative payment method and the Olympic Games were used to promote consumer awareness of Contactless technology and payments. As Contactless payments become more common place more cardholders will want and expect to see this technology at every store they visit.

What Are The Benefits?

- Faster transaction speeds, compared to chip and PIN transactions, which can help lessen waiting times in store.
- Reduced service charges, as Contactless transactions attract a beneficial Interchange rate compared to other transaction types. We will automatically apply these whenever you accept a Contactless transaction.
- Ensures you are ready for the future world of mobile payments and Near Field Communication (NFC) Technology.

How Can I Get A Contactless Terminal?

HSBC Merchant Services recently activated Contactless functionality on more than 10,000 of our terminals across the UK. With the introduction of new products with Contactless capabilities such as mobile payments, we are able to offer a range of devices that can meet the needs of your business and are easy to install**. To find out more information please call our helpdesk on 0845 702 3344*** selecting the option for all other enquiries.

*Information provided by the UK Cards Association June 2012.
**A terminal upgrade fee and higher terminal rental may apply for this – full details will be provided before you proceed.
***Lines are open between 9am and 6pm Monday to Friday excluding public holidays. Communications may be monitored and/or recorded. Any recordings remain our sole property. We also provide a Textphone service on 0845 602 4818.

“Olympic Games were used to promote consumer awareness of Contactless technology and payments”
Dynamic Currency Conversion And Tax Free Shopping - HSBC Merchant Services Introduces Global Blue

HSBC Merchant Services are pleased to announce that we have entered into an agreement with a new Dynamic Currency Conversion and Tax Free Shopping provider Global Blue; who become our third partner in this area, along with our existing service providers Fexco and Fintrax. By having three partners we are able to offer you a wider choice when finding the right currency payment partner for your business needs.

Dynamic Currency Conversion (DCC) is an exciting product that gives your customers from outside the UK the option to pay for goods and services in their own currency, if they wish, so they know exactly how much they are spending.

Tax Free Shopping (TFS) compliments DCC and allows non-EU based cardholders to reclaim the VAT on certain goods purchased whilst shopping in the UK. With TFS, the cardholder is provided with a specific receipt which allows them to reclaim the tax from an exchange bureau before they leave the UK and is a swifter and easier way to process their VAT reclamation requests.

Global Blue’s product allows you to conduct your DCC, TFS and sterling card transactions on a single terminal, saving you the costs associated with operating multiple terminals and allowing you to provide additional value added services to the cardholder through the same terminal.

If you accept more than £150,000 per year in transactions on credit and debit cards issued outside the UK and would like more information on either of these products please call our helpdesk on 0845 702 3344* selecting the option for all other enquiries.

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eStatements – Go Paperless And Access Your Invoice Your Way

HSBC Merchant Services have recently introduced a new service - eStatements - which allows you to review your latest card processing invoice online only a few days after month end. eStatements can store up to 25 months of your invoices online and make it easier to analyse them in more detail.

We have just started rolling out eStatements to our customers; if you haven’t received your invitation to sign up yet, you will do soon. If you have received your letter but haven’t registered yet; it’s simple to do, just log on to https://mymerchinfo.com/ukportal/ and complete the registration process.

Once you’ve registered, you will receive a monthly email letting you know that your new invoice is ready to be viewed at your convenience. You can then log on and view your invoice online, save it to your computer or choose to print it out.

If you have any questions relating to this new product, please contact us on 0845 702 3344* selecting the option for crediting and invoice enquiries.

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“HSBC Merchant Services have recently introduced a new service - eStatements.”
You are reminded of the need to use your eight digit Merchant ID in all communications with us. This includes calls to our authorisation service and any manual card transactions sent to us for processing.

If you are unsure of your eight digit Merchant ID, you can find it printed on the first page of the monthly invoice we send you; it is also displayed on the receipts your card terminal prints out.

Any fifteen digit Merchant IDs previously issued by HSBC Merchant Services are now invalid and can no longer be used.

If you have any queries regarding this, please contact us on 0845 702 3344* selecting the option for all other enquiries.

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Our Authorisation Service: 0845 770 0600

Please use this number when calling us for an authorisation, or in response to a referral or request to call. Calls to other numbers may result in a failed call that you may be charged for. The line is open 24 hours, 7 day a week, 365 days a year. Calls to this number may be monitored and/or recorded.

You should also ensure that any telephone auto-dial numbers you may use for our authorisation service are programmed with the correct telephone number. Please ensure you have your Merchant ID and the card details available before you call.

Request To Confirm Business Details

As a company, and to ensure that we maintain an active relationship with you, HSBC Merchant Services are committed to maintaining accurate and up to date customer records regarding your business. To assist us with this we periodically review the information we hold about you and your company.

We are in the process of writing to some of our customers to request details which we will use to update our records where necessary. As part of this exercise, we may also use the information you supply us with to electronically verify the identity of the directors, partners and owners of a business.

If you receive a letter from us asking to confirm your details, please return the information requested as keeping your data up to date is very important to us. If you have any queries regarding this, please call our helpdesk on 0845 702 3344*, selecting the option for all other enquiries.

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Retail Specific News Update

Merchant News now includes a new section – Retail Specific News, which HSBC Merchant Services previously issued as a separate publication.

The Retail Specific section contains updates from the Card Schemes (MasterCard and Visa) that you need to apply if you own your own Point of Sale (PoS) equipment, rent card terminals from a supplier other than HSBC Merchant Services or use a Payment Service Provider to accept card payments on the internet.

If you rent a card terminal from us or use our Secure ePayments or Global Iris products to accept card payments on the internet, these updates will be made automatically and no action is required by you and you do not need to read any further.