

RETAIL SPECIFIC NEWS

Keeping you in the know

Important Information - Please keep in a safe place



This Edition of Retail Specific

- ▶ **Dynamic Currency Conversion**
- ▶ **Card Scheme Updates**



Dynamic Currency Conversion

Taking A DCC Transaction, What You Need To Do

Do you offer your international customers the ability to purchase goods through our Dynamic Currency Conversion service? If you do, it is a Visa and MasterCard requirement that every cardholder whose card is eligible for Dynamic Currency Conversion (DCC), is given the option to pay in either the merchant's currency or their home currency (the currency in which the card is issued).

- You must make cardholders aware that DCC is an optional service and that the cardholder has the choice to pay in their currency if they prefer to.
- The cardholder's own billing currency (home currency) must be confirmed before authorisation takes place. The currency recognition software does this automatically.
- Your pricing currency remains the default currency on any transaction. However, where an eligible card is identified, the cardholder will be given the choice to decide which currency to pay with – either their home currency or the local currency.
- The DCC service is fully transparent—the merchant's pricing currency, the exchange rate, the rate margin, the rate source, the cardholder's home currency amount, and DCC provider are displayed on the receipt and, for eCommerce customers, on the web site payment confirmation page and in the payment confirmation email.
- All relevant DCC information must be made available to the cardholder before the transaction is completed. This information is readily available to the cardholder on the receipt or, for eCommerce customers, on the web site payment page.
- From time to time Visa and MasterCard audit merchants who are enabled with DCC to ensure these regulations are being followed.

“Every cardholder whose card is eligible for DCC, is given the option to pay in either the merchant’s currency or their home currency”



Questions You May Get Asked?

Q: What do you recommend?

A: We can't recommend whether you pay in your home currency or in the local currency. However by using DCC, you'll benefit from a transparent transaction using today's exchange rate and know how much your purchase will cost you when you make it.

Q: Where do the exchange rates come from?

A: The wholesale exchange rates are sourced from Reuters. They are updated early every day and are very competitive.

Q: What are the commission charges?

A: The commission charge will be included within the exchange rate used and you'll see these detailed on your receipt. However as the transaction will be in your own currency, you will not receive another charge from your card issuer.

Q: What's best for me?

A: We can't tell you which option is best but paying in your home currency means:

- 1) You get up to date rates of exchange and not a rate in one or two days time
- 2) Paying in your home currency gives you full transaction visibility, allowing you to make an informed decision about your purchase.
- 3) The rates applied to your transaction are very competitive.

Q: Is there a charge for this service?

A: No, the amount quoted is the amount that will be charged to your credit card. This amount already includes a highly competitive margin replacing what is normally applied by your bank or card issuer with the added benefit of today's wholesale rate of exchange by Reuters.



Discover Global Network Card Acceptance

We are pleased to announce, if you own your own Point of Sale (PoS) terminal or rent a terminal from a supplier other than Global Payments, you'll soon be able to accept cards from the Discover Global Network.

Take In More Tourism Spend

Many travellers heading to the UK carry cards running on The Discover Global Network (3rd largest network in the World)¹. These cardholders could come from one of 185 countries. As well as personal and corporate Diners Club International[®] cards from around the globe, there are U.S. issued Discover[®] cards, BC Global cards from Korea, DinaCards from Serbia, and RuPay[®] cards from India.

This can give you access to an additional spending opportunity with tourists from around the globe, creating a great opportunity for you to boost your bottom line. Most Discover and Diners cardholders will look for signage/decals before entering a store. These cardholders are less likely to have another card in their wallet; this means that you'll attract a whole new type of customer.

What You Need To Do

If you own your PoS terminal or you rent it from a third party supplier, just email us at product.enquiries.uk@globalpay.com quoting 'Discover Global Network' and we will take it from there.

If the Discover Global Network is new to you, why not read on to find out more.

Multiple Cards. One Network

About Each Brand



Diners Club International

Issued globally to high net worth cardholders, 110,000 companies use these corporate cards and operates in 185 countries



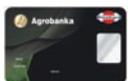
Discover Card

The 6th largest issuer of cards in the U.S., with 58 million Discover[®] branded cards².



BC Global Card

The largest domestic network in South Korea with approximately 3 million cards issued³.



DinaCard

The Serbian national payment card network with 2.5 million cards issued to date.



RuPay

Owned by the 10 largest banks in India, shifts personal consumption expenditure from cash to electronic payments in a growing economy with a population of 1.2 billion.

Loyal Cardholders

Discover Global Network cardholders are loyal, preferring to use their card of choice, and enjoy the many features and benefits their cards offer, including; cash-back, rich rewards, no Foreign Exchange (FX) fees and airport lounge access. Over 110,000 corporations and government organisations use Diners Club corporate cards for their employees' business expenses. Corporate reporting and expense management tools means these corporate cardholders prefer to spend at merchants that accept their card.

Promotions To Drive Spend To You

There will be opportunities to promote your business with multi-channel communications delivering millions of cardholder impressions across its network. It's easy to advertise your business to its travelling cardholders.

Complimentary PoS Signage

If you think that accepting cards from the Discover Global Network will benefit your business, we'll provide you with decals and signage that'll let cardholders know they are welcome to use their card at your business. Research shows that over half of Discover Global Network's cardholders look for signage before presenting their card for payment. They can be ordered free of charge from www.discover signage.com.

¹VisitBritain.org 2013

²The Nilson Report, #992, April 2012

³The Nilson Report, #986 January 2012

“Discover Global Network cardholders are loyal, preferring to use their card of choice, and enjoy the many features and benefits their cards offer”

Card Scheme Updates



Mandatory Change – Scheme Reference Data

The Card Schemes (Visa and MasterCard) have mandated that from 1st April 2014, a unique reference number must be flowed throughout the lifecycle of all card transactions. Visa refers to this data as the Transaction Identification Number, whilst MasterCard refers to it as the Trace Identification Number. Generically this data is referred to as Scheme Reference Data.

The introduction of this data will enable:

- Accurate matching of authorisations to completed transactions
- Make the linking of chargebacks to their original transaction easier
- Allow representments to be traced back to the corresponding chargeback more easily
- It will also aid in the prevention, research and detection of card fraud, making transactions more secure

As you use your own equipment or a Payment Service Provider (PSP) to accept card payments, you will need to upgrade your systems, or speak to your PSP, to comply with the mandate and flow this data. We have put together a Technical Specification document which details the changes you need to make. You can download a copy of the document by visiting our website at: <http://www.globalpaymentsinc.co.uk/traceid.html>.

You'll find the information you need to update your systems on pages 14 (Sub Records) and 31 (Scheme Reference Data Record and Acquire Reference Data Record). If you have any technical queries regarding the changes, you should refer these to your equipment provider or your PSP.

Under the terms of your Card Processing Agreement with us, it is your responsibility to ensure that your card processing equipment meets industry standards. You can find further details on this in your Merchant Operating Instructions in the 'Using Your Own Equipment' section (on page 12) and in your Terms of Service in clause 6.22.

Failure to comply with this mandate by **1st April 2014** could lead to the application of a 0.25% charge on every MasterCard transaction. It is therefore essential you take action as soon as possible to update your systems and avoid incurring this fee.

You won't need to make any changes to the way you accept card payments as a result of this change. Once you've updated your equipment, you'll see the Scheme Reference Data printed out on your card transaction receipts. The data will also be included in the records you receive for all internet transactions you take.

Whilst it is your responsibility to upgrade your own equipment, if you rent any card terminals from us or use Global Iris to accept card payments on the internet, then we will update these automatically so that they comply with the mandate.

If you have any queries relating to the mandate, we've put together a series of Questions and Answers which you can find on our website along with the Technical Specification document. Alternately please call us on **0845 702 3344*** selecting the option for 'all other enquiries'.

*Lines are open Monday to Friday, 9am - 6pm, excluding public holidays. To help us continually improve our service, and in the interests of security, we may monitor and/or record your telephone calls with us. Any recording remains our sole property. We also provide a Textphone service on 0845 602 4818.

“We have put together a Technical Specification document which details the changes you need to make. You can download a copy of the document by visiting our website at: www.globalpaymentsinc.co.uk/traceid.html.”

Visa Europe Launch New Payment Stop Service – VEPSS

To meet a new directive introduced by the Financial Conduct Authority (FCA) Visa are introducing a new service.

What Is This Service?

A cardholder can instruct their card issuing bank to stop any Cardholder Not Present (CNP) future dated payment. This includes:

- Recurring Transactions
- Installment Transactions
- Payday Loan Repayments

The initial service applies to UK card issuers but this will eventually be rolled out to European issuers as well.

How Does This Impact My Business?

When you attempt to obtain authorisation on a card that has a stop instruction against it, the card issuer will send back a decline response. To help you identify these and provide you with a better understand of why the transaction has been declined we have updated our authorisation system to include the following description:

- Consent Revoked

If you receive this decline response, under the new rules, under no circumstances are you allowed to represent the transaction for authorisation and you must contact the cardholder to discuss alternative payment arrangements.

So there is consistency across Visa and MasterCard we have introduced this response message for both Card Schemes.

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

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Public Keys – Do Your Terminals Hold The Full Set?

All debit and credit cards containing a chip rely on the Card Schemes (Visa and MasterCard) 'Public Keys' cryptography to validate the data necessary to authorise and verify transactions. It is vital that if you own your own PoS equipment or rent a terminal from a supplier other than Global Payments, your equipment contains the latest set of Public Keys to maintain an effective fraud prevention and detection capability.

Maintaining the correct Public Keys can benefit you by helping to minimise the time it takes to respond to an authorisation request. However, failure to maintain the correct set of Public Keys (which we've listed below) can not only increase the risk of fraud, it could also result in a higher than usual transaction decline rate, leading to customer dissatisfaction and loss of business.

Failure to keep your Public Keys up to date may result in a fine being applied to your account, so please take this opportunity to ensure the following is maintained;

- **1024-bit Public Key** – Must not be deployed in new devices and should be removed from existing devices immediately
- **1152-bit Public Key** – Should be deployed – Expiry date 31 December 2017
- **1408-bit Public Key** – Should be deployed – Expiry date 31 December 2021
- **1984-bit Public Key** – Should be deployed – Expiry date 31 December 2021

If you have any questions or require details of the latest Public Keys, please call us on **0845 702 3344*** selecting the option for 'all other enquiries'.

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Payment Application – Data Security Standards (PA-DSS)

If you purchase off-the-shelf software for your PoS equipment you must ensure that your software is listed by both the Card Schemes (Visa and MasterCard) and the Payment Card Industry Security Standards Council (PCI SSC) as being PA-DSS compliant. Using software that is not PA-DSS compliant is in breach of PCI DSS compliance regulations and can make you susceptible to a data breach and potentially the loss of customer card data.

Non-compliant software should be upgraded immediately and then configured and maintained correctly.

To assist you with this, the PCI SSC has introduced the Qualified Integrators and Reseller (QIR) Programme, with the aim of providing integrators and resellers who install, sell or service payment applications with authoritative guidance and best practices on secure installation.

Any supplier that undergoes this training will be listed on the PCI SSC website giving you a 'go-to' list of global suppliers qualified to handle the secure installation, configuration and maintenance of your payment solution.

It's very much in the early days of the programme, but going forward we should all benefit from improved security and help to achieve PCI DSS compliance.

If you are unsure if your solution is compliant please contact your software vendor or PoS supplier for further information. Additional information can also be found on the PCI PA-DSS website www.pcisecuritystandards.org

If you have any queries regarding PA-DSS please call us on **0845 702 3344*** selecting the option for 'all other enquiries'.

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Potential Security Risk To Hybrid PIN Entry Devices

Visa have identified a potential security threat involving Hybrid PIN Entry Devices (PED).

Hybrid PEDs have a single card entry slot which reads both the chip and the magnetic stripe on a debit or credit card (sometimes referred to as park and swipe or deep dip readers).

Visa have identified a number of cases where fraudsters have modified Hybrid PEDs to add a skimming device into the card reader slot to take copies of the card's magnetic stripe.

Merchants using devices of this type must ensure that any replacement/swap stock held is stored securely to reduce the risk of fraudsters infiltrating their terminal stock and modifying PEDs or, replacing PEDs with modified units.

Merchants should also be vigilant over engineers attending their sites to replace Hybrid PEDs and should ensure that appropriate validation is performed on any identification that is shown.

Where possible, merchants should look to move away from the use of Hybrid PEDs at the earliest possible opportunity and replace any such devices with more secure PCI PTS (PIN Transaction Security) 2.0 or 3.0 accredited devices.

If you have any queries regarding this requirement you will need to contact your terminal supplier. If you have any queries regarding your card processing facility with Global Payments please call our helpdesk on **0845 702 3344***.

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“Merchants should also be vigilant over engineers attending their sites to replace Hybrid PEDs and should ensure that appropriate validation is performed on any identification that is shown”

Retirement Of PCI v1.0 PIN Entry Devices

Since 1st January 2013 the minimum approval level for PIN Entry Devices (PED) is PCI PTS 1.0. These devices can still be purchased and used up until **30th April 2014**, after which only PCI PTS 2.0 or later devices may be purchased.

Any devices certified to the Pre PCI PTS standard must be removed from use immediately as they are no longer deemed to provide an adequate level of security to satisfactorily protect cardholder data – including the cardholder PIN. Customers continuing to use these devices will be more susceptible to their PEDs being compromised than those using the more secure PCI PTS approved devices.

If you have any queries regarding this requirement you will need to contact your terminal supplier. If you have any queries regarding your card processing facility with Global Payments please call our helpdesk on **0845 702 3344***.

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For more information about Global Payments please contact us on **0845 702 3344***, or visit our website: **www.globalpaymentsinc.co.uk**.

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Global Payments is HSBC Bank plc's preferred supplier for card processing in the UK.

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