2006 - The year of I ❤️ PIN

It is now ten months since the chip and PIN changeover took place. On 14 February 2006 cardholders were required to use their PIN when paying with their chip and PIN card instead of a signature. This final step was made to better protect cardholders against fraudsters.

The changeover on 14 February required the biggest shift in UK consumer behaviour since decimalisation. Shoppers who were still signing in the run up to Valentines Day made the final change to PIN incredibly well, and the result has been a dramatic reduction in counterfeit and lost and stolen card fraud in the UK.

Since Valentines Day some customers have continued to sign: this includes customers with cards that have yet to be upgraded - such as cards issued overseas - and disabled customers who have requested cards with an alternative to PIN. In all cases retailers have simply needed to let their terminal automatically prompt whether a PIN or signature is required.
If you are interested in talking to a spokesperson from APACS about chip and PIN and the 14 February changeover or would like more information for an end of year review article please contact the APACS information office:

E: apacs@fourcommunications.com
T: 0870 420 3208

The key statistics are:

- More than 99.91 per cent of all chip and PIN card transactions are now PIN-verified
- More than 160 chip and PIN transactions take place every second.
- The UK’s banks and card companies have now issued 138 million chip and PIN cards representing 97 per cent of a total of 142 million cards.
- Approximately 900,000 tills have been upgraded to chip and PIN.
- As customers have got use to using their PIN retailers have reported that transaction times have become quicker with queues in shops shorter
- Thanks to chip and PIN there was a reduction of nearly £60m in counterfeit and fraud on lost and stolen cards in 2005 compared to 2004 (a drop of 24 per cent).

ENDS

www.chipandpin.co.uk

Notes to editors:

- Banks, building societies, retailers, card schemes and card companies joined forces to combat credit and debit card fraud through the introduction of chip and PIN.
- Chip and PIN is part of a global initiative to cut fraud. Many other countries in Europe and around the world are implementing, or planning to implement, the chip and PIN system, which is built to an international standard.
- All card companies are committed to ensuring that the small number of disabled customers who are not able to use a chip and PIN card are able to use an alternative such as a chip and signature card which enables them to continue using their cards without a PIN
- The consumer continues to be protected from card fraud losses by The Banking Code. Nothing changes for the consumer. As before, cardholders do need to be responsible in protecting their cards and keep their PIN a secret.
- Other types of card fraud, such as identity fraud and card-not-present fraud, are being tackled by retailers and banks through a number of initiatives. These include verifying the cardholder's address and cross-checking a card security code to combat fraudulent transactions made over the phone and internet; production of training manuals; multi-sector working groups to address practical solutions and research into hand-held card readers that could be used in the future for card-not-present payments.
- UK plastic card fraud facts and figures can be downloaded from www.cardwatch.org.uk
- APACS is the UK payments association. It provides the forum for the UK's financial institutions to come together on non-competitive issues, to develop banking systems for the future and to provide innovation and developments in payments. It is also the banking industry voice on payments issues such as plastic cards, payment fraud, cheques, electronic payments and cash and is the banking organisation coordinating chip and PIN roll-out.