

The chip and PIN guide. Preparing for 14 February 2006

Best practice guide for retailers

After 14 February 2006 to protect you and your customers from fraud, you should expect card companies to automatically decline payments if a PIN isn't used with a chip and PIN card. This guide is designed to help you and your staff get ready by reducing the number of PIN bypass transactions on chip and PIN cards. Not only does this reduce any exposure to fraud liability but charges for chip and PIN transactions are less.

Take action now to prepare.... Check PIN prompts and position

Review and if necessary alter the terminal prompts:

- Check that staff do not automatically accept the prompt to PIN bypass but only use it if a customer does not know their PIN.
- Consider removing the PIN bypass prompt from automatically appearing as an option as part of your transaction process. An alternative is to set up a special key depression combination for staff to use when PIN bypass is needed.

Some PIN pads may be set up so that the customer is prompted to check the amount and press "Enter" before entering their PIN. This extra step is unnecessary and can be removed, so that on displaying the amount the customer is prompted for their PIN and by entering the PIN they are accepting the amount.

If the terminal 'times-out' because a PIN is not entered, ensure it does not default to PIN bypass but prompts the cashier to cancel the tender.

Ensure the PIN pad is positioned to enable all customers to enter their PIN easily and securely. Use privacy shields if they are provided. Special attention should be given to disabled customers e.g. wheelchair users.

Remember if a transaction is declined by the card company and you decide to override the decision and accept the transaction with the card, you may be liable for any fraud or other chargebacks that result.

Train staff to help customers

- Ensure staff are fully trained and regularly briefed in line with 'Best Practice Guidelines for Staff' (available from www.chipandpin.co.uk)
- Consider performing weekly checks of store, till and cashier PIN bypass levels to identify any training or technical changes that might be necessary.
- Consider introducing a competitive initiative between stores / staff to drive down PIN bypass.

www.chipandpin.co.uk has materials, that are free to download, that can help with training. These can be found at:
http://www.chipandpin.co.uk/business/card_payments/retail_toolkit.html

Point-of-sale posters and customer leaflets are also available from www.chipandpin.co.uk



Questions and Answers

Why are banks removing the option to bypass PIN?

Allowing signature on chip and PIN cards gives fraudsters a window of opportunity between the time they steal a card and the time the owner reports it lost or stolen, during which time they can claim they don't know the PIN and forge the signature. By getting all shoppers to use their PINs we can reduce this fraud.

What should I do to prepare for 14 February 2006?

Over the next four months you should encourage those few remaining customers who have a chip and PIN card but are not using their PIN to start using it as soon as possible and remind them that after 14 February 2006, they must use their PIN to be sure they can continue to pay using their chip and PIN card.

You will need to train your staff and make sure they understand the change coming in next year.

What should a member of staff do if a cardholder locks their card by entering their PIN incorrectly at the till?

The member of staff should advise the customer to unlock it at a cash machine or by contacting their card company.

How can I help prepare my customers?

To help communicate the important change to the small number of chip and PIN customers who need to get used to using their PINs by 14 February 2006 the Chip and PIN Programme has produced point-of-sale materials which can be downloaded free of charge.

Should I always accept a PIN?

Staff should remember to accept a signature from cardholders with old-style cards and some

disabled customers who will have a chip and signature card.

What if my business has not yet upgraded to chip and PIN?

If you don't have chip and PIN you may already be charged for fraudulent transactions that could have been protected by chip and PIN. This will continue after 14 February 2006, although fraudsters will increasingly target shops without chip and PIN. You should make sure that the usual security checks are carried out and train your staff. For more help on security at the point of sale, visit www.cardwatch.org.uk

If you wish to upgrade to chip and PIN, contact your acquiring bank.



www.chipandpin.co.uk