

## Dispelling the chip and PIN myths

### Retailers

**THE MYTH: All shops must upgrade to chip and PIN by the end of the year.**

**THE TRUTH:** Although retailers accounting for two out of three card payments have already upgraded to chip and PIN, there is no legal requirement for businesses to install chip and PIN technology. It's up to each company to consider the business case and upgrade at a time that's right for them. Next year, retailers will pick up the bill for card frauds that could have been prevented if they had upgraded to chip and PIN, which is why many have decided to rollout chip and PIN before Christmas. However, others are rolling out during 2005 at a time that's more convenient for them.

**THE MYTH: If a retailer has upgraded to chip and PIN but the customer does not know their PIN, then the retailer could be liable for any subsequent fraud.**

**THE TRUTH:** Banks will continue to accept the liability for these transactions as long as the retailer has carried out the usual security checks.

**THE MYTH: If the customer hasn't got a chip and PIN card, staff at the point-of-sale won't be able to accept their old cards after Christmas.**

**THE TRUTH:** Customers will be able to use all of their cards after Christmas, whether they're chip and PIN cards or not. Terminals will read each card, and if they're chip and PIN cards, the customer will be asked to enter a PIN, if they're old style cards they'll be asked for a signature. If a business has not upgraded to chip and PIN, customers will continue to sign for goods in all instances.

**THE MYTH: After 1 January, the liability for card fraud losses switches from the banks to the cardholder.**

**THE TRUTH:** This is absolutely not the case. With the introduction of chip and PIN there is no change in liability for the cardholder. Consumers remain fully protected from the cost of card fraud and are covered under the Banking Code. From the 1 January 2005 there is a shift in liability for some types of card fraud from banks to businesses, but this will not affect cardholders in any way.

**THE MYTH: The PIN cardholders use at the till is different to the one they use at a cash machine.**

**THE TRUTH:** Again, not true. Each card has one PIN, and it's the same four-digits whether the customer is at the till or at the cash machine.



## Press information

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**THE MYTH: If a fraudster sees a customer enter their PIN, they will have access to their bank account. It can't be safer than signature.**

**THE TRUTH:** Without the card, a customer's PIN is useless to a fraudster. So even if someone sees them enter their PIN, they would also need to get hold of the customer's card without them being aware of it. And of course, before chip and PIN was introduced all crooks needed to do was get hold of a card, practice the signature a few times, and they could start shopping at your expense. Using PINs is much safer than using signature for the cardholder, and makes life much tougher for the fraudster.

Of course, security is something that's of primary concern to the cardholder, so staff at the till can make sure shoppers feels safe by looking away when they enter their PIN.

**THE MYTH: People won't be able to remember more than one PIN.**

**THE TRUTH:** Research shows that most people don't have any problem remembering PINs, with only four per cent of people struggling to remember and use them according to Visa. But if customers are having problems, staff should remind them that they can change their PIN to something that's easier to remember either at a cash machine, or by contacting their card issuer for more information. The chip and PIN website features a handy guide with memory hints and tips, visit [www.chipandpin.co.uk/reflib/remembering\\_pins.pdf](http://www.chipandpin.co.uk/reflib/remembering_pins.pdf)

**THE MYTH: No one knows the PIN for their credit card.**

**THE TRUTH:** The latest independent cardholder research conducted in November shows that almost three quarters of people with a chip and PIN credit card (73 per cent) know their PIN, and the vast majority of them are confident they could use it at the point of sale.

Of course the more people use a PIN, the easier it is to remember, so as more businesses rollout this will become less and less of an issue. In France, The Netherlands, New Zealand and Canada, people have been using PINs rather than signatures for several years, without any difficulties. There's no reason why the UK should be any different.

**THE MYTH: With chip and PIN, we're 10 years behind France.**

**THE TRUTH:** While it's true that France has had a domestic based PIN system for French cards for some years, the UK is leading the way with the introduction of the global chip and PIN technology. We're one of the first countries to rollout the new, more secure payment technology, and the rest of the world will be following suit over the next few years. France is currently upgrading its terminals, as are other countries across Europe.



Safety in numbers   
www.chipandpin.co.uk