

Press release



19 May 2003

First UK chip and PIN transactions take place in Northampton

The first chip and PIN transactions in the UK are now taking place in Northampton with the town becoming the first place to introduce the new card fraud busting system. A first wave of retailers has 'switched on' over the last few weeks coinciding with the issuing of chip and PIN cards to over half of the people living in Northampton postcodes NN1 to NN7. Shops, pubs & hotels, restaurants, supermarkets and garages across the town are beginning to trial the system, which means that customers with the cards are being asked to key in their 4-digit number, better known as a PIN (personal identification number), instead of signing a receipt when they go to pay.

Over the coming weeks, a total of 150,000 people in Northampton (over half the adult population) will be sent new-style cards from their banks and outlets will be 'switching on' chip and PIN terminals throughout the rest of May and June. The trial will continue through June and July and after this the initiative will continue in Northampton and will be rolled out across the UK.

"The trial is the first phase of a massive nationwide programme which will see more than 850,000 retailer terminals, 120 million cards and 40,000 cash machines upgraded over the next 18 months," comments Sandra Quinn, Chip and PIN Programme spokesperson. "It's really exciting to see the first chip and PIN transactions take place. We're learning valuable lessons in Northampton for the national rollout which will tackle UK card fraud head-on, on an unprecedented scale."

More/...

Page 2 of 3 / First UK chip and PIN transactions take place in Northampton

Some of the shops in Northampton which have already 'switched on' chip and PIN include ASDA (Corby), Blenders, Braylake Cars, Chanse Leather Goods, Dollond & Aitchison, Gamestation, Health Quest, Holiday Inn, Montague Jeffery, Phones 4 U, Pitsford Water Cycles, three Safeway stores, Sanity Entertainment (Our Price), Sisley, Spinadisc, Supabikes, Tie Rack and Vodafone. Customers paying with the new chip and PIN cards in these shops will be asked for their PIN to verify the payment.

"The introduction of chip and PIN in our store has gone really smoothly," says Graham Pye, Store Manager of Safeway, Kettering Road. "Our customers seem to be quite comfortable with entering a PIN instead of signing their names and people are certainly keen that it foils the fraudsters."

Bryan Wisker, Customer Focus Manager from the ASDA store in Corby says: "We're really pleased that we have introduced chip and PIN into our Corby store and to be one of the first UK retailers to be involved. As well as the obvious security benefits it offers customers, the new system saves them time and hassle. Rather than hanging around to sign their signature - they can now simply PIN and go."

By the end of June, the first wave of retailers will be joined by a host of leading names including all:sports, JD Sports, JJB Sports, Marks & Spencer, McDonald's, Morrisons, Next, Moat House Hotels, Scottish & Newcastle Retail pubs including The Rat and Parrot, Tesco, Texaco Service Stations, TOTAL petrol stations, WHSmith, Wilkinson and Woolworths. In total, around 1,000 outlets will participate.

American Express, Barclaycard, Barclays Bank plc, the Co-operative Bank, Egg, Girobank Merchant Services, HSBC, Lloyds TSB, MasterCard, The Royal Bank of Scotland Group, Switch and Visa are all participating in the trial.

More/...

Page 3 of 3 / First UK chip and PIN transactions take place in Northampton

The Chip and PIN Programme is an initiative backed by the UK's banks, card companies, building societies and retailers, coordinated by the British Retail Consortium (BRC) and the Association for Payment Clearing Services (APACS). They have joined forces to combat the serious problem of card fraud in the UK. Chip and PIN is a much more secure way for more than 40 million UK consumers to use their credit, debit and charge cards and most UK cardholders will be using it by 2005. It combines two effective security features. The first is a microchip on your debit or credit card which stores your personal data more securely than the current magnetic stripe so it is much harder to counterfeit. And the second is the PIN, which is much harder to copy than a signature, which proves you are who you say you are.

Northampton has been chosen for the chip and PIN trial as it is demographically representative of the UK as a whole. The town's trial will be crucial in confirming the best ways to roll out the new technology and communications programme nationwide. It is expected that by the end of the trial, Northampton consumers with the new cards will be prompted to use their PIN for one in every two or three transactions as they shop in local stores participating in the trial.

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Notes to editors:

- The programme is part of a global initiative to cut fraud. Many other countries in Europe and around the world are planning to implement the chip and PIN system, which is built to an international standard.
- The Chip and PIN Programme continues to consult with the Disability Rights Commission to consider the needs of cardholders with disabilities.