

PRESS RELEASE

Press Release

4 January 2005

Chip and PIN Programme hails first weekend in 2005 a success more than 45 chip and PIN transactions every second - - retailers report successful transition to chip and PIN -

The Chip and PIN Programme today (4 January 2005) announced that it was business as usual for retailers and consumers over New Year period.

As shoppers hit the high street over one of the busiest shopping periods of the year more than 12 million transactions over the bank holiday weekend were verified with a PIN at thousands of retailers. More than 45 chip and PIN transactions took place every second right across the country.

As customers continue to embrace the new, more secure way to pay, retailers too are finding chip and PIN simple to use. Eight out of ten retailers have now upgraded their tills to accept both chip and PIN and existing signature cards.

At Tesco thousands of customers have been using chip and PIN. The supermarket reported up to a million transactions a day were accepted using a PIN in the run up to Christmas. Just like other retailers, Tesco is continuing to accept signature for those customers that have yet to receive a new chip and PIN card or who do not yet know their PIN.

Paul Smith, Director of Retail Services, British Retail Consortium welcomed the figures:

'We are delighted that the first weekend of 2005 has been a great success. Cardholders and retailers continue to find the technology easy to use and cardholders are increasingly happy to enter their PIN.'

Of course, it is still possible that some chip and PIN retailers may not be aware that they can still accept signatures without being liable for fraud. Should this happen to any consumer we would urge them to speak to their card issuer or let us know on www.chipandpin.co.uk and we will try to help in any way."



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Retailers too were pleased with the first weekend. Nick Mourant, Group Treasurer, Tesco said,

‘Contrary to media reports we found that thousands of cardholders used their PIN every hour with no problem. Queuing times have stayed the same or got shorter. Around 50 million chip and PIN cards have yet to be upgraded and for those customers and others that have forgotten their PIN they are continuing to sign as they have done so in the past’

Retailers can also visit the website which gives advice to those with chip and PIN terminals on how to safely accept all types of cards, both chip and PIN and older style cards. Advice is also available for those stores who have yet to upgrade.

- ends -

For more information contact the chip and PIN press office:

T: 0870 442 7898

E: chipandpin@fourplc.com

W: www.chipandpin.co.uk

Notes to editors:

- Banks, building societies, retailers, card schemes and card issuers have joined forces to combat the problem of credit and debit card fraud through the UK Chip and PIN Programme.
- The Chip and PIN Programme will see smart chips on credit and debit cards, coupled with the use of a secret four-digit PIN (personal identification number) to verify the transaction rather than signing a receipt.
- This simple new system 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.
- Consumers will continue to be protected from card fraud losses by the commitment in The Banking Code. Nothing changes for the consumer. Just as now, 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 PIN readers that could be used in the future for card-not-present payments.
- The Chip and PIN Programme continues to consult with the Disability Rights Commission and other groups to consider the needs of disabled cardholders.
- UK plastic card fraud facts and figures can be downloaded from www.cardwatch.org.uk



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