

PRESS RELEASE

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More than 107million chip and PIN cards issued

- 85 successful chip and PIN transactions taking place each second -
- 94 per cent of chip and PIN cardholders expect next purchase to use PIN

The Chip and PIN Programme today (29 July 2005) releases the latest figures on the rollout of chip and PIN. At the end of June 2005 more than 107 million chip and PIN cards had been issued and it is estimated that UK retailers and other businesses accounting for 84 per cent of all face-to-face payments are now using the new, more secure technology for card payments.

By the end of June 2005, 39.9 million cardholders – nine out of ten - had at least one chip and PIN debit or credit card in their wallets. And latest cardholder market research reveals that the vast majority (94 per cent) of people using their new cards expect to enter their PIN rather than signing the next time they use their card at the till.

In total 58.7 million debit cards (90 per cent of the total) and 48.5 million credit cards (69 per cent of the total) have now been issued by UK banks, building societies and other card issuers.

During June 2005 a total of 221 million chip and PIN transactions took place, up from around 120 million during December 2004. The June figure equates to 85 PIN verified transactions per second at tills across the UK – up from 45 in December 2004.

Sandra Quinn, UK spokesperson for chip and PIN, says:

“We are delighted with the continued progress of the chip and PIN rollout and that card volumes and transactions continue to rise as people get increasingly used to entering their PIN at the till.



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During our conversations with retailers we're also getting reports of reduced queue times at checkouts as people enter their PINs more quickly than signing. This is something we noticed during the public trial in Northampton two years ago. It's a clear sign that by and large UK consumers are finding chip and PIN not only safer but quicker and easier than signing."

- ends -

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Notes to editors:

- Banks, building societies, retailers, card schemes and card issuers have joined forces to combat 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.
- The consumer 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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