PRESS RELEASE

20 May 2004

Chip and PIN rollout gathers pace as major retailers make the move to safer shopping
- more than one in three cardholders now have chip and PIN card -

The latest chip and PIN barometer, issued today, shows that millions more UK shoppers have received chip and PIN cards and some of the nation’s biggest retailers are now rolling out the new, more secure technology.

Asda, Dixons and Wilkinsons are some of the new big high street names starting to use chip and PIN technology at their checkouts. Together, these retailers account for some 20 per cent of all plastic card sales made in the UK, so shoppers will increasingly find themselves entering their four-digit PIN, rather than a signature, when they go shopping.

Today’s figures show that more than two in five UK cardholders (41 per cent) now has a chip and PIN credit or debit card and 305,000 small businesses - including shops, restaurants, and bars - have switched over to chip and PIN.

Sandra Quinn, chip and PIN spokesperson, said: “With big household names now upgrading to chip and PIN - as well as more than half of the UK’s smaller businesses which accept plastic cards using the new, more secure technology – the rollout really is gathering pace.

“As more and more businesses make the change to chip and PIN, and more new cards are issued, cardholders will benefit from the added security provided by chip and PIN, which will prevent fraud on lost and stolen or cloned cards.”

More...
The rollout of chip and PIN began in October 2003, and is backed by the UK’s banking and retail industries. Chip and PIN cards will be issued and tills switched over according to the individual plans of the banks, building societies, merchants and retailers. Cardholders do not need to do anything themselves as card companies will contact them when they are ready to issue new cards.

The UK Chip and PIN Programme is part of an international initiative to tackle counterfeit and lost and stolen plastic card fraud. A similar domestic PIN-based system for debit cards only in France has seen an 80 per cent reduction in fraud since its introduction ten years ago.

- 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 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, and by 2005 the majority of plastic card transactions will be verified by cardholders entering a secret four-digit PIN (personal identification number) 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