

The chip and PIN guide

Guidelines for staff on processing chip and PIN transactions

Help your customers get ready for 14 February 2006

This best practice guide is designed to help point-of-sale staff who accept chip and PIN cards prepare for 14 February 2006 (Valentine's Day).

After this date you should expect card companies to decline a payment if a PIN isn't used with a chip and PIN card. To protect you and your customers from fraud, you should actively encourage all your chip and PIN customers now to know and use their PIN whenever possible for all their transactions.

The checklist below outlines the things you can do at the point-of-sale to help customers when using chip and PIN.

Ensure that you follow the prompts to carry out the transaction correctly:

- Always let the PIN pad drive the payment process. Always insert the card into the PIN pad (ask the customer to perform this or you can do it) and the terminal will request either a PIN or a signature depending on the type of card;
- If the terminal indicates 'card error', remove the card, wipe it and try again.

Also check the card is inserted the correct way round. After three failed attempts the card will lock and you may have to swipe the card and ask for a signature;

In certain circumstances now and after 14 February 2006 signature should always be accepted:

- From UK cardholders with old style magnetic stripe cards. The terminal will prompt you if signature is required.
- From disabled customers who may have chip and signature cards because an impairment prevents them from using a PIN.
- From overseas customers from countries that have yet to upgrade to chip and PIN.

Follow these procedures to help your customers use chip and PIN:

- Customers with chip and PIN cards should be invited to 'enter their PIN', when prompted. Do not ask them if they 'know their PIN' as this gives them an opportunity to opt out of PIN entry;

- If the customer does not seem to know they have a chip and PIN card or does not know their PIN, suggest they contact their card company. Some cardholders can change their PIN to a more memorable one at a cash machine. Others, alternatively, may have to contact their card company;
- If a customer presents a card where the PIN is locked, advise them to contact their card company. Follow the terminal prompts which may still allow the transaction to proceed;
- If customers are concerned about being overlooked as they enter their PIN, encourage them to use their hand or body as additional shielding;
- Most PIN pads can be picked up, swivelled or tilted and you should offer this to customers, if appropriate, to help them to enter their PIN easily and securely. This is particularly important for disabled customers e.g. wheelchair users;
- Respect the customer's privacy by turning away, or avert your gaze, when the PIN is being entered.

What should I do in preparation for 14 February 2006?

In the run up to the 14 February 2006 you should encourage those few remaining customers who have a chip and PIN card but are not using their PIN to now start using it.

If you are not already doing so ask customers to 'enter their PIN', when a customer is paying using their chip and PIN card. Do not ask them if they 'know their PIN' as this gives them an opportunity to opt out of PIN entry.

What if a customer says they don't know their PIN after 14 February 2006?

If your terminal requests a PIN and a customer forgets or doesn't know their PIN you should expect the card company to decline the transaction if the PIN is bypassed. In this instance you should ask them to use an alternative method of payment such as:

- another chip and PIN card for which they do know their PIN
- cash
- cheque

If a customer has forgotten their PIN, regardless of the payment method they decide to use you should remind them to

speak to their card company who will issue them with a reminder for the PIN.

Should I insist on PINs for all transactions now?

You can continue to accept a signature up to (and including) 14 February 2006. After this time, transactions may be declined by the card company if a PIN is not used with a chip and PIN card. To make the transition as smooth as possible you should communicate the change to customers now so they have time to prepare by finding out and memorising their PINs.

What if the card given by the customer is 'locked'?

Always 'dip the chip' and follow the terminal prompts. If a customer presents a card where the PIN is locked, advise them to contact their card company who will be able to tell them how to unlock the card.

Until 14 February 2006 you should still be able to process the transaction if the card is locked using the cardholder's signature. However after 14 February 2006 this may not be the case and the card may be declined by the card company. If this happens you will have to ask for another form of payment.

What are chip and signature cards?

Most disabled cardholders find chip and PIN easy to use, but not all. The banking industry has therefore offered disabled cardholders a chip and signature card.

If a disabled customer presents a chip and signature card after the 14 February 2006 you should insert the card as normal. The terminal will then request a signature from the disabled customer.

What if a customer consumes the goods before payment (e.g. a restaurant or petrol station)?

If you are in an industry where customers consume before they pay it is particularly in your interests to encourage all your customers to know their PIN well ahead of 14 February 2006. If they do not use their PIN after this date, their card may be declined and you may need to ask them for an alternative form of payment.

www.chipandpin.co.uk has materials, that are free to download and can help with retailer training and customer advice.

