

Chips, PINs & Signatures...?

– Important Announcement for Retailers

Issued by IPSO Card Services, 14th March 2007

The Irish Payment Services Organisation (IPSO) awareness campaign for PIN Day, 17th March 2007 has been a success. Close to 100% of the Chip and PIN cardholders who continued to sign for transactions in retail outlets are now using their PIN to pay. Customers with a Chip and PIN credit or debit card have been advised throughout the campaign that after 17th March they should not expect to be able to sign for transactions, rather they need to know their PIN to pay. This change enables full use of Chip and PIN technology and thus helps to reduce payment card fraud.

However, in the run up to PIN Day, IPSO has become aware of a small amount of retailers that have been turning away customers who present old style magnetic stripe payment cards, i.e. cards which do not contain a Chip. IPSO would like to advise these retailers that they can continue to accept these cards as normal by swiping the card, printing a receipt and asking the cardholder to sign.

It is important to remember that while recent campaigns reminded retailers and cardholders to use a PIN with their *Chip and PIN* cards, retailers should remember that not all customers will have *Chip & PIN* cards. These include some Irish cardholders, those cardholders visiting Ireland from countries where Chip and PIN has not been implemented, for example the U.S., China and Australia and some disabled customers who use a Chip and Signature card.

'If retailers are unsure whether a card is a Chip and PIN card or not they should simply swipe or dip the card in the card terminal and follow the terminal prompts. The terminal will read the card and will instruct the retailer to ask for a signature or PIN as necessary.'

Úna Dillon, Head of IPSO Card Services

For further information on Chip and PIN for both cardholders and retailers, see www.chipandpin.ie

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Notes to the Editor:

- Banks, building societies, retailers, card schemes and card companies joined forces to combat credit and debit card fraud through the *Chip and PIN* Ireland Programme.
- The *Chip and PIN* Ireland Programme introduced 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.
- The simple system is part of a global initiative to cut payment fraud. Many other countries in Europe and around the world have also implemented the *Chip and PIN* system, which has been built to an international standard.
- All banks are committed to ensuring that the small number of disabled customers who are not able to use a *Chip and PIN* card are able to use an

- alternative such as a *Chip and Signature* card which will enable them to continue using their cards now and after 17th March 2007.
- Consumers will continue to be protected from card fraud losses by 'The Code of Practice for Personal Customers'. Nothing changes for the consumer. Just as they do today, cardholders should continue to be responsible in protecting their cards and keeping their PIN secret.
 - Other types of card fraud such as card-not-present fraud (on the internet, over the phone or mail order fraud) are being addressed by retailers and banks through a number of initiatives such as 3D-Secure, card security code, production of fraud prevention training manuals and multi-sector working groups.
 - The IPSO *SafeCard Task Force* was established in 2004 to provide information to consumers and retailers on fraud prevention. For more information go to www.safecard.ie