

Media Statement from the Irish Payment Services Organisation

Naas and Newbridge go first for Anti-Fraud Card Programme

The neighbouring towns of Naas and Newbridge have been selected as the initial towns for the rollout in Ireland of new chip-enabled credit and debit cards, combined with the use of a Personal Identification Number (PIN) at point of sale, as part of the international effort to combat card fraud.

The industry led response is designed specifically to combat the counterfeiting of cards – the largest component of card fraud. This launch in mid 2004 will pave the way for a national roll out of the new system over the later part of next year.

The Chip and PIN programme is the latest stage in ongoing efforts to protect both consumers and business from fraud and theft. It will see the cardholders verifying card transactions by entering a four-digit PIN instead of the current practice of signing a paper receipt. There will however be no change for cardholders until mid 2004 at the earliest and even then only on a phased basis. The introduction of Chip and PIN in Ireland is being co-ordinated by IPSO (the Irish Payment Services Organisation), the payments industry body for Ireland, which oversees the payments infrastructure in the Irish market.

Announcing the selection of Naas and Newbridge for the launch Ms Mary Harney, TD, Minister for Enterprise, Trade and Employment pointed to the importance of the new system. *“Card fraud is a scourge on society and impacts far beyond those directly involved in a fraudulent transaction. Any actions to create more secure transactions will benefit consumers and businesses alike. Criminal organisations are behind a large proportion of card fraud here with the proceeds going on to bankroll further criminal activity, which has a widespread negative effect on society. Given that wider impact, I am pleased to confirm that the Minister for Justice, Mr Michael McDowell T.D. and the Minister for Finance, Mr Charlie McGreevy T.D. have also given their full support to the Chip and PIN implementation programme.”*

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The programme will require a technical upgrade of payment cards, point of sale terminals and ATMs. Over the past number of months the companies that issue cards and acquire card transactions in the Irish market place have been working closely with IPSO towards creating the infrastructure necessary for the introduction of Chip and PIN.

Barry O'Mahony, Chip & PIN Programme Manager (IPSO), said *"There were 115 million card transactions in Ireland last year with a combined value of EUR 9.1bn. We are determined to maintain the integrity of that payment mechanism for the benefit of both cardholders and the businesses that they deal with. The Chip and PIN technology has already been proven and is in use, or is being rolled out in other countries. The phased launch approach starting in Naas and Newbridge will make sure that the Irish roll out goes as smoothly as possible and will enable Irish cardholders and businesses to adapt easily to the new system"*.

The mid year launch positions the Irish market well to be in line with, or ahead of, the implementation of Chip and PIN as the core processing method for card transactions across Europe. It will also protect against the possible migration to Ireland of card fraudsters if this market moved to Chip and PIN at a later time than others.

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