What's New in 2016

The last couple years have brought about a lot of changes within the merchant services industry, from new security measures to new methods of payment, and everything in between. Here's a brief run-down of the more notable changes and updates:

4-in-1 Credit Card Processing

Merchants who currently accept American Express, but receive a separate deposit and merchant statement, can have their Amex processing integrated with their Visa/MasterCard processing for an all-in-one style merchant account. Superior Financial Systems is extending the same Visa/MasterCard processing rates to Amex and Discover processing, which will constitute a savings for businesses that currently process Amex and Discover through direct accounts with those brands.

Upgrading your Amex and Discover processing to be all-inclusive will greatly simplify accounting and deposit balancing. The upgrade is simple, does not require a download or new programming for your terminal, and it can be completed in 2 business days or less, in most circumstances.

EMV Chip Cards

As many of you know, the transition to the new EMV chip-capable terminals has been a very bumpy road. The national average of businesses that have converted to the new equipment remains at less than 50%; some merchants have elected not to upgrade at all whereas some are waiting for the EMV terminals to support all methods of processing, including pin debit and cash back. Superior has expanded their line of available EMV-ready terminals to offer a wider variety of options, and have been working with merchants on a case by case basis to determine the best fit for each business. If you have not yet upgraded and would like to do so, we can work with you to find the best terminal for the job.

Some important updates in the EMV world:

- EMV terminals have a longer transaction processing time than traditional card swipe terminals. Due to the extended processing time, digital phone lines are not recommended as a viable connection for these terminals. Merchants are strongly encouraged to either use the traditional analog line (e.g. share the fax machine phone line) or connect using an Ethernet or IP cable, which can also reduce overall processing time.
- Contactless transactions (customers pay using their cell phone or watch) are currently still protected by liability shift to the card issuer; effective April 2017 merchants who are not EMV and PIN compliant will assume liability for these transactions.
- AFD and other fuel-based merchants are still protected by liability shift for EMV transactions, and will be through to October 2017. Merchants who accept Wright Express and Voyager will need to purchase a separate terminal to process EMV chip cards, due to application security issues with third part programming.
- Visa and MasterCard have heard the combined voices of U.S. merchants who are unhappy with the way the EMV transition has been handled, especially with chargebacks, and are in the process of adjusting and updating the current liability shift rules to benefit the merchant. If you've been experiencing an uptick in chargebacks, contact Customer Care for assistance.

Voice Authorization Process Update

Merchants who call in for a voice authorization on a customer's charge will now be prompted for the 3-digit security code on the back of Visa, MasterCard, and Discover credit cards, or the 4-digit security code on the front of American Express cards when providing the credit card payment details. This new added level of security will help reduce potential fraud, and is required for all **"Call Center"** or **"Authorization Only"** calls placed to the Voice Authorization hotline, (800) 228-1122.

Please be sure to complete any voice authorizations with a "Ticket Only" or "Forced" transaction keyed into your credit card terminal. For assistance with this process, please contact Customer Service.

Apple Pay & Samsung Pay

Using a mobile device to pay in place of a credit card is becoming increasingly popular, and security features have grown, making programs such as SamsungPay and ApplePay a more accepted method of payment. Most EMV-capable terminals are also able to accept mobile payments, at no extra cost. If you'd like to offer this method of payment to your customers, contact Superior Financial's Customer Care department and they will help you set up and activate this feature.

VISA Data Security Alert: Pin Pad Skimming

Visa is aware of increasing incidents involving suspects placing skimming devices on point-of-sale (POS) terminals for the purpose of collecting payment card information, including PIN numbers. The primary targets for these recent skimming events are self-checkout terminals in supermarkets. However, any POS terminal may be at risk, including those that are often unattended. One VISA recommendation to prevent skimming is to inspect POS devices on a regular basis. Skimming devices can come in many shapes and sizes, from portable hand held devices to cables that have been modified to add extra wires that read and store information for later collection. Look for raised edges along the slots used to swipe or insert credit cards, or new physical changes to the machine such as an overlay or cord that wasn't previously used.

If you suspect that your POS terminal has been compromised, contact your processor immediately for assistance with evaluating the merchant account and potential impact. For additional information on how to prevent skimming please refer to the following link:

PCI Security Standards Council Skimming Resource Guide:
https://www.pcisecuritystandards.org/documents/PCI_SSC_Skimming_Resource_Guide_v05.pdf

MasterCard Series 2 credit cards coming

MasterCard has traditionally issued credit cards starting with the number "5" only – coming next year, they will be expanding to allow cards to be issued with numbers starting with "2". We are already working on the upgrades required to allow merchants to accept the new credit card numbers, and will be announcing updates as they become available.

Introducing Discover ProtectBuy

eCommerce merchants who allow their customers to enter credit card information directly into the website from the comforts of their own homes may already be familiar with the programs Verified by Visa, and MasterCard SecureCode, part of the 3D Secure suite. Discover has announced the launch of their own program, Discover's ProtectBuy, designed to offer the same liability shift protections currently in place from Visa and MasterCard, for merchants who accept Discover through their websites.

The 3D Secure suite of programs is designed to offer limited chargeback protection by prompting customers to verify their identity using a unique passcode not unlike a PIN, before submitting their sensitive credit card information online for processing. Merchants who are enrolled in the programs can avoid a significant number of fraudulent and non-authorized chargebacks, and help mitigate risk from processing credit cards.

For more information on these programs, please contact Superior Financial Systems' Customer Service dept.

Coming Soon: American Express SafeKey

American Express has announced the coming launch of their SafeKey program, part of the 3D Secure suite of products, designed to offer limited chargeback protection to eCommerce merchants. American Express is targeting early 2017 for the launch of their program, which will work in conjunction with Visa's Verified by Visa, MasterCard's SecureCode, and Discover's ProtectBuy, to extend protections against fraudulent and stolen card chargebacks to merchants who allow their customers to enter credit card payment information through a website.

For more information on these programs, please contact Superior Financial Systems' Customer Service dept.

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