

MAG Summer SIG 2022

Petroleum / Convenience Store SIG Notes

Confidential

MAG
MERCHANT ADVISORY GROUP®



SIG Leaders

- Kelly Andrus (EG America)
- Thomas Chiang (ExxonMobil)
- Report provided by Linda Toth (Conexus)

Action Items

1. MAG needs to find someone who has implemented PINless at AFD.

Notes

Welcome & Introductions

1. Welcome to all attendees
2. Reminder that attendees are bound by the antitrust statement.

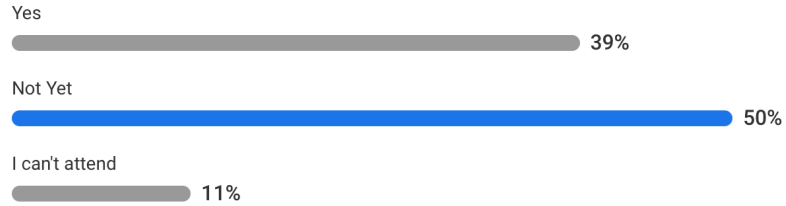
Topics


1. The MAG has opened the registration for the 2022 Annual Conference and Tech Forum. Poll taken on how many have registered (yet). See poll below.
2. Brad Timbes has a new role in ExxonMobil and Thomas Chiang will be the new co-leader with Kelly
3. Poll taken on prioritizing the summer hot topics and which topics to discuss first. (See below)
4. Pinless Debit/Debit Routing
 - One merchant's experience: Majority of the issuers have NOT enabled PINless at AFDs. Last summer they were trying to enable, but not worth the effort at the time. As issuers are still not ready, they are instead focused on routing of PIN debit transactions. That project had significant savings associated with it.
 - Acquirer support for various platforms and verticals affects enablement
 - Still trying to figure out pros and cons of implementing and what the benefit truly is.
 - One merchant doing PINless indoors, but not at AFD. They are seeing savings. Would like to put at AFD.
 - There is at least one card brand that won't support it on their payment rails.
 - For PINless, is it a better consumer experience? One merchant prefers pin debit, but consumer can bypass.
 - Does enabling PINless open up liability for fraud at the AFD? Liability (including AFD) matrix is available from the MAG.
<https://www.pathlms.com/mag/courses/20723/sections/26825/documents/31980> They are currently updating it to include some additional information.

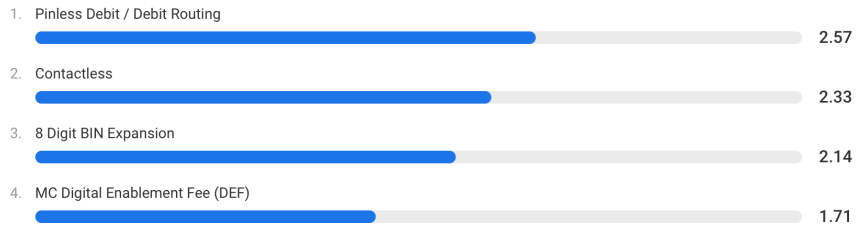
- No one on the call came forward to say they are doing PINless at the AFD
 - One merchant waiting on POS/Acquirer/Pump updates
 - Of note, the US Payments Forum has a working group on PINless debit, and they are putting together use cases specifically for petro. One of the biggest challenges for implementation is allowing the merchant to make the choice as opposed to the consumer being able to opt out.
 - Business model for customer experience may influence whether it's beneficial (i.e., true touchless environment)
 - Take Away: We need to find someone who has implemented PINless at AFD.
5. Store & Forward
- Risk profiles change dramatically between various store and forward flavors (ex. delayed online authorization vs force post.) Storing a large number of transactions gets riskier the more you store.
 - Some brands do not recommend or even permit store & forward to minimize the risk. Had a tech reload a POS while in store & forward and all transactions were lost.
 - Another brand includes cellular backup which eliminates the need for store & forward. A different brand recommends a primary and secondary connection, but some store owners are reluctant to put in secondary because of cost concerns.
6. Contactless
- Many merchants have NFC enabled at the pump. (Discussion is for physical card contactless as opposed to wallets.) POS suppliers still don't fully have compatible software (esp. Verifone POS with Gilbarco dispensers) so have waivers for MSD contactless. Once software is available still have delay in getting it rolled out (schedules, truck rolls, etc.) and it's slow going. Some merchants have turned off MSD contactless completely. Others are mixed and still allow it at some sites. Site owners/dealers spent a lot of money buying contactless readers and consumer uptake has increased since pandemic, which is contributing to sites not wanting to turn off contactless MSD.
 - Fraud trending upward on MSD contactless, which has prompted some to turn it off.
 - With EMVCo moving towards new specifications, vendors may be pushing up against LOAs and other issues.
 - New EMVCo harmonized contactless kernel, comments closing next week. EMVCo will possibly release the spec in Q3, but no authority to deprecate the "old" contactless kernels. So, in the near term this will be just another kernel, long term it should reduce the number of kernels.
7. Poll for topics for AC 2022 (See poll below)
8. 8-digit BINs
- No changes required by POS or acquirer, so "non event"
 - Less painful than expected
 - 8-digit BINs not being encrypted at terminal so it can be used at site level for decision making (pending POS upgrades)


POLLS

 Have you already registered for AC22? 18  ...



 These are the Summer SIG Hot Topics 2022. Rank them in the order are more pressing in your opinion 21  ...



 Please select all the topics are relevant to be discussed during MAG Annual Conference 2022 in September 17  ...

