

**MAG Webinar: PINless Debit: Unlocking the Value Proposition for Retailers**

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PRESENTERS:**Manish Nathwani** - Sr. VP, Product Development, SHAZAM**Bryan Manka** - Senior Product Manager, Emerging Payments, PULSE, a Discover Company**Denis Bouchard** - Assistant Treasurer, The Wendy's Company**WEBINAR OUTSTANDING QUESTIONS AND ANSWERS****Q Does PINless only for US market?**

A Generally, not geographic restricted, but some restrictions exist on international such that most international transactions route to global brands due to those restrictions

Q Who will assume the liability in the event of chargebacks? Merchant or card issuer?

A Generally, available dollar limits are threshold for liability shift. Depends on merchant category and network in question. Chargeback rights depend on whether LS threshold is exceeded (covered in network operating rules). Those rules define whether issuer or merchant take on that liability.

Q Do all major card brands offer PINless debit?

A Yes, PINless debit is supported by all leading domestic debit networks.

Q Does pinpad require key injection to accept PINless debit?

A Since PINless debit transactions do not involve interaction with the PIN pad, no PIN encryption keys are utilized in the process of performing a PINless transaction. NOTE: Purchase with cashback transactions generally do require a PIN, in which case encryption keys would be needed.

Q Do any of the speakers have any comments regarding PIN on glass?

A PIN on glass, a technology that enables a merchant to capture a PIN from the cardholder through a screen-based capture mechanism, is a viable alternative to traditional PIN pad but it is often misunderstood. Many people mistakenly believe that PIN on glass technology will enable merchants to capture PIN using any mobile device enabled to present a PIN pad (e.g. mobile phone). This is not the case. PIN on Glass transactions require devices that incorporate a combination of hardware and/or software-based security features that must be PCI approved.

Q Any estimate on the average cost difference is between Pinless and "signature" debit transactions?

A Pricing differentials between PINless and Signature Debit transactions vary by several factors, including but not limited to: merchant type, volume tiers, traditional point of sale vs ecommerce and other factors. Given the number of included factors, the average cost difference across all transactions is unreliable and must be analyzed at a more granular level to be meaningful. I recommend contacting either your acquirer or individual networks for comparison they may be able to provide in these subcategories.

Q Is PINless debit still limited to a \$50 check?

A There is no limit on a PINless authorization amounts necessarily. Generally, there available dollar limits are threshold for liability shift. Depends on merchant category and network in question. Chargeback rights depend on whether LS threshold is exceeded (covered in network operating rules). Those rules define whether issuer or merchant take on that liability.



Q How does PINless affect credit card cash back benefits for customers?

A I cannot speak for credit cards, but for debit cards, most networks require that transactions with cashback include PIN validation.

Q How will PIN bypass and PINless debit coexist?

A PIN bypass and PINless debit can coexist provided the merchant is both enabled with their acquirer for PINless debit and their terminals are configured to determine when PIN prompts occur and, when a PIN is prompted for, whether or not the terminal allows the customer to bypass the PIN.

For example, a terminal that allows for limited PIN bypass support might be configured as follows:

1. not prompt for PIN for purchase transactions <= \$50;
2. prompt for PIN on purchase transactions >\$50, but allow the customer to perform PIN bypass and process the transaction as PINless debit, and;
3. require PIN on any transaction with cashback (PIN bypass not allowed)

Q Is there any way to get around the daily max debit card transaction that most bank impose? We sell cars and run into this issue daily where someone wants to pay \$30,000 for a car with their debit card?

A Depending on type of consumer or very easy access to increased limits with a phone call or mobile experience, generally high debit card amounts are done with some degree of due diligence. but yes, the limits can be adjusted

Q Are all PIN transactions eligible for PINless Debit? Do PINless debit transactions typically have different rates than Signature Debit or PIN debit?

A All debit transactions should be eligible for PINless debit if the issuer of that card allows that type of transaction. pricing of debit transactions will depend on the network the transaction is routed to more so than whether PINless was used vs. PIN. The rates an acquirer/merchant pays in interchange and fees is dependent on the network rates through which the transaction is routed.

Q Are there dollar limits for Pinless transactions? And if so, what happens to transactions above the limit?

A Generally, available dollar limits are threshold for liability shift. Depends on merchant category and network in question. Chargeback rights depend on whether LS threshold is exceeded (covered in network operating rules). Those rules define whether issuer or merchant take on that liability.

Q What are the risks for chargebacks regarding PINless debits?

A Generally, available dollar limits are threshold for liability shift. Depends on merchant category and network in question. Chargeback rights depend on whether LS threshold is exceeded (covered in network operating rules). Those rules define whether issuer or merchant take on that liability.

Q How many days does a company have to complete a split order, how long is the authorization good for?

A Authorization lifecycles may vary based on Network. I recommend consult your acquirer for guidance on handling of split shipment authorizations and authorization lifecycles. Generally, merchants should submit a new authorization for a split shipment whose original authorization has expired.

Q When the timing is right are these transactions eligible for account updater VISA/MCARD

A Account updater services are available by V/MC/Discover so card on file merchants can obtain an update on stored credentials. Two ways 1/ask global networks for any updates on a batch basis or 2/real time inquiry to vault.



Q Confirm what if VISA has a debit card on the front and the back is Pulse where does it route through?

A All debit cards have an unaffiliated network on the back of the card and merchants have the choice of routing

Q If refund back to the debit card is at as simple refunding directly to card from VISA/MCARD

A Yes, merchandise returns, and credits are common transactions across debit brands, both global brands and domestic but there may be slight processing differences a merchant or their acquirer needs to account for. Recently, some global brands introduced requirements that merchant submit merchandise returns / credits as dual message authorization requests rather than as single message advices that are still most common with domestic debit networks. It is best to contact your acquirer to determine how they handle returns and credits for your transactions.