

# MAG Summer 2021 Petro SIG Notes

June 16, 2021 | Confidential

**MAG**  
MERCHANT ADVISORY GROUP®



## SIG Group Leaders

Peter Jessiman (7-Eleven), Kelly Andrus (EG)

Report provided by Linda Toth (Conexus)

## Action Items

1. Laura: Engage petro in debit routing group to understand challenges with petro. Volunteers should contact Laura if they want to participate.
2. Linda: Get Laura specific differences between Conexus & MC fleet specs.

## Notes

### Welcome & Introductions – Peter Jessiman, Kelly Andrus

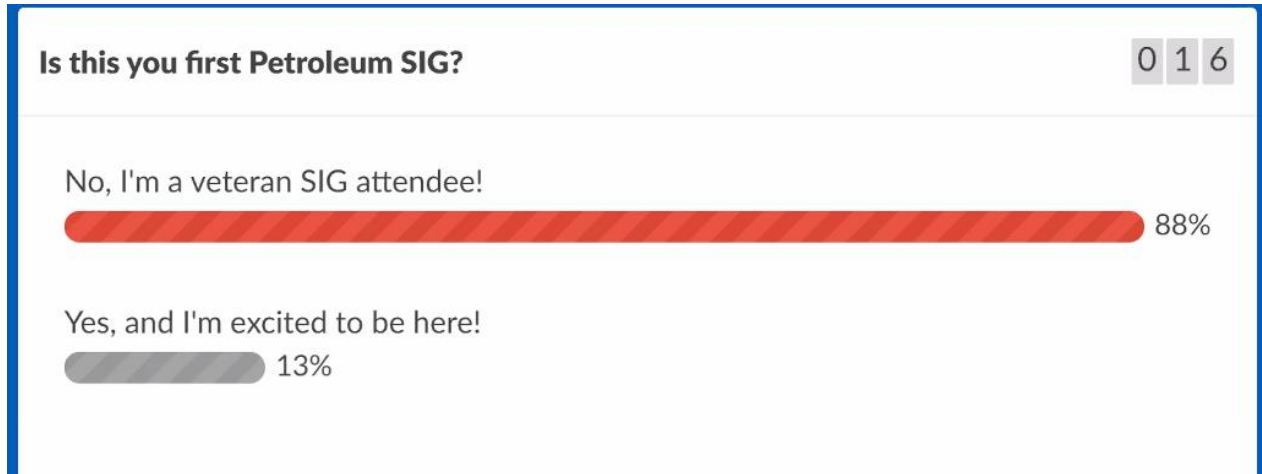
1. Welcome to all attendees.
2. Reminder: this is a merchants only meeting.
3. Reminder: attendees are bound by the antitrust statement, which can be found online..




## Topics

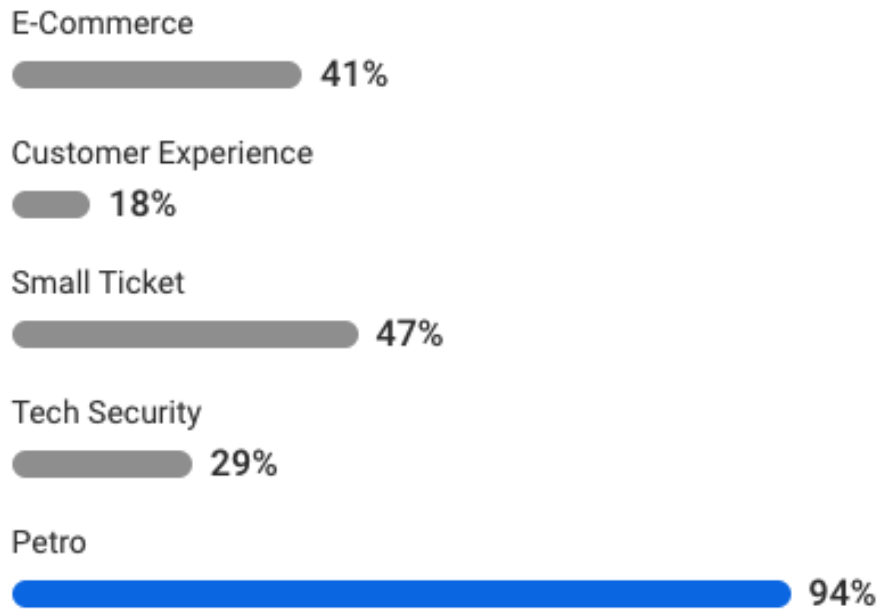
1. What are people seeing for chargebacks at the AFD?
  - Nosedive in fraud at locations enabled for EMV. Stores that don't have EMV are being targeted. Non-EMV sites, starting to see the chargebacks, but early. Visa chargebacks are 4-5 times MC. For those fully rolled out, we are not seeing chargebacks. Have not disabled mag stripe fall back.
2. How to identify and combat fleet card/company fraud?
  - Velocity checks
  - Dispenser limits
  - Voyager has approached merchants on some problem sites and those limits were dialed down or acceptance at the pump turned off.
  - Standing meetings with fleet issuers to understand fraud trends.
  - Certification issues for EMV fleet
  - Driver Id is like a pin. Merchants not seeing pin pad camera to capture it; compromise appears to be related to website accounts. To support that theory, private label fleet cards with no website access seeing zero fraud. Some companies do not actually validate driver id.
3. What different ways has fraud been detected and what devices and/or procedures were used to defraud the cards?
  - Skimming has been down in sites where EMV is rolled out.

- A lot of the card fraud, user has zip code. This points the source to black market as opposed to a skimmer device.
4. How to prevent fraud in the fuel industry where cards can only be used at the stations, not online?
    - Prompt for AVS
    - Velocity
    - Dollar threshold against velocity (smaller amounts do not count toward velocity)
    - Did Visa turn VTA off at issuer given the fact that Visa chargebacks are making up a proportionately high percentage of chargebacks? Remember the score that goes back to issuer is not specific to pumps. Some merchants dropped risk threshold at high-speed diesel pumps. Some lowered it at any dispensers not EMV enabled. Have heard that issuers are set at a blanket 75 (can be 1-99, with 99 allowing the most transactions going through) If triggered, a decline with reason code 19 will come back. Most POS providers have translated this to display on the pump to go inside.
  5. How are folks approaching the crypto currency space? Any plans for acceptance, or are most in a “wait and see” mode for now? Has anyone added bitcoin ATMs?
    - One merchant has 40 kiosks (like ATMs) for testing.
    - Another merchant has them on pilot at 5 stores. Wouldn't be rolled out company wide, but some geographical regions it makes sense. Not looking at translation onto a debit card but an actual direct payment method using their bitcoin wallet. To protect against volatility in bitcoin value, there is an immediate US \$ conversion. Can tell how many unique customers at the kiosk but cannot connect if whether it drives sales. Probably does drive regular ATM traffic.
    - Be aware of AML and other acts.
  6. What are the differences between MC's fleet spec as compared to the Connexus spec which is used by Visa?
    - The way the data is packaged and what tag(s) it comes back in.
    - MC is licensing their spec to some fleet cards companies, which may be why they are reluctant to use a different spec.
    - Linda → reach out to get specific differences.
  7. Has anyone been successful on getting extensions on AFD EMV contactless waivers?
    - In some cases, contactless was rolled out prior to EMV, so it doesn't make sense to turn it off.
    - As terminals need to be replaced, RFID readers were installed and contactless was enabled. However, all of the transactions were charged back.
    - Rumor that Visa was not going to grant any additional extensions. POS vendor roadmaps dates for contactless EMV are TBD. Visa is indicating merchants will need to turn off contactless altogether.
  8. PINless debit. How do we keep up with issuers that are going to accept it? Is it worth the effort?
    - 3 of the larger debit networks are participating in card present even at the AFD.
    - But... Issuer has to allow PINless debit at card present.
    - Issuers may be pressured into accepting.
    - How much can I save per transaction? How many transactions would be eligible?
    - Threshold limits on PINless vs. dispenser limits.
    - Laura → Engage petro in debit routing group to understand challenges with petro. Volunteers should contact Laura if they want to participate.
  9. Upcoming SIGs
    - Two SIGs in the fall. One is virtual beginning of September. The second is only for in-person attendees at fall event. SIG leaders will be on a panel at fall event.

## POLLS



 **What other SIGs have you attended** 17  



How are you attending the MAG Conference this September?

0 2 2

In-person



Virtual



Not attending



Clarification on question: Who is going to discontinue prompt AVS where allowed after EMV has been implemented?



Who is going to continue to discontinue prompt AVS where allowed after EMV has been implemented?

16



Yes



No



Note: The no should read No, my acquirer doesn't enable PINless.

how many of you process with an acquirer that enables PIN less at the pump? 0 1 0

Yes, my acquirer enables PINless 60%

No, my acquirer enables PINless 40%

If your acquirer does NOT currently enable PINless at the pump, have you seen it on the roadmap for development within the next 12 months? 0 0 7

Yes, on roadmap 57%

No, not on roadmap 43%

If your acquirer enablement of PINless at the pump exists today, does your POS provider have it coded? 0 0 6

No 83%

Yes 17%

Visa auth limit increase was chip on chip. Visa has chipped most products (exception gift cards, some fleet). Some have implemented across all Visa products (mag stripe included). Interchange may be affected (if you go over limit, down graded transaction)..

**Have you been able to successfully implement Visa's increased auth limits announced last year?**

0 0 8

Yes



No

