



EMV

The term EMV is everywhere. EMV stands for Europay, MasterCard and Visa, a joint entity established with the goal of developing specifications for more secure payment transactions. While there is still some debate on the inevitability of EMV, recent large-scale data breaches in the news, such as the one at Target, have spurred some in the industry to push for adoption due to its superior security. EMV technology has been used widely overseas for years and has been linked to significant reduction in fraud in the card-present environment.

As the U.S. catches up with this capability, we anticipate huge changes in the landscape of payments acceptance and beyond—for the better. Not only will security be vastly improved, but the ease and speed with which card-present transactions can be authenticated will help enhance convenience for shoppers, changing the face and pace of credit card usage and acceptance.

Chip-enabled cards, or “smart cards,” look just like a regular credit card but have a microchip embedded inside. The microchips inside these cards communicate with EMV-enabled point of purchase devices to verify the card is valid. The chips encode the cardholder’s data in a more secure way than the traditional magnetic stripes; because chip cards have the ability to change their coding on a rotating basis, they are much more difficult to copy for fraudulent use.

During a sale there is a two-step verification process. The customer will need to present either their card and a PIN (called Chip and PIN) or their card and a signature (called Chip and Sign).

If you haven’t already made the change to accept EMV cards, the current deadline to do so is October 2015. This might involve the purchase of new equipment or simply upgrading what you already have. After the deadline, fraud liability is scheduled to shift from card issuers to merchants who are not set up to accept EMV cards. Since 46% of credit card fraud takes place at the POS, it’s possible that this could translate into significant costs for retailers.

It is important to remain current on changing requirements and deadlines. As a member of your association, take advantage of the relationship that has been established with a processing partner to keep pace with all the intricacies of EMV technologies and compliance. In today’s climate, you need a provider that will go beyond processing transactions to act as an advisor and resource, helping to find the right EMV solutions to suit your business.

For more information on EMV and all the latest industry news, subscribe to Veracity’s free merchant e-newsletter: <https://veracity.updatesfrom.co/subscribe/>