

BEST PRACTICES FOR ALL BUSINESS TYPES

Never wire funds that are charged to a credit card.

Balance your merchant account statements against your daily payment records (such as POS/ batch closure reports and transaction receipts).

For returns, only issue a credit to the card that was used in the original transaction.

Control access to issuing credits, this can prevent employees from issuing returns to their own credit cards.

All transaction records and account statements should be stored in a secured area with controlled access. Receipts should be kept for 18 months. Render all data unreadable prior to discarding.

Businesses can only sell products or services listed on their merchant applications.

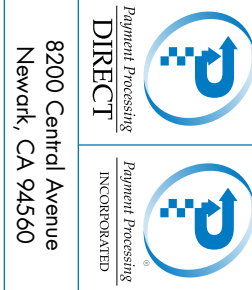
Respond to chargeback retrieval requests immediately.

A positive authorization verifies that the credit card is a valid card number with an available balance—it is not a guarantee that the transaction is not fraudulent.

Payment Processing, Inc. is a registered ISO/MSP of HSBC Bank USA, National Association, Buffalo, NY, National Bank of Canada, Montreal, PQ, Canadian Imperial Bank of Commerce, Toronto, ON and Chase Paymentech, Dallas, TX.

©2007 Payment Processing, Inc. All Rights Reserved.

To contact the Risk Department call
800-774-6462 - Option 5



WATCH OUT FOR FRAUD



Payment Processing
DIRECT



Payment Processing
INCORPORATED

ON CARD PRESENT TRANSACTIONS

Verify that the credit card is valid; all Visa/MasterCards are embossed with raised lettering, have the name of the issuing bank and have the proper holograms.

Verify the cardholder's signature; if the card is not signed, their ID must be checked and the card must be signed. If the customer refuses to sign the card, then the transaction should not be completed.

If the card will not electronically swipe, the card number should be keyed into the terminal and then a manual imprint should be made with the transaction information. This needs to be signed.

ON CARD NOT PRESENT TRANSACTIONS

Use the address verification service (AVS), a negative match should be investigated.

Ask for the CVV/CVC (security code); a three digit number found on the signature panel of the credit card. This can help to identify fraudulent orders.

Contact the card issuing bank on suspicious orders. To get issuing bank information, call 800-VISA-911 for Visa and 800-MC-Assist for MasterCard.

Validate each order and require that the online order page is complete before fulfilling the order.

Call the customer if you suspect a problem; verify that their area code matches up with their billing/delivery address.

LOOK FOR SUSPICIOUS BEHAVIOR!

Customers who make purchases without regard to size, color or price.

Asking no questions on major purchases.

Making purchases, leaving the store, then returning to make more purchases.

Trying to rush you through the sale, especially during closing.

"CODE 10" CALLS

A "code 10" call should be made to the voice authorization center if prompted during an authorization attempt, or if you have suspicions about a transaction (possible counterfeit card, unmatched signatures, etc).

The authorization representative will ask a series of yes/no questions and advise on how to proceed.

If instructed to keep the card, only do so if it is safe.

OTHER INFORMATION

Be aware of TDD relay calls (telecommunication devices for the deaf). TDD is being used by international fraudsters because it is a free service and can be used to mask any difficulties with the English language. Many retail merchants are targeted for this and asked to ship the product to a foreign country.

Multiple orders with similar card numbers could be a sign of a hacker using a card number generator for fraudulent purposes. These are usually orders through mail order/ telephone order (MOTO) and Internet merchants.

Instruct your delivery service not to allow packages to be re-routed.

Watch out for customers who want orders delivered overnight, no matter what the cost.

The world regions with the most fraud are Southeast Asia, West Africa, Eastern Europe and the Middle East. Be alert when processing international orders.

VALUABLE WEB-SITES

www.mastercardmerchant.com
Select the "Preventing Fraud" tab.

www.visabrc.com
Select the "Security & Fraud" link.

www.merchantfraudsquad.com
Becoming a member is free.