

Note: This document should be read in conjunction with document entitled: *"Standardised Chip & Pin terminologies and educational messages"*



THE BANKING
ASSOCIATION
SOUTH AFRICA

Chip & Pin Standard Terminology

This material is designed to train **merchant staff** on using

Chip & Pin



What is Chip & Pin?

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- How cardholders use plastic cards is changing
- A new system called Chip & Pin will help safeguard cards from lost/stolen/not received card fraud. Instead of signing, cardholders key in a PIN (a four or five digit secret number)
- In some cases the cardholder may be asked to sign the slip even though he/ she entered his/ her PIN
- A more secure way to pay
- Chip & Pin applies to both debit and credit card transactions
- In the process of being deployed, Chip & Pin does not replace all credit and debit cards immediately.





Why do we need Chip & Pin ?

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Accepting chip cards means:

- increased security
- streamlined processing
- faster customer service





Why do we need Chip & Pin ?

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Increased security:

- Millions of Rands are lost through lost and stolen card fraud annually
- Chip & Pin will significantly reduce this type of fraud as criminals will be less able to use a lost or stolen card in a face-to-face transaction





Why do we need Chip & Pin ?

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Streamlined processing:

Chip & Pin cards can save you time and money by:

- Reducing paperwork, because there are fewer signed receipts to handle and store
- Cutting down on exception handling, referrals, and charge-back processing





Why do we need Chip & Pin ?

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Faster and more convenient customer service:

Chip & Pin card technology can lead to speedier service, which can mean happier customers and higher volume:

- Chip & Pin cards often do not require online authorisations, so transactions can be processed much more quickly
- When combined with the use of a PIN, there is no sales slip to be signed or filed, and the register is opened less frequently, reducing labour and risk





How does Chip & Pin work?

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- Chip & Pin is very similar to the current processes used for debit card transactions, except that you have to insert the Chip & Pin card and not swipe
- Also, the card is left in the terminal until the transaction is complete.
- 'Follow the prompts' –The POS terminals you use provide step-by-step instructions to complete a transaction





How to use Chip & Pin

- In most cases the customer will hand the card to you, but there may be instances where customers insert the card themselves. To handle a typical Chip & Pin transaction at Point of Sale:
 - Know the amount
 - Look for the chip
 - Insert card correctly (chip first and “park” by leaving card in the reader)
 - Select payment from options displayed
 - Enter amount
 - Cardholder enters PIN (and may be requested to sign)
 - Wait for the transaction to complete
 - Retain a copy of the slip
 - Cardholder retains the card





Helping customers use Chip & Pin

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- Similar processes should be followed as is currently the case for debit cards. The difference is the chip and where to insert the card on the terminal:
 - Customers must enter their own PIN
 - Be prepared to show customers how to enter their PIN. If they ask you to do it for them, decline. You must explain that this is not secure and remind them not to reveal their PIN to anyone
 - Be patient -customers using Chip & Pin for the first time may need reassurance
 - Research shows that once customers have tried using Chip & Pin they find it as easy as signing. Encouraging customers to use their PIN sooner rather than later creates a real security benefit for all customers





Unknown or forgotten PIN

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- Remind customers that their PIN may be the same as the one that they use at an ATM or cash machine
- PINs may be changed at their bank to something more memorable
- Customers need to contact their card issuing bank who will issue a new PIN
- If the customer says they can't remember their PIN, pay particular attention to the card and signature
- Alternatively, ask the customer for another method of payment





Blocked PIN

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- If the customer enters the wrong PIN on a South African Chip & Pin card three times in a row, the card will become temporarily unusable
- The terminal prompt will tell you whether payment on this card can be made using signature or whether the customer needs to give you a different method of payment
- Advise customers that they can unblock their PIN by contacting their card issuing bank. Contact numbers are on the back of most cards or on statements





Declined transactions

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- Procedures for declined transactions remain the same
- However, if the card is declined, try and establish the probable cause and advise the customer accordingly (for example, PIN is blocked, etc.)
- If the PIN is blocked advise the customer to contact their bank and use an alternative method of payment for now





Chip & Pin & Accessibility

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- Make sure the PIN pad can easily be reached by all customers
- Follow the terminal prompts -some cardholders may have chip and signature cards
- Remind disabled customers of procedures to keep their card safe and their PIN secure:
 - Encourage or help the customer to pick up their PIN pad (from the cradle if appropriate)
 - Suggest that they shield the PIN pad from other customers





Top tips from Retailers

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- Retail staff have found that asking “Please enter your PIN” is more effective to encourage customers to use Chip & Pin than if they were asked “Do you know your PIN?”
- Staff at Point-of-Sale are in an ideal position to reassure customers that it is much safer to use Chip & Pin than signature. “If you have a Chip & Pin card, you should always use it – it is much safer”

