

# Wednesday's News You Can Use

## \$\$ Data and Risk Electronic Receivables

The Wells Fargo logo consists of the words "WELLS" and "FARGO" stacked vertically in a bold, yellow, serif font, centered within a red rounded square.The logo for the Carl Vinson Institute of Government features a red curved line above the text "CARL VINSON INSTITUTE OF GOVERNMENT" in a bold, sans-serif font. Below this, "The University of Georgia" is written in a smaller, regular sans-serif font.

# Learning Objectives

At the end of this session, you will have a better understanding of:

- Factors that go into merchant pricing
- Payment Card Industry (PCI) compliance - including risks and who is liable
- What is changing and new in the future of merchant processing – mobile, online, text message, etc.

# \$\$ and Data



RISK

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# What tools do you use?



Payment Details	
Total Amount	\$1.00
Description	A special preview item.
All fields in bold are required.	
Credit Card	
Credit Card Type	<input type="text"/>
Credit Card Number	<input type="text"/>
Expiration Date	<input type="text"/> <input type="text"/>
Billing Information	
First/Last Name	<input type="text"/> <input type="text"/>
Company	<input type="text"/>
Street Address 1	<input type="text"/>
Street Address 2	<input type="text"/>
City/State/Postal Code	<input type="text"/> <input type="text"/> <input type="text"/>
Country	<input type="text"/>
Phone Number	<input type="text"/> (nnn- <input type="text"/> - <input type="text"/> - <input type="text"/> )
Email Address	<input type="text"/>
<input type="button" value="Apply"/>	



Wells Fargo Mobile Merchant  
**Card Reader**  
Start accepting card payments today  
with your smartphone or tablet



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# Merchant 101 – Cost of Card Acceptance



## Networks

### Assessment Fees

VS - .11%

MC - .105%

DS - .105%

### Network Access Fees

VS - \$.0195

MC - \$.0185

DS - \$.0185

5%

## Issuing Bank

450+ Interchange Rates/Categories

ex. 2.95% + \$.10

Interchange gets paid to issuing bank. Wells Fargo can help you manage this cost.

90%

## Processor

Service charge fee required to authorize, settle, fund and service your account.

ex. IC + .30%

IC – Interchange rate charged by issuing bank  
.30% - service charge fee charged by WF

5%

# What impacts interchange costs?

**Payment  
Channel**

**Card  
Type**

**Merchant  
Category Code**

**Tools & System  
Configuration**

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# What tools are safe?



Payment Details	
Total Amount	\$1.00
Description	A special preview item.
All fields in bold are required.	
Credit Card	
VISA MasterCard American Express DISCOVER	
<b>Credit Card Type</b>	<input type="text"/>
<b>Credit Card Number</b>	<input type="text"/>
<b>Expiration Date</b>	<input type="text"/> <input type="text"/>
Billing Information	
<b>First/Last Name</b>	<input type="text"/>
Company	<input type="text"/>
<b>Street Address 1</b>	<input type="text"/>
Street Address 2	<input type="text"/>
<b>City/State/Postal Code</b>	<input type="text"/>
<b>Country</b>	<input type="text"/>
Phone Number	<input type="text"/> (nnn- <b>nnn</b> -nnnn)
Email Address	<input type="text"/>
<input type="button" value="Apply"/>	





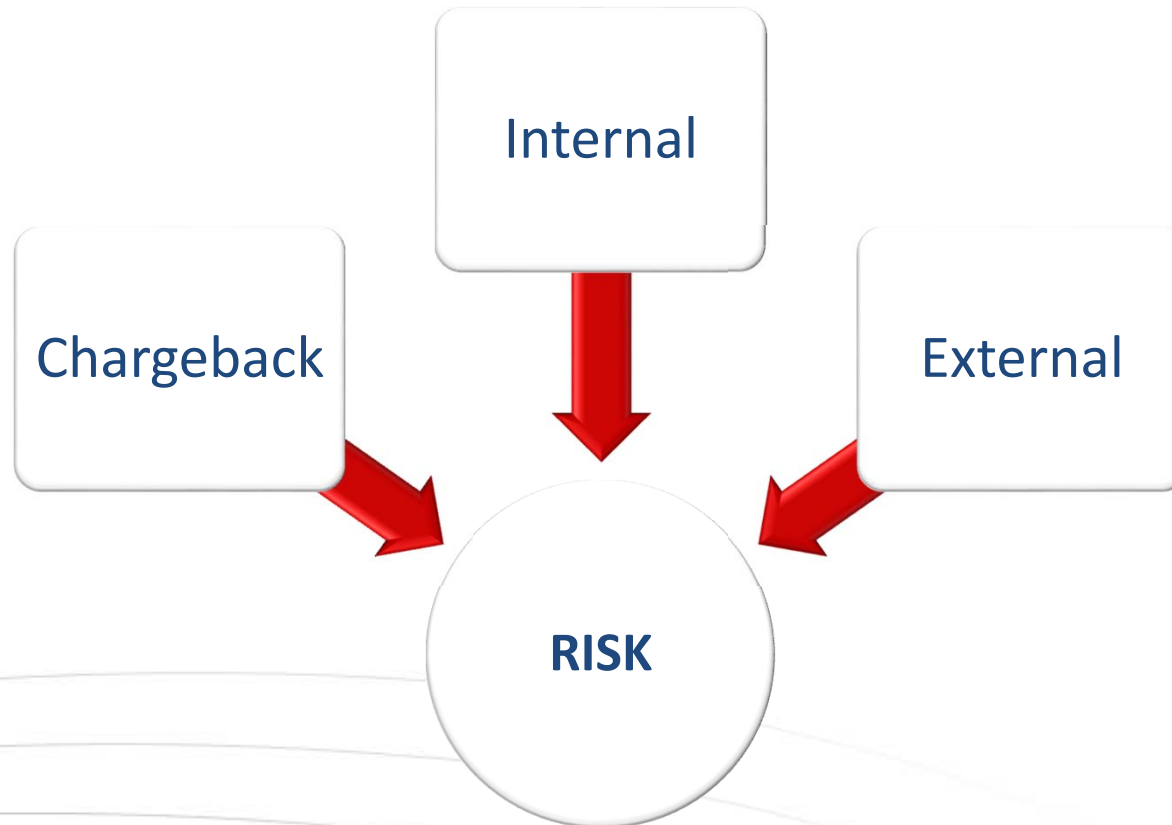
Wells Fargo Mobile Merchant  
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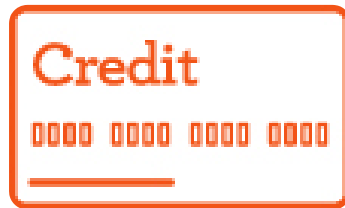
# Typical Risk any Merchant Faces



Merchants must proactively deploy controls and processes to reduce overall risk exposure associated with bankcard acceptance.



# When does PCI & Payment Application Data Security Standard (PA-DSS) apply?



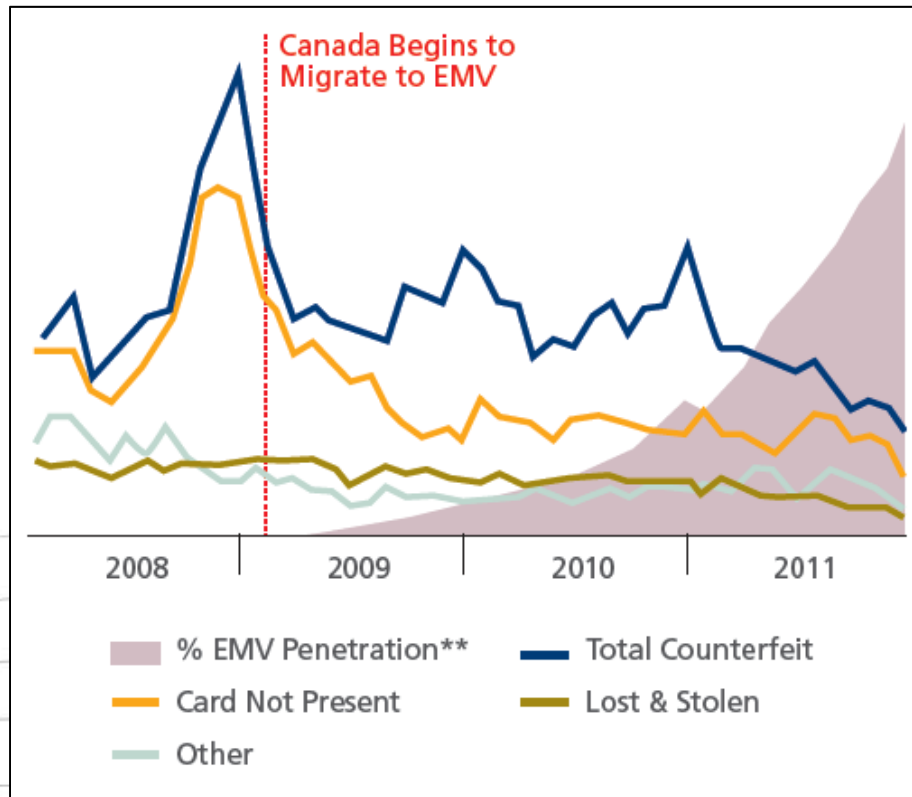
Processing

Storing

Transmitting

# Impact of Europay, MasterCard and Visa (EMV) on fraud in Canada

Prior to EMV migration, Canada noticed a spike in counterfeit fraud most likely due to migration of fraud from other countries.



As EMV penetration at POS increased, counterfeit fraud significantly decreased.

Source: MasterCard Analysis, 2012  
\*\* % face-to-face EMV penetration.

# Future of Card Payments ?

- Apple Pay
  - Near Field Communication (NFC)
    - Contactless POS terminal
    - Enabled mobile device
- For iOS and Android devices
- Consists of
  - Audio-jack Card Reader - dongle
  - Mobile Merchant App
  - Merchant Account
  - Gateway Account



# Interchange optimization

You are in control.

## Best Practice

- Address Verification Service
- Settle batches on time
- Send correct processing flags
- B2B Line item details
- Review statements monthly and track for anomalies
- Be aware of Card Brand changes
- Periodic reviews with your acquirer

## Why?

- Provides some risk mitigation and lower interchange rate
- Lower interchange rate, easier reconciliation
- Lower interchange rate, improves chargeback rights
- Lower interchange, data passes to Payer
- Quickly identifies process issues
- Spring/Fall releases often have systemic changes that impact interchange
- Confirms process optimization

# 12 steps to information security

**1** Install a working network firewall.

**2** Keep security patches up-to-date.

**3** Encrypt stored data.

**4** Encrypt transmission of cardholder data across open networks.

**5** Use and update anti-virus software programs.

**6** Restrict access to data by business need-to-know.

**7** Assign a unique ID to each person with computer access.

**8** Don't use vendor supplied defaults for system passwords.

**9** Track all user access to data by unique ID.

**10** Regularly test security systems and processes.

**11** Maintain a policy that addresses security.

**12** Restrict physical access to cardholder information.

Use these resources to stay on top of data security issues:

- [www.pcisecuritystandards.org](http://www.pcisecuritystandards.org)
- [pci.trustwave.com/wellsfargo](http://pci.trustwave.com/wellsfargo)
- Wells Fargo Merchant Connect: <https://www.wellsfargo.com/biz/merchant/service/newsletters>



# Merchant Services – Pricing, Data and Risk



Questions?

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