Business Support News

business

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HSBC

The world's local bank

Switch will become Maestro

You may have read in the press that the Switch debit card brand is migrating to Maestro over the next five years, and Switch will cease to exist in 2007. Maestro is a strong debit card brand owned by MasterCard International and is already accepted at over 5.8 million retail outlets and over 780,000 cash machines in more than 80 countries across the globe.

Most UK bank issued Switch cards already have a Maestro logo on the back, which allows cardholders to use their cards abroad. The first noticeable difference will be that the Maestro logo will start to appear on the front of Switch cards, together with the existing Switch logo. We have already started to issue joint branded cards.

For UK merchants, the migration to Maestro allows all the advantages of Switch acceptance to continue with a new ability to accept Maestro cards issued by overseas banks, ie, International Maestro cards.

Merchants will need a software upgrade to their electronic terminals to enable them to accept International Maestro cards. Being able to accept International Maestro cards will be of particular benefit to businesses with an internet presence, or for those in locations visited by high numbers of overseas cardholders.

For merchants with HSBC terminals, the upgrade will be phased in commencing late next year, together with new card acceptance display material. We will write to all our retail customers explaining the conversion. For those merchants with their own terminals, we will provide them with information on how to upgrade their terminals. In the meantime, merchants should continue to accept Switch and the new jointly branded Switch/Maestro cards in the normal manner.

0845 702 3344

Call us if you have any questions on Switch – Maestro changes.

Using a PIN at point of sale…

The way cardholders pay by credit and debit cards is set to change in the UK. At point of sale (POS) this will mean that chip credit and debit cards will be inserted into a card reader, with the cardholder keying in a personal identification number (PIN) at the point in the transaction where they currently provide their signature. Some cardholders, for example foreign visitors and cardholders with specific disabilities, may continue to use signature. The terminal will prompt where this is allowed.

The process for cardholder not present transactions will remain unchanged.

In order to understand how cardholders and merchants will adapt to these changes, we will participate in a public trial of chip and PIN that is planned to take place in Northampton in 2003.

Also during 2003, we will start to issue chip credit and debit cards that will verify the PIN during transactions at merchants' terminals. In order to key-in their PIN, cardholders will need access to the payment terminal or to a separate card reader device (key pad). This should be a consideration when, for example, planning a shop re-organisation or refurbishment.

The new chip and PIN cards will still work with the existing signature process and magnetic stripe technology, so the new systems do not need to be in place immediately. The international card schemes will change the liability for card payment fraud at the end of 2004, such that the party with the weakest security system in place will become liable for any such losses incurred. It is therefore essential that you have adopted chip and PIN by this date.

Merchants who use terminals supplied by us will have them upgraded from 2003. We will contact you at the appropriate time to explain the process. Planning is well in-hand to minimise the impact of these changes.

For those merchants who use their own POS equipment, hardware and software will need to be upgraded so that the terminal can read the information held on the chip and enable cardholders to enter their PIN via a key pad. You are encouraged to start planning now and we recommend that you contact your POS hardware and software providers in order to agree the way forward.

We will continue to keep you informed of any developments.

0845 702 3344

Please call us if you have any questions on Chip and PIN.

Purchasing Card – an opportunity to add value to your business

The Visa Purchasing Card is the fastest growing card payment product with a Visa badge, reflecting the benefits that card payment can bring to business purchasing. Industry sources estimate the value of the business-to-business payment market in Europe to be €1.5 trillion per year, so the product has the potential to continue this rapid growth over the coming years. Purchasing cards are suitable for any company that purchases large numbers of goods or services from its suppliers.

The Visa Purchasing Card can be accepted as usual by any merchant, and where suitable card acceptance software is installed, this enables savings in time, cost and resource for both purchaser and supplier compared with more traditional purchasing methods. Purchasing cardholders can also receive extra data with each transaction that more fully describes the goods purchased.

The extra data can take two forms:

1. A simplified version of data, referred to as Summary Data. This covers a code to describe the goods, such as 'Office Stationery', and VAT information.
2. A detailed version of data, referred to as Line Item Detail. This goes into the level of detail you might expect on a standard invoice, such as a full description of the goods, a unit cost, a unit price, and so on. If the merchant supplies this version of data, then there is no need to provide an invoice because all of the information is already on its way to the cardholder.

HM Customs & Excise have accredited both levels of data, so that the cardholder statement may be used as VAT evidence to support VAT reclaims. This means that care should always be taken to ensure that the correct data is passed through this means. Compared to the traditional invoicing system, suppliers (merchants) may enjoy improved cash flow with payment being received within a few days from their card processor in the same way as any other Visa transaction.

We have a tried and tested bank owned terminal that is able to support the Summary Data, which can be used by merchants to take payment. However, cardholding businesses often prefer to receive the Line Item Detail level of data so that they can enjoy the full benefits of the product. In order for merchants to support the Line Item Detail data, some alternative to a bank-supplied card acceptance terminal is required. Supplying Line Item Detail is straightforward when using a tried and tested software package, and a number of software developers have come up with low cost, self-installing packages. All you need is a PC with a modem.

These software packages are owned and maintained by the companies that write and supply them, not the Bank. This means that the software companies need to be contacted directly. They can assess your needs, and what is suitable for your budget from their range of products. So, if you are conducting regular business with customers using Purchasing Cards, you may want to consider this enhanced service opportunity.

Software suppliers include Servebase (0870 333 7373) and Ingenico (01243 434500).

0845 702 3344

For a complete list of software suppliers or for more information, please contact our Customer Service Centre.

BSN Bulletin Board…

CHEAPER authorisation calls

In the December issue of BSN and through statement messages across the year, we advised you about two new voice authorisation numbers that will help to reduce your phone costs and the rates are as follows:

	NEW RATE	OLD RATE
PERIOD	Lo-call National & Local	STD National
Daytime 8am to 6pm	**4p**	**8p**
Evening 6pm to 8am	**1.5p**	**4p**
Weekends	**1p**	**2p**

The numbers you should now use are:

MasterCard and Visa (Card Present) and 'Code10' calls **0845 607 7889**

MasterCard and Visa (Card Not Present) **0845 609 0911**

The Switch authorisation telephone number **(0845 770 0600)** is already a lo-call number and remains unchanged.

0845 702 3344

Call us if you have any questions or would like more stickers with the new numbers.

Card Not Present (CNP) fraud alert

CNP transactions are where you, the card and the cardholder are not all present together, eg, mail, telephone, fax and internet transactions. You must have our written agreement to take CNP transactions.

It is vital that you understand the risks associated with accepting CNP transactions as they increase your vulnerability to fraud and chargeback. For full details of the steps you should take to help reduce your risk, refer to pages 42–43 in the *Card processing operating instructions and terms of service.*

In addition, we recommend extra vigilance in the following circumstances:

- large orders from customers with whom you do not deal regularly
- orders for delivery to countries with which you do not regularly trade
- large orders for computer hardware, software or consumables, eg, ink cartridges.

Down to your last tally roll?

If you use an electronic terminal and find you often run out of tally rolls, a solution is at hand.

To help you, our Customer Service Centre can set up a recurring order. Tally rolls can be delivered to you on a regular basis, reducing the need for you to call us. You will see the charge on your invoice, in the month after the tally rolls have been received. Our tally rolls are competitively priced and delivery is included.

Please note that we do not employ third parties to contact you about any of your stationery requirements. If you are contacted and you are in any doubt, please call us.

0845 702 3344

Call us if you would like to set up a recurring tally roll order, or for further information.

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