

Cardholder Not Present Transactions- What you should know

Navigating today's challenging payments ecosystem

“Cardholder-Not-Present” Transactions are considered to be HIGH –RISK transactions and therefore are NOT a secure mode of payment.

If a customer has provided card details over the phone or internet:

I C S

1. Refund the customer's card and obtain other form of payment e.g. Cash or via a 3D secure link (3D secure verification – this shifts liability for fraud from merchant to card issuer, providing correct responses are received. This might be a PayPal request sent to their nominated email – the customer does not need a PayPal account in order to pay securely online).
2. Refund the customer's card and ask customer to make payment using card terminal. The customer is then able to complete verification by entering their chip and pin for bank approval (no verification documents are required if customer uses chip and pin to verify)
3. Some international cards might prompt the card terminal to request signature to complete verification. Although this is increasingly rare, signature verification is not considered secure so in this circumstance do not to complete this transaction. Either attempt the transaction again and customer might be prompted to provide chip and pin verification. If this is not the case request an alternative mode of payment.

3 STEPS TO REDUCE RISK

**I- IDENTITY
VERIFICATION**

**C- CUSTOMER CARD
VALIDATION**

S-SIGNATURE MATCHES

“...You need to retain all documents regarding the transaction. Whilst fraud is high in this business sector we will attempt to defend the transaction if you can provide compelling evidence proving the genuine cardholder authorised the purchase. We need any proof of the identity of the customer, both the name and address that matches the details of the genuine cardholder, a signed delivery note where the signature matches that of the cardholder, any written/faxed information sent to you by the customer

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Preventing Chargeback disputes in Cardholder not present transactions

-A Successful “Cardholder-not-present” transaction (taken over phone or internet) which is successful

DOES NOT GUARANTEE PAYMENT

- Cardholder has 120 days to raise a chargeback dispute – stating that they did not authorise or take part in or authorise a transaction.
- **Tips to Spot Fraud:**
- Is the customer providing details of someone else's card claiming it's a family member or friend?
- Is the customer claiming to be paying for services for a third party?
- Is the customer attempting to use more than one card, do cards fail to authorise and customer keep providing alternative cards?
- Do you feel suspicious or uncomfortable?
- *ask the cardholder to email written authority to charge card together with ID which shows their name and address.*

Supportive Documents for Cardholder not Present Transactions

To ensure compliance with merchant scheme rules and reduce risk; should you be faced with no option but to charge payment to a credit or debit Card which has been provided by the customer either over the phone or online, verification of genuine cardholder's ownership and authority must be obtained and retained for security.

If the customer is not able to provide the proofs requested the payment is to be considered unacceptable and must be refunded and should the customer not be able to provide alternative forms of payment must be refused to stay.

Proofs maybe sent by email but physical proof must be brought to check in with 3 images retained in order to support a cardholder not present transaction.

Verification Requirements to support charge from Cardholder.

1. Government ID with photo (passport / driving license) should be a good likeness of the cardholder. **(IMAGE 1)**
2. Card used for cardholder not present transaction showing Cardholder's Name and matching card number (last four digits) **(IMAGE 2)**
3. Signature on the Guest Registration form must match the signature on the government ID. **(IMAGE 3)**



IMAGE 1: Government Photo ID



IMAGE 2: Card matching Cardholder Name and last 4 digits

| | |
|---|-----------------|
| GUEST DETAILS | |
| FIRST NAME | LAST NAME |
| NATIONALITY | ID NUMBER |
| FULL ADDRESS (CARD registered) | ID PROVIDED |
| | |
| PAYMENT DETAILS | |
| CARD NUMBER | |
| AMEX | MASTERCARD VISA |
| MAESTRO | SWITCH |
| CARD NUMBER: | ISSUE DATE: |
| CVV3 NUMBER: | EXPIRY DATE: |
| CARDHOLDER NAME: | |
| | |
| CHECK IN TIME FROM 3 PM THE LATEST CHECK OUT TIME IS BETWEEN 10.30AM-11AM | |
| SMOKING IS NOT PERMITTED IN THE PREMISES | |
| | |
| CANCELLATION POLICY | |
| | |

CARDHOLDER /GUEST SIGNATURE
I CONFIRM THAT I AM THE CARDHOLDER AND I HEREBY CONSENT TO THE TERMS

IMAGE 3: Signature on Registration form matching signature on ID