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>> Your Barclaycard business essentials

Need-to-know payment
essentials for your business

July 2019

Welcome to the second Barclaycard business essentials of 2019

This year is flying by. And a lot has been happening in the world of payments.

With Payment Services Directive 2 (PSD2) now in effect, the financial industry is getting ready for the next step – Strong Customer Authentication (SCA), which will be in place by 14 September 2019. It'll help to improve the security of transactions online for merchants and customers alike.

We've included some important information on how this will affect you and what you need to do next if you take payments at point of sale or through ecommerce. You'll also find an update on when you'll be able to accept UnionPay, the world's largest cardholder scheme.

We hope you'll find the information in this issue useful and helpful.

See you next quarter.

Konrad Kelling
Managing Director,
Business Payment Acceptance
Barclaycard Payment Solutions

Get ready for Strong Customer Authentication on your gateway

In our last issue we talked about the changes coming in to support Strong Customer Authentication (SCA). To support this, both Visa and Mastercard are introducing 3D Secure version 2.

3D Secure is the system that sits behind Verified by Visa, Mastercard Identity Check (previously known as SecureCode) and Discover ProtectBuy.

3D Secure – have you upgraded to version 2?

From **14 September 2019**, Strong Customer Authentication means shoppers will have to go through an extra check to verify their identity when making online payments. To optimise your journey we strongly recommend you have 3D Secure version 2 (3DSv2) on your gateway(s).

This upgrade is designed to give issuers more information, help them assess risk better and improve the acceptance rate (as well as making things more secure for customers, of course). The authentication will also work much better for web pages and mobile sites.

What's changing – and how will it help?

Upgrading to version 2 will allow your business to keep pace with the ever-evolving needs in ecommerce. It's been optimised to be more user-friendly for mobile devices and websites and has up to 10 times more data to improve overall risk assessment and reduce cart abandonment.

What happens if you don't make this change?

If you're using an older version of 3D Secure, such as Verified by Visa and Mastercard SecureCode, you'll continue to get liability shift protection for transactions routing through 3D Secure.

However, your transactions may be challenged and your customers might have to provide additional verification.

If you're not using 3D Secure at all, it's likely that your transactions will be declined by the banks to meet their new regulatory obligations. And nobody wants that.

Bear in mind that Mastercard has made the use of 3DSv2 mandatory. So if you plan on taking Mastercard payments, you'll need to make the change.

Please note that there are exemptions available to bypass the need for extra authentication, including Low Risk Exemption (or TRA). Further details can be found at **barclaycard.co.uk/3DSv2**, plus we'll also send you further information in July.

Here's what you need to do

Don't worry – the heavy lifting is mostly done by your gateway provider. If you use one of our payment gateway products, such as ePDQ or Smartpay, then we've been in touch with details of any integration changes you may need to make. Please check your emails and back office messages for details of integration changes you may need to make and guidance for testing.

If you're unsure about which integration type is applicable to you, please speak with your IT team/developer or your Payment Service Provider. **We'll also send you a reminder in July**.

If you don't use these products then please contact your Payment Service Provider and they'll help with integration.

Remember, the deadline is **14 September 2019**. If you haven't already started the process, we strongly recommend that you do so as soon as you can to be ready for the change.

Questions?

If you have any queries about any of this, get in touch with your Barclaycard contact as soon as possible. For more information on how 3D Secure works and to see what exemptions may be available, please download our white paper at **barclaycard.co.uk/3DSv2**. For FAQs, please visit **barclaycard.co.uk/scafaqs**

Get ready for Strong Customer Authentication on your terminal

The second Payment Service Directive (PSD2) regulation will affect all European Economic Area (EEA) transactions from 14 September 2019. The regulation will impact Card-Present payments, by introducing a cap on how many contactless transactions can be tapped.

What is changing?

When PSD2 comes in September, it means customers may be asked to confirm it's them with two independent sources of data, chosen by their issuers. This is known as the 'two-factor authentication':

Two-factor authentication uses:

Something the cardholder **knows**, like a password, passphrase or PIN.

Something the cardholder **has**, like a mobile phone, wearable device or token.

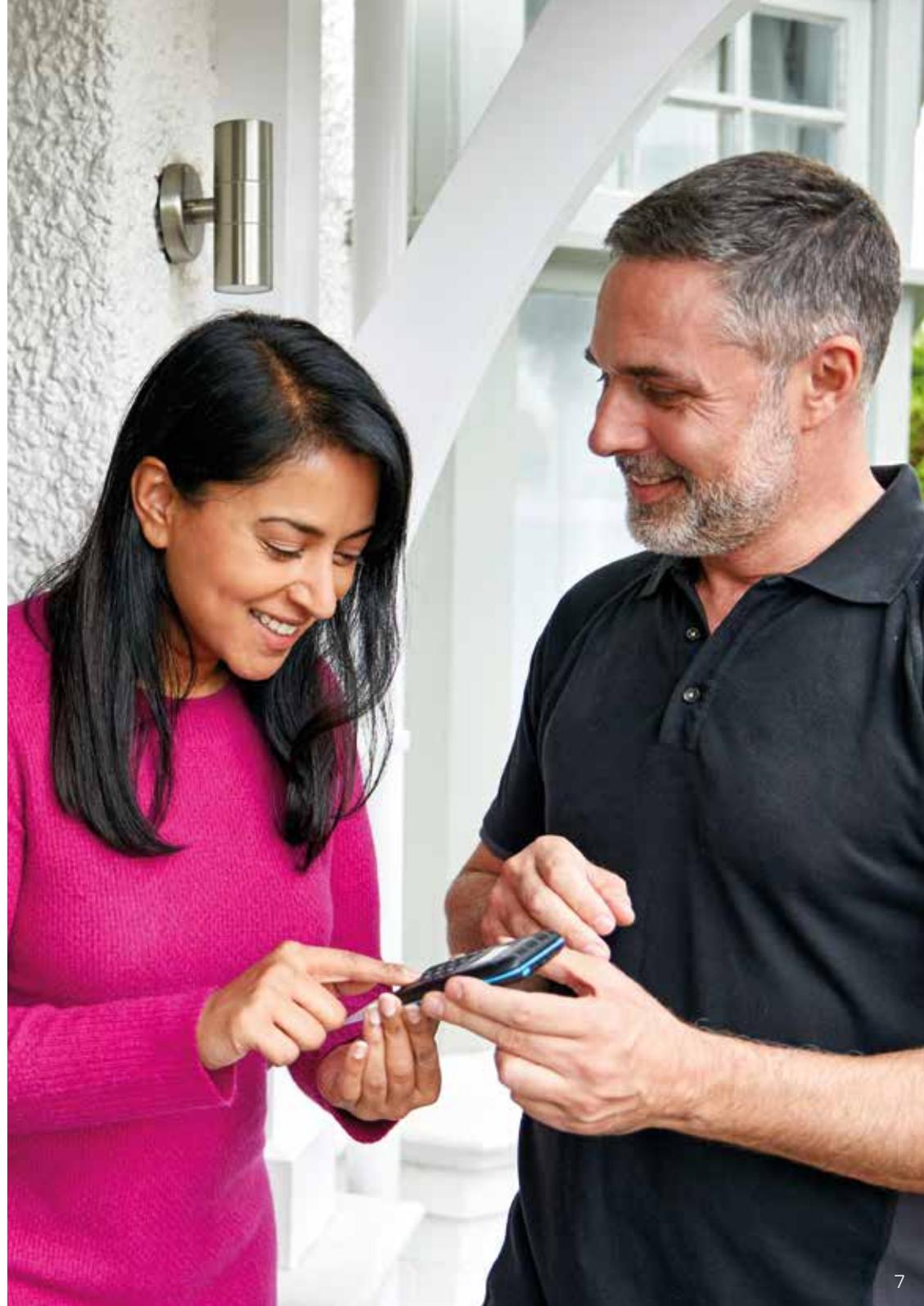Something the cardholder **is**, like their fingerprint, facial features or an iris scan.

For transactions below £30 (or €30 in Europe), most contactless transactions will go through as usual. But if your customer has used the same card for either five consecutive contactless transactions (or have reached accumulated payment value of £130/€150, depending on your customer's bank), the next transaction will require a 'chip & PIN' verification.

What do you need to do next?

If your acquirer and customers are both in the EEA, this will apply to you. The good news is that you don't need to do anything as the updates should be done automatically by your terminal provider(s). We'll get in touch with you in July to let you know when this will happen.

To receive the software updates, please keep your terminal(s) switched on (this is part of your terms and conditions). If for any reason your terminal has been switched off, the software updates will start when you turn it back on.

And finally, please make sure your staff are aware of the potential change and prompt for 'request for chip and PIN' as a fallback if authentication fails.

The new Visa Secure logo

Verified by Visa authenticates Visa cardholders for online purchases.

Earlier this year, Verified by Visa (VbV) rebranded to Visa Secure. Existing VbV logos have changed to Visa Secure across consumer-facing merchant and issuer channels – and all 3DS authentication screens will now display the Visa Secure logo.
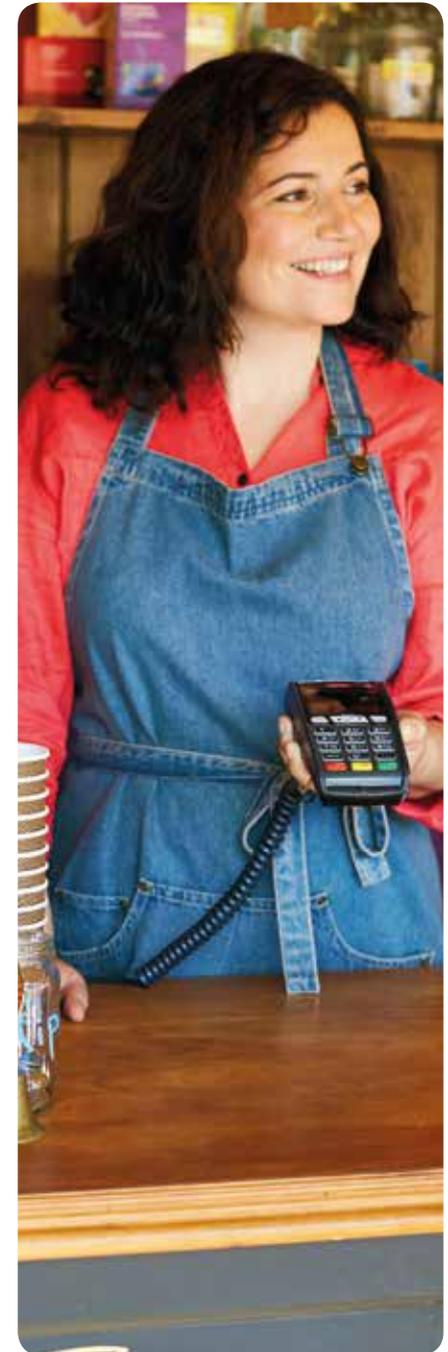
What do I need to do?

From 1 October 2019, merchants must use the Visa Secure logo whenever EMV 3DS technology is used.

Start using it today to be ready for the deadline. You can download the new logo at **barclaycard.co.uk/business/downloadlogos**

VISA

SECURE

Some Mastercard and Maestro cards may not have signature panels

With modern, advanced forms of authentication now available, the use of signatures as a verification method is on the decline.

That's why Mastercard is giving card issuers the choice as to whether or not to include the signature panel on the back of the Mastercard and Maestro cards they issue. So you may notice that some cards might not have one on the reverse.

Don't miss out on payments via the Discover® Global Network family of cards

Last quarter we got in touch with many of you to let you know that you can now accept all cards on the Discover Global Network (DGN) at your current Visa and Mastercard rates.

With over 105 million cardholders around the world, DGN includes Discover® cards from the US, Diners Club International® from more than 55 countries, and alliance partners from Brazil, India, Serbia, South Korea and Turkey.

As we're heading into travel season, now is the prime time to make sure Discover cardholders know you accept the Discover Global Network (DGN) of cards.

If your shop window doesn't have the new point-of-sale stickers, you can order some at **discoverglobalsignage.com**

Remember, the majority of these cards will be authorised by Chip and Signature, but this shouldn't cause any hassle.

If you have any questions, please visit our FAQ page at **barclaycard.co.uk/business/dinersfaqs**

Are you using a third-party Payment Service Provider?

Remember, if your solution(s) is purchased through a third-party Payment Service Provider, and you haven't yet talked to them about taking DGN card payments, then please contact them directly. They'll help to switch on this functionality – we don't want you missing out on potential sales.

DISCOVER®
GLOBAL NETWORK

Look forward to accepting UnionPay cards

UnionPay is the world's largest cardholder scheme based in China. To date, UnionPay has enabled card acceptance in 174 countries and regions with seven billion cards issued in 51 countries and regions, covering more than 52 million merchants and over 2.6 million ATMs.

With its global reach, accepting UnionPay payments could be beneficial for your business and your customers. Over the coming months, we'll let you know when you can start to accept card payments from UnionPay.

What are the benefits?

• Attract new customers and give existing customers more flexibility on a wider range of accepted cards

• The UK is expecting a boost in visits from China in 2019, with Visit Britain indicating that bookings are up 31% for January to June this year compared to the same period in 2018[1]

• Visitors from China are some of the UK's highest spenders, spending on average £2,059 each per visit – more than three times the all-market visitor average[2]

What do I need to do?

For your terminal solution(s) provided by Barclays, you don't need to do anything. We'll take care of everything for you and update it automatically.

For your solution(s) purchased through a third-party Payment Service Provider, you need to talk with your payment service provider – we'll send you a letter with all the information you need soon.

If you use one of our ecomm product(s), we'll let you know once these can support UnionPay payments.

When can I get started?

If you haven't heard from us yet, don't worry. We'll get in touch in the coming months to advise when you'll be able to accept UnionPay payments using Chip and PIN and contactless. If you have any queries, check out our FAQ page at
barclaycard.co.uk/business/unionpayfaqs

[1] Spending statistic supplied by Visit Britain, 2018.
[2] Internal UnionPay data, February 2019.

Visa and Mastercard: interchange commitments to the European Commission will be implemented

On 29 April 2019, the European Commission came to a decision about interchange fees for transactions on consumer cards issued outside of the European Economic Area (EEA)* taken by merchants located in the EEA.*

Mastercard and Visa have agreed to implement interchange caps on consumer inter-regional transactions with merchants within the EEA. It'll come into place on the Central Processing Date (CPD), 19 October 2019, and the changes include:

• 0.20% for consumer debit and 0.30% for consumer credit for **Card Present transactions**

• 1.15% for consumer debit and 1.50% for consumer credit for **Card Not Present transactions**

The new rate caps will remain in place until at least end-October 2024 (2 November 2024 for Mastercard).

We'll let you know if and when these commitments impact the pricing in your agreement with us.

A reminder – transaction-level reports are available to all our customers

We offer detailed transaction reports that provide a breakdown of all your transactions, including our charges and the interchange we've paid on your behalf for each card transaction. These reports are free and are available on request on either an ad hoc or a regular basis.

To receive these reports, simply call us on **0844 755 0095.**[†] We will need your merchant name and address, Merchant ID and contact details.

Interchange Rates and Scheme Fee Guide

The table below lists interchange and scheme fees for card payments. We pay these costs to the card schemes, such as Visa and Mastercard, for the processing of your transactions. This is a reference guide to give you further information about our costs, and will not impact your charges, as detailed in your Charges and Fees Schedule. It does not change your Merchant Service Charges that you pay to us. The region and the channel you accept a payment from influences the interchange and scheme fees paid. This guide details the range of fees that may be applicable. Note: consumer cards issued within the EU will have an interchange cap of 0.2% for debit cards (except in certain territories which apply an alternative capping approach) and 0.3% for credit cards.

Charge narrative (shown on your agreement)	Interchange	Scheme fees
Visa Credit	0.3% to 1.6%	0.7p to 10p + 0.01% to 0.86%
Visa Premium Credit	0.3% to 1.97%	0.7p to 10p + 0.01% to 0.86%
Visa UK Debit	0.2%	0.7p + 0.01% to 0.02%

For registered 'Me to Me' payment merchants these transactions will be capped at 50p for secure and £1 for non-secure transactions. Transactions made by merchants with Merchant Category Codes 6012, 6211, 9311 or 9399 meeting certain other criteria can qualify for 'Me to Me' interchange fees.

Visa Purchasing[1]	1.35% to 2%	0.7p to 10p + 0.01% to 0.86%
Visa Business Credit[1]	1.3% to 2%	0.7p to 10p + 0.01% to 0.86%
Visa Business Debit	0.2% to 2% or 0.75% + 60 euro cents	0.7p to 10p + 0.01% to 0.86%

Additional charges of 1p for secure and 11p for non-secure transactions will be applicable. These charges will be capped at 75p for secure and £1.50 for non-secure transactions.

Visa Corporate[1]	1.35% to 2%	0.7p to 10p + 0.01% to 0.86%
Visa UK Electron	0.2%	0.7p + 0.01% to 0.02%

For registered 'Me to Me' payment merchants these transactions will be capped at 50p for secure and £1 for non-secure transactions. Transactions made by merchants with Merchant Category Codes 6012, 6211, 9311 or 9399 meeting certain other criteria can qualify for 'Me to Me' interchange fees.

International Visa Debit	0.2% to 1.6% or 6 to 22 euro cents	0.7p to 10p + 0.01% to 0.86%
International VPAY[2]	0.2% or 6 to 22 euro cents	0.7p + 0.01%
Mastercard Credit	0.3% to 2.25%	0.3p to 9.4p + 0.01% to 0.57%
Mastercard Premium Credit	0.3% to 2.1%	0.3p to 9.4p + 0.01% to 0.57%
UK Mastercard Debit[3]	0.2%	0.3p + 0.01% to 0.06%
Mastercard Purchasing[1,3]	0.75% to 2.25%	0.3p to 9.4p + 0.01% to 0.57%

Additional per item charges may be applicable to some large value transactions.

Mastercard Business[1,3]	0.7% to 2.1%	0.3p to 9.4p + 0.01% to 0.57%
Mastercard Corporate[1,3]	0.75% to 2.25%	0.3p to 9.4p + 0.01% to 0.57%

Additional per item charges may be applicable to some large value transactions.

Mastercard International Debit	0.2% to 2%	0.3p to 9.4p + 0.06% to 0.57%
JCB	0.2% to 1.5%	6 euro cents
UK Maestro[3]	0.2%	0.3p + 0.039% to 0.09%
International Maestro	0.2% to 2.1%	0.3p to 9.4p + 0.06% to 0.53%

Additional charge of 3 euro cents, 5 euro cents or 25 US cents may be applicable to some transactions.

Diners Consumer Credit	0.3% to 1.50%	0.15%
Diners Consumer Debit	0.2% to 1.50%	0.15%
Diners Commercial Credit	1.75%	0.15%
Diners Commercial Debit	1.75%	0.15%

Effective from April 2019. Rates apply to UK customers processing transactions in pounds sterling.

Mastercard refunds Will attract the rates above but may have a cap applied to interchange. From July 19 Mastercard refund caps of 5 euro cents to be removed for commercial cards and a scenario-variable percentage of commercial card purchase interchange rates will apply.

Notes [1]For comparison purposes, some Charges and Fees Schedules will aggregate Purchasing, Corporate and Business cards into a single "Commercial" grouping. [2]Your Charges and Fees Schedule will include UK VPAY. As there are no cards being issued at present, they are not listed on this guide. [3]For UK Domestic Mastercard and Maestro Debit and Prepaid Purchase transactions made with Merchant Category Codes 6012, 6211, 9399 and 9311, the transactions are capped at £1 for Consumer card transactions, and at £1.50 for Commercial card transactions. This relates to the Government and Personal Payments Interchange Fee programme.

*EEA definition as applies: 28 EU member states plus Iceland, Liechtenstein and Norway, including territories.
†Calls to 0844 will cost no more than 7p per minute plus your phone company's access charge (current at January 2017).

Keep in touch for more Barclaycard Business news

This information is available in large print, Braille and audio by calling your Acquirer on either 0800 1615350 (Barclaycard Payment Solutions) or 1800 812700 (Barclaycard International Payments).

Calls to 0800 numbers are free from UK landlines and personal mobiles otherwise call charges may apply. Calls to 1800 numbers are free from ROI landlines and personal mobiles otherwise call charges may apply. Calls to 0844 will cost no more than 7p per minute plus your phone company's access charge (current at January 2017). Calls may be monitored or recorded in order to maintain high levels of security and quality of service.

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BI000245652 Q2BE 07/19