

# EMV chip card technology: What you should know

Learn how a new payment method can help increase security and decrease your liability in the event of counterfeit fraud.

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The U.S. experienced a 29% increase in the cost of credit card fraud in 2013. Driven by this increase, credit and debit card issuers are turning to EMV (Europay, MasterCard and Visa) chip card technology to protect consumers and merchants.<sup>1</sup>

[EMV chip card technology](#) helps to protect consumers and merchants against counterfeit fraud by encoding cardholder information within an encrypted microchip and data that changes with every transaction.<sup>2</sup> This makes EMV Chip cards more difficult to counterfeit than traditional magnetic stripe cards. Additionally, most issuers may require either a PIN or a signature for additional cardholder authorization, making card-present transactions more secure. In other countries that have already migrated to EMV technology, card-present fraud has been reduced by as much as 84%, according to studies by Visa and EMVCo.



The individual networks (Visa, MasterCard, Discover and American Express) announced a liability shift in the United States for October 2015. This shifts the financial liability for counterfeit fraud to the merchant and away from the card issuer, if EMV equipment is not present at the time of sale. As merchants in the United States move toward an October 2015 deadline (October 2017 for automated fuel dispensers) for transitioning to EMV card acceptance, widespread adoption of EMV cards as a new payment standard is expected to significantly decrease card-present-related fraud.<sup>3</sup>

***"Your business could be financially liable after the deadline for card-present counterfeit fraud that could have otherwise been prevented."***

Consider taking steps to accept EMV cards sooner rather than later. Your business could be financially liable after the deadline for card-present counterfeit fraud that could have otherwise been prevented. Wells Fargo Merchant Services can help businesses reduce

the risk of card present counterfeit fraud and related costs by giving your business the ability to accept EMV payments.

Here is what merchants can do to prepare:

**Learn more.** Resources are available to learn about the latest news and best practices for EMV. Groups such as EMVCo host webinars and meetings for merchants.<sup>4</sup> The EMV Migration Forum offers [information for merchants](#) on EMV capabilities.

**Revisit your payment solutions.** Determine what solutions you need in order to accept EMV chip cards. It may just require a software update or additional peripheral such as an EMV compatible PIN pad or you may need to upgrade your Point-of-Sale system.

## The upside of EMV

Transitioning to EMV technology could hold many benefits for your business:

- **Reduced risk of fraud.** EMV technology is especially valuable for smaller businesses that typically have a higher rate of fraud than larger companies, according to the Small Business Administration.<sup>5</sup> Upgrading to EMV enabled systems may also prevent your business from becoming a target, as card fraudsters likely will concentrate on merchants that have not upgraded to EMV.
- **Better management of financial risk.** Merchants who do not accept an EMV chip card when presented may be liable for any resulting fraud and related costs.
- **More international customers.** Customers from other countries will be able to use their EMV cards at U.S. businesses that have EMV equipment.
- **More methods of payment.** Most EMV equipment can accept NFC (near field communication) contactless payments, enabling you to accept mobile payments from your customers with smartphones.<sup>6</sup>

If you're interested in learning more about Wells Fargo Merchant Services, contact your Wells Fargo Dealer Services Commercial Relationship Manager, or call toll-free 1-888-937-9997, Monday through Friday 5:00 a.m. to 5:00 p.m. Pacific Time/8:00 a.m. to 8:00 p.m. Eastern Time. And if you have not received your Consumer Credit EMV Chip Card, call the number on the back of your card and request one today.

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<sup>1</sup>"The US Sees More Money Lost To Credit Fraud Than The Rest Of The World Combined." Business Insider Intelligence. <http://www.businessinsider.com/the-us-accounts-for-over-half-of-global-payment-card-fraud-sai-2014-3>

<sup>2</sup>"EMV FAQ." EMV Connection. <http://www.emv-connection.com/emv-faq/#q1>

<sup>3</sup>"Upgrade to a Smart Credit Card Reader by Oct 2015 Or Else." Payment Depot. <http://paymentdepot.com/upgrade-smart-credit-card-reader-october-2015-else/>

<sup>4</sup>"EMV Migration Forum Offers Second 'EMV 101' Webinar to Educate Banks, Merchants and Processors on U.S. Move to Chip Card Payments." EMV Connection. <http://www.emv-connection.com/emv-migration-forum-offers-second-emv-101-webinar-to-educate-banks-merchants-and-processors-on-u-s-move-to-chip-card-payments/>

<sup>5</sup>"7 Ways to Protect Your Small Business From Fraud and Cybercrime." U.S. Small Business Administration Blog. <http://www.sba.gov/blogs/7-ways-protect-your-small-business-fraud-and-cybercrime>

<sup>6</sup>"What Merchants Need to Know About EMV." First Data. <http://www.firstdata.com/downloads/thought-leadership/EMV-Market-Insight-Merchant.pdf>