



FACT SHEET

Security overview

Maintaining the highest security standards and protecting cardholder information is a priority for Visa and its members. Over the last several years, Visa has worked with financial institutions on a multi-layered product and service strategy to help safeguard cardholder data and fight fraud. This includes the use of chip and PIN technology to authenticate transactions, Verified by Visa for the authorization of Internet purchases and data encryption among many other activities. Visa works with member banks, technology partners, law enforcement agencies, merchants and consumers to support and enhance the security of the payments system.

Fraud rates

Fraud as a percentage of Visa's sales volume has fallen to record lows. Over the past six years, Visa's volume has doubled but in the same period, Visa's global fraud rate has fallen to just seven cents out of every \$100 transacted. In Asia Pacific, fraud rates have fallen to three cents in every hundred dollars.

Card features

The Visa card itself contains significant protection measures, from the magnetic stripe and dove hologram to the secure printing and lamination process. Chip cards provide yet another layer of protection. The introduction of chip cards in countries such as the UK and Malaysia has seen counterfeit fraud levels fall sharply.

Zero Liability

Visa has the industry's leading risk management program, which enables Visa to offer a Zero Liability policy for cardholders in the United States, Canada and Asia Pacific. In these markets, consumers are not held responsible for fraudulent or unauthorized purchases.

Payment Card Industry Data Security Standard

The Payment Card Industry Data Security Standard (PCIDSS) protects the sensitive account and transaction information of cardholders. Visa offers a range of resources which merchants and other organizations can use to evaluate and improve the security of their internal systems, business processes, and websites.

By complying with PCIDSS, Visa members, merchants and service providers protect their customers, meet their obligations to the Visa payment system and build a culture of security that benefits everyone. The PCIDSS has two fundamental principles:

- Do not store cardholder data
- If you need to store some data, encrypt it.

Visa has partnered with ScanAlert, (www.scanalert.com) one of the world's largest website security certification companies, to offer free security assessment service and quarterly network vulnerability scans to Visa member financial institutions, Internet Payment Service Providers (IPSPs) and merchants. This free service is a world first.

Anti-Phishing initiatives

Visa also takes an proactive approach to scams such as “phishing” and “spoofing”, where emails and fake websites are used to trick consumers into submitting personal, financial or password data. The key to stopping this type of fraud is education. Consumers are urged to report fraudulent emails to phishing@visa.com. Visa has been alerted to and shut down hundreds of phishing web sites.

Verified by Visa

Verified by Visa is a critical tool in reducing the potential for internet fraud and increasing consumer confidence in shopping online. When cardholders sign up for Verified by Visa with their bank, they receive a personalized password. As they shop online, they enter the password during the check-out process, confirming they are, in fact, the cardholder authorizing the sale. The program has several important advantages that are critical to the growth of e-commerce. It gives the cardholder more control over when and how their card is used and it relieves the merchant of liability for chargebacks when there is a dispute over authorisation. Verified by Visa has been introduced in more than 65 countries, with over 395 million cardholders enrolled and more than 110,000 merchants offering the service. Major merchants offering Verified by Visa include British Airways, Epson, HMV, Hutchison and Samsung, to name a few. In Asia Pacific, over 60 Visa card issuers are now providing Verified by Visa to their cardholders, with more than 55 million Visa cards enrolled in the service.

Industry cooperation

Global standards are a vital part of a secure and efficient payments industry. Visa donates many of its security initiatives to the industry and participates in a number of industry work groups aimed at enhancing industry wide security. In 2006, Visa joined Mastercard, JCB, American Express and Discover to create the PCI Security Standards Council – an independent organization to manage the ongoing evolution of the Payment Card Industry Data Security Standard.

Myth busting security issues

Myth # 1. Credit card fraud is on the rise: The Facts – Credit card fraud has dropped to an all-time low as a proportion of Visa’s global sales volume. Globally, card fraud has dropped to seven cents for every US\$100 spent, and the rate is even lower in Asia Pacific, at three cents for every US\$100. Proportionally it has halved in the last five years. Visa and its member banks have worked closely with merchants and police to drive down card fraud.

More facts: <http://www.visa-asia.com/ap/au/mediacenter/factsheets/australia.shtml>

Myth # 2. Online shopping is dangerous: The Facts – Online shopping is safer than it has ever been. Allowing for the growth in card numbers the rate of all fraud is now about half of what it was in 2000 and no card holders are out of pocket in the unlikely event of fraud, thanks to Visa’s *Zero Liability Policy*. Visa continues to work closely with merchants, regulators and police to make shopping online safer through the introduction of programs such as:

- “Verified by Visa” which introduces a password for added safety
- introduction of global standards, such as PCI Data Security Standard
- two-factor authentication such as the use of chip cards with PIN numbers
- merchant and consumer education.

More facts: <http://www.visa-asia.com/ap/au/mediacenter/factsheets/australia.shtml>

Myth # 3. Card theft equals identity theft: If a card is compromised the chance of someone stealing the owner’s identity is minimal, according to expert research from ID Analytics. Also, with only a single card you can’t open a bank account, take out a loan, get a drivers license or obtain a passport.

More facts: http://www.idanalytics.com/news_and_events/20051208.htm