

## Visa urges more attention to data security measures in the fight against fraud

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### Retailers warned: increase security standards or lose customer trust

AUCKLAND, 27 October 2005 – Payment card leader Visa International today called on New Zealand data processors and merchants to increase their security standards or risk losing their customers' trust.

Speaking at Visa's Security Summit in Auckland, Visa Country Manager, New Zealand, Iain Jamieson told leaders from the banking, retail, government, law enforcement and high-tech industries that better security procedures and cross-industry collaboration were necessary to defend against criminal attacks.

At the Summit, Mr. Jamieson reaffirmed the need for any organization that handles card data to be compliant with Visa's Account Information Security (AIS) standard. The standard is based on the principles of not storing card data unless it is necessary and if it must be, it should then be encrypted. Depending on their average monthly processing volume, an entity must perform a number of tasks to validate compliance with the standards of the AIS program:

- Annual testing through a self-assessment questionnaire
- Quarterly vulnerability scanning of Internet-connected systems
- Independent third party onsite review.

Mr. Jamieson said every one has a role to play in data security and stringent adherence to standards is demanded by the New Zealand public. "Customer trust takes a long time to build but it can be lost overnight if businesses fail to safeguard information and leave their customers open to card fraud theft," Mr. Jamieson said.

"Many businesses in New Zealand, from small service providers to large retail chains, need to pay closer attention to protecting the personal information of their customers. It is what the public is demanding and for the sake of their business and the economy as a whole, we as an industry have to deliver.

"Data compromises cannot only be inconvenient for customers but they also impose high costs on businesses, including damage to a company's brand, the cost of re-issuing cards, disruption of business and investigative and legal costs.

"All retailers who handle cardholder information must comply with the data security standards to ensure they don't become easy targets for criminals.

"New Zealand is in the fortunate position in that we have some of the best card holder security and protection standards per capita in the world. In recent years the rate of fraud as a proportion of volume on Visa has halved but that doesn't mean we can be complacent. We have a system that works and this will be further boosted in the years ahead with the roll-out of chip or smart card technology and this should be mainstream by the end of the decade.

“Through significant investments in technology, the incidence of Visa-system fraud has fallen to an historic low of just 0.03 percent of transaction volume in Asia Pacific. Banks, merchants and cardholders all have a role to play in safe payment practices and further driving down the rate of fraud,” Jamieson said.

Key initiatives by Visa to fight fraud and protect cardholders include:

- **Visa’s Account Information Security program:** a globally mandated risk management program which requires all parties in the Visa system to comply with data security standards, undergo annual testing and conduct quarterly vulnerability scanning of internet-connected systems. Information is provided at [www.visa.co.nz/secured](http://www.visa.co.nz/secured)
- **Free security assessment and validation service:** Visa Asia Pacific has partnered with ScanAlert, one of the world's largest website security certification companies, to provide the free security assessment and validation service. The service is available at [www.scanalert.com](http://www.scanalert.com)
- **Chip Cards/Smart Cards migration:** Chip card migration programs are being run at the national level in four markets in the region: Malaysia, Japan, Korea and Taiwan. In Malaysia, the chip payment infrastructure is now in place and has delivered a dramatic fall in counterfeit fraud since the start of the year.

**Media contact:** Andrew Craig, Porter Novelli  
Phone: 021 1427915 Email: [andrew@porternovelli.co.nz](mailto:andrew@porternovelli.co.nz)

Or

Gemma Doughty, Porter Novelli  
Phone: 021 467 818 Email: [gemmad@porternovelli.co.nz](mailto:gemmad@porternovelli.co.nz)

### **Visa Asia Pacific**

In Asia Pacific, Visa has a greater market share than all other payment card brands combined with 62 percent of all card purchases at the point of sale being made using Visa cards. There are currently 256 million Visa-branded cards in the region. For the 12 months ended June 2005, US\$481 billion was spent at point of sale or withdrawn from ATMs in Asia Pacific using Visa cards. Visa Asia Pacific's Internet address is [www.visa-asia.com](http://www.visa-asia.com).

### **Visa New Zealand**

In New Zealand, Visa is the leading payment brand with almost 2 million cards on issue and more than 100,000 merchant acceptance locations. NZ\$14 billion was spent at point of sale or withdrawn from ATMs in New Zealand using Visa cards in the year ended June 2005. Visa processes more than 100 million transactions in New Zealand annually. For more information, visit [www.visa.co.nz](http://www.visa.co.nz).