



Fraud prevention guide

Inside

- Tips on fraud prevention
- Chargebacks
- 'CHIP & PIN' cards
- Authorisations
- Cash rewards



**Merchant
Services**

Important information you need to know about fraud prevention.

American Express® can help you reduce fraud in your business. Familiarise yourself with this guide to minimise Card losses.

Content

Tips on fraud prevention 1

How to spot counterfeit American Express Cards 2

American Express Card security features 4

Examples of American Express Cards 5

Correct procedures for Card transactions 6

Simple ways to reduce chargebacks 8

Authorisation 9

'Code 10' 9

Cash rewards 9

► Fraud prevention

When the Cardmember is present:

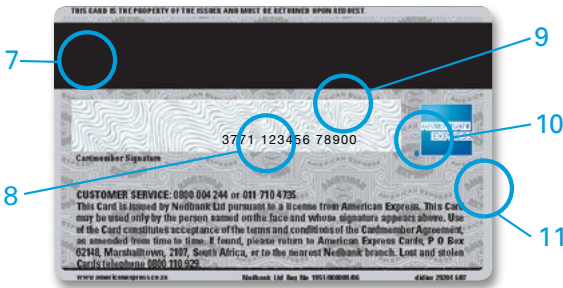
- Hold the Card for the duration of the transaction. This is a sure way to determine if the Card has been tampered with.
- You can only get authorisation when you swipe the Card or when you dip the 'CHIP & PIN' Card into the device. If the device prompts you to call for authorisation, call the American Express Authorisations Department on 0860 321 555.
- Ensure you key in the correct authorisation code for the relevant transaction.
- The number on the receipt must match the Card number embossed on the front of the Card.
- For non-chip Cards the signature on the sales voucher must match the signature on the back of the Card.

When the Cardmember is not present, you must obtain the following information:

- The Cardmember's name and Card account number, exactly as it appears on the Card.
- The Cardmember's billing address and telephone number*.
- The expiry date on the Card.
- The four-digit batch code on the righthand side above the last embossed digits of the Card number, on the front of the Card.
- Obtain an authorisation approval code by calling the American Express Authorisations Department on 0860 321 555 or +27 (0)11 710 4808, 24 hours a day.

* Do not accept a cellphone number as the only contact number.





- 5 Under an ultraviolet light a genuine American Express Card shows the centurion image and the letters 'Amex' across the Card. This does not apply to cobranded Cards.
- 6 The microprinting must be visible.
- 7 If the Card is not a 'CHIP & PIN' Card and the magnetic strip on the Card is damaged or has been tampered with, call for authorisation.
- 8 The Card number must be repeated on the signature panel on the back of the Card, where it is printed in ink.
- 9 If the Card is not a 'CHIP & PIN' Card, make sure that, when you run your finger over the signature panel, the entire surface is smooth with no raised edges. Do not accept a Card that has been tampered with or where the signature panel has been replaced.
- 10 The American Express logo is a 'phased' logo showing colour variation instead of solid colour. Compare the colour and check that the small registration mark ® on the lefthand side of the logo is visible.
- 11 Ensure that the microprinting on the reverse side is visible.

Be on the lookout for Cards that are visibly altered or damaged.

▶ Check for the following features on American Express Cards

- 1 Some Cards will have a chip on the Card – these Cards do not require a signature but need to be verified by entering a PIN.
- 2 The embossed Card number must be legible and clear.
- 3 The colour and printing of the Card must precisely match that shown in the examples section of this brochure.
- 4 The four-digit batch code on the righthand side above the last embossed digits of the Card number must be printed on the Card.





▶ Security features

- A** Charge Cards – Centurion head is in the middle of the Card. Border around the Card.
- B** Credit Cards – Centurion head is on the left- or righthand side of the Card. No border around the Card.
- C** Corporate Cards – Centurion head is in the top left corner of the Card. Border around the Card.
- D** Four-digit batch code printed on the righthand side of the Card above the embossed Card number.
- E** Chip embedded on ‘CHIP & PIN’ Cards.
- F** South African-issued Cards start with the prefix numbers **377**.
- G** ‘Member since’ date.
- H** Cardmember name.
- I** Tamperproof signature panel present on ‘CHIP & PIN’ and non-chip Cards.
- J** The American Express blue box logo is situated at the back on the righthand side of all Centurion Cards and in the bottom righthand corner on all cobranded Cards.
- K** Card number must be repeated on the signature panel.
- L** The holomag strip replaces the black magnetic strip on Cards.

▶ American Express Cards

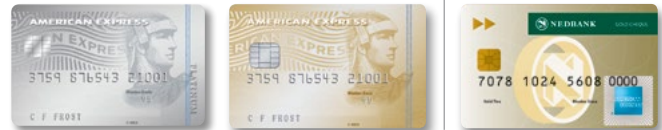
For your own protection please familiarise yourself with the various local American Express Cards.

South African issued American Express Cards start with the prefix number: **3770**

American Express® Charge Cards



American Express® Credit Cards



Nedbank American Express® Cheque Card



American Express® Corporate Cards



American Express® Business Cards



American Express® Cobranded Cards



'CHIP & PIN' Cards

With an influx of foreign Cardmembers and the introduction of 'CHIP & PIN' Cards in South Africa, you can expect to see more of these Cards being presented for payment.

▶ Step-by-step guide to processing 'CHIP & PIN' Card transactions correctly

- Step 1:** Insert the Card (face up) into the chip reader. The Card must remain in the chip reader for the full duration of the transaction.
- Step 2:** Select the type of transaction, eg SALE, and enter the total amount due.
- Step 3:** Ask the Cardmember to enter his or her PIN. No customer signature is necessary if the PIN is entered successfully.
- Step 4:** Your POS device will authorise the transaction and issue a merchant and Cardmember receipt.
- Step 5:** Remove and return the Card and receipt to the Cardmember.

NB If a customer enters his or her PIN incorrectly three times consecutively, has forgotten his or her PIN or the chip is not readable, advise the Cardmember to contact his or her bank and ask for an alternative payment method, like cash. If the Card transaction is declined or fails, follow the current operating procedure.



▶ How to process a 'CHIP & PIN' Card transaction when a customer is not present

Transactions like mail/telephone orders or internet purchases, where the Card is not present, are unaffected by the introduction of 'CHIP & PIN' Cards. There is no change to the fraud liability policy for these types of transactions. To minimise your exposure follow the correct authorisation and Card-not-present procedures already in place.

▶ Step-by-step guide to processing manual Card transactions correctly

- Step 1:** Ensure you have a zip-zap machine with your merchant identity plate and stock of manual vouchers.
- Step 2:** Obtain an authorisation code from the American Express Authorisations Department on +27 (0)11 710 4808 or 0860 3215 555.
- Step 3:** Ensure that the following details are recorded on the voucher:
- Authorisation code.
 - Date of transaction.
 - Rand value of transaction.
 - A clear imprint of the Card.
 - Your merchant details.
 - The four-digit batch code on the righthand side of the Card above the last embossed digits of the Card number.
 - Cardmember signature.
- Step 4:** Attach the point-of-sale slip to the voucher and, using the details on the voucher, ensure that the manual transaction is entered on the point-of-sale device when you are back online.
- Step 5:** Retain the voucher for a minimum period of three years from the date of the transaction, ensuring that storage does not affect the clarity of the voucher.

▶ Simple ways to reduce chargebacks

- 1 Ensure that the Card is present when completing the transaction.
- 2 Obtain a clear imprint of the Card.
- 3 Prepare a zip-zap voucher code for every manual transaction as proof that the Card was present.
- 4 Obtain authorisation for every transaction over your floor limit (when your electronic device does not provide you with one) and do not split a transaction into more than one transaction to stay under the floor limit.
- 5 Always get an authorisation approval code – without this, it can be difficult to support your position if a Cardmember disputes a transaction.
 - Do not allow the Cardmember to phone on your behalf.
 - Do not reuse the same authorisation code for a new transaction.
- 6 Do not use your personal Card at your own business to generate funds.
- 7 To avoid chargebacks ensure that you adhere to the rules and regulations listed in the merchant agreement.



▶ Authorisation

Please ensure you have the following information at hand when requesting authorisation:

- Have your American Express merchant account number ready.
- Quote the four digits above the embossed number on the front of the Card for voice authorisation.
- Key in the last four digits of the embossed Card number for point-of-sale authorisation.

An authorisation code means that the funds are available as the transaction is being processed. It does not verify that the person presenting the Card is the Cardmember.

▶ Call for 'Code 10' authorisation

Call the Authorisations Department immediately and ask for a 'Code 10' if:

- you believe you have a counterfeit or altered Card;
- the presenter/transaction is suspicious;
- the signatures on the receipt do not match that on the back of the Card;
- the account number on the sales voucher differs from that on the Card;
- the customer does not have his/her Card with him or her and insists on purchasing goods with a credit card number only; and
- the value of the transaction is above the norm for your establishment's average transaction value.

▶ The cash rewards of vigilance

There is a cash reward of R1 000 if you retain a stolen American Express Card. A reward of R1 500 will be awarded for the recovery of a counterfeit American Express Card. An additional R500 is offered to any establishment that assists in the successful arrest of any person attempting to use a stolen or counterfeit American Express Card.



► Important information to know about fraud prevention

If a Card or a transaction seems suspicious, you can call the American Express Authorisations Department 24 hours a day on **0860 321 555** or **+27 (0)11 710 4808** and request a 'Code 10' authorisation.

Fraud Department

Call the American Express Fraud Department Monday to Saturday between 08:00 and 22:00 and Sunday between 09:00 and 18:00 on **+27 (0)11 667 8761**. The afterhours number is 0860 321 555.

General enquiries

For general enquiries call the Merchant Helpdesk on **+27 (0)11 667 8173** or visit www.americanexpress.co.za.

www.americanexpress.co.za



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