



CARD INDUSTRY NEWS

PROCEDURAL CHANGE REQUIRED

CHANGES TO MASTERCARD RULES FOR CHIP FALLBACK TRANSACTIONS FROM 12th OCTOBER 2018



“Mastercard will start to decline transactions that fallback to magnetic stripe.”

If your terminal is unable to read the chip on a payment card, it'll prompt you to swipe the card and continue the sale as a magnetic stripe transaction, where the cardholder verifies themselves with their signature. This process is known as 'fallback to magnetic stripe'.

What's Changing?

To increase transaction security, from 12th October 2018, Mastercard will start to decline transactions that fallback to magnetic stripe*. This means that you may see an increase in the number of declined transactions.

What Do I Need To Do?

It's important that your staff understand that if they can't accept a transaction using the chip on the card, it'll be declined if they fallback to magnetic stripe. If the chip fails, they'll need to ask your customer to pay by an alternative card or method.

If you have any queries regarding this please contact your Relationship Manager, or call us on 0345 702 3344**, selecting the option for 'all other enquiries'.

*Please note this doesn't impact those cards that don't contain a chip and can only be processed by swiping them through a terminal.

**Lines are open between 9am – 6pm excluding public holidays. To help us continually improve our service and in the interests of security, we may monitor and/or record your telephone calls with us. Any recordings remain our sole property. We also provide a Textphone service on 0345 602 4818.

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