

MERCHANT NEWS

Keeping you in the know

Important Information - Please keep in a safe place

This Edition of Merchant News

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- ▶ Card Scheme Updates
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Economic Update

September 2011

Light at the end of the tunnel?

If there was any silver lining in August's economic news, it was buried deep in the small print. Globally and domestically, the data were unambiguously bad. It was inconceivable that the MPC would consider responding to the poor inflation figures by raising interest rates. In fact, the members previously supporting a tightening of policy have now changed their stance. Much more likely is an additional boost to activity, and the only tool available to the MPC is to embark on another round of quantitative easing. But not just yet.

Concerns about inflation are now firmly on the back burner and there is a growing body of opinion (including HSBC) which expects Bank Rate to stay on hold throughout 2012. As yet, the Chancellor has given no hint of an easing of his tough fiscal stance. The fact that he has spelt out clear targets has helped preserve the UK's credit rating and made it appear almost as a 'safe haven.' It fits Mr Osborne's priorities to see any additional boost come from monetary rather than fiscal initiatives, although his forthcoming Autumn Statement is expected to focus on growth rather than government finances. This may allow him some fiscal flexibility.

All the bad news about the UK, however, does not mean the economy is heading back into recession. HSBC has just revised its GDP forecasts for 2011 and 2012, and in both years, the number is positive and above 1% (1.1% and 1.3%). These are hardly robust, a very disappointing outlook given that the recession technically ended almost two years ago (Q3 2009) but they are still positive, and improving (albeit modestly). Just as the recession was deeper, so the recovery has been weaker, with the global environment adding to the still unresolved legacy domestic issues of consumer and public sector debt.

"HSBC has just revised its GDP forecasts for 2011 and 2012, and in both years, the number is positive and above 1%"

On the one hand...

Virtually all the new information from the consumer sector highlights the increasingly difficult environment for households. The latest retail sales figures reveal that gains in value were due to price increases, leaving volume growth static. The annual increase in the CPI edged up in July (to 4.4%) after dipping in June, the 19th consecutive month it has been above the target range. The 5% mark could well be breached before the end of the year. Since earnings growth (average weekly pay excluding bonuses) is rising at less than half the CPI rate, the squeeze on real earnings and consumer spending power intensifies.

After GDP growth in Q2 was confirmed at 0.2%, came a worrying PMI survey result for the services sector. This is seen as a key lead indicator, although the coverage excludes the public sector and retailing. The August result slipped from 55.4 to 51.1, the biggest monthly fall since April 2001. This came hard on the heels of an easing of the manufacturing PMI last month, from 49.4 to 49.0. July marked the first time for two years that the manufacturing PMI had dipped below the benchmark 50, which implies contraction rather than expansion, and much of this clearly reflects the deteriorating international economy.

The problems in the Eurozone and the USA have been sufficiently well documented not to need recounting here. But, since exports are the 'escape route' from the domestic spending constraints, the impact on the UK could undermine UK growth and the Chancellor's fiscal plans. Not only are the prospects in the UK's key markets weakening, but the UK has some commitment to the rescue packages, both directly and indirectly (through membership of the IMF), which could add further strain to public finances. The threat of a sovereign default in the Eurozone is also a huge risk to the banking system, which feeds back to growth and confidence right across the EU.

But on the other hand,

The welter of negative data cannot be brushed aside and the pace of recovery is clearly faltering. But the consensus view is that the slowdown will stop short of recession, that growth will be positive, above 1% this year and strengthening next. Digging deep into the numbers does reveal some silver linings. Each individually may seem relatively small but, when aggregated, do add up to enough to mitigate the cumulative impact of the bad news.

Although the 0.2% GDP increase in Q2 was disappointing, there were special factors holding it back without which a more robust 0.7% rise would arguably have been a fairer reflection of activity. The detail in the services PMI, moreover, was not as negative as the overall number. The new business index fell by less than half as the overall index (which still remains above the important 50 threshold) and there was also a slightly less negative result for business expectations. The fact that it is current business that has slowed so sharply suggests the riots may have accounted for a significant proportion of the overall decline in the PMI.

It should not be forgotten that even if Mr Osborne hits every fiscal target he has set himself, the government will still be running a deficit out to 2015-16, putting more money into the economy than it is taking out and still accounting for 40% of GDP spending. And given the reputation he has built with markets, he may be allowed some slack on the fiscal front in his budget if the economy still needs a push. It could be explained away in terms of a worse-than-expected external environment rather than a U-turn on the domestic front.

Although very mixed and subject to more than one interpretation, there are some positive aspects to the UK's recent international trade record. Using the three months on three months measure, exports of goods, excluding oil, increased by 10.2% in the year to June, and imports by 6.8%. And over the same period, the total trade (including services) figures show exports running slightly ahead of imports.

“The August result slipped from 55.4 to 51.1, the biggest monthly fall since April 2001”

It is now widely expected that inflation will start to fall in 2012, which will boost real incomes and give consumer spending a lift, with knock-on incentives for business investment. The persistence of historically low interest rates, moreover, will make the unwinding of the debt issue so much faster. Bank Rate has been at 0.5% for two and a half years, with the likelihood that at least another 12-15 months will be added to this sequence.

Conclusion

It is beyond a shadow of doubt that the general economic picture is weaker now than was expected 12 months ago, and weaker than at comparable points (two years) after the end of previous recessions. But, it is easy to overdo the gloom and even the cautious Bank of England believes that there is only a one-in-ten chance of a further fully-fledged recession.

It is small comfort to businesses and households to say that this is not a recession. For many, below-trend growth converts into pressure on prices, profits and jobs and will feel like a recession. But the Bank of England can still influence events for the good, and although it opted not to expand the quantitative easing (QE) programme this month, such a move now looks more likely during the coming months.

Dennis Turner

Chief Economist, HSBC Bank plc

4 August 2011



Fraud Prevention

Third Party Processing – processing transactions on behalf of another business can severely damage your financial well being!

Due to tough economic trading conditions, otherwise upstanding merchants are being asked to process card transactions on behalf of third parties. **You must NEVER accept transactions on this basis.** Often these entities, whilst appearing to be genuine and providing plausible reasons for requiring assistance are often fronts for organised criminal gangs engaged in timeshare or ticketing scams.

If you are either offered a lump sum for allowing unlimited access and usage of your Card Processing facility or a commission for each payment you process, be wary that it is very rare for the third party to deliver the service that was promised. **These transactions are usually disputed or are fraudulent and could result in chargebacks and losses to your business.** Should this be the case you will be fully liable for reimbursing the cardholders where non-provision of the goods or services has occurred. This loss is typically **10 times** the commission you were offered for processing the transactions.

Third party processing also breaches our Agreement, and identification of such activity will result in suspension and eventual termination of your card processing facility. This type of processing can also lead to criminal proceedings. If a third party approaches you or your staff to process their transactions, say no and contact us immediately with as much detail as possible on **0116 252 4020***.

If you feel your business may have already succumbed to such a deception or has recently received an approach, then please call us on **0116 252 4020*** immediately for assistance with as much information as possible so that we can take appropriate action.

*Lines are open between 9am and 5pm Monday to Friday only, excluding public holidays. We also provide a Textphone service on **0845 602 4818**.

**“This loss is typically
10 times the commission you
were offered for processing
the transactions”**



Card Scheme Updates



“You can no longer key enter customer present transactions”

UK Maestro Changes May 2011 – a reminder

As advised in the March 2011 edition of Merchant News, on 13 May 2011 the acceptance and processing of UK Maestro debit cards was aligned with MasterCard's Global Maestro card.

This alignment has seen some existing features of the UK Maestro card being retained, however others have been removed. Below is a reminder of these key changes.

Features being demised

→ Paper Fallback Vouchers

You are no longer allowed to use the fallback option of paper vouchers to process Maestro transactions. This means that if your terminal is not operational, or does not accept the card, you must ask the cardholder for an alternative form of payment.

→ Key Entry for Customer Present Transactions

You can no longer key enter customer present transactions. This means that if your Point of Sale (POS) equipment / terminal does not accept the card, you must ask for another form of payment. If you own your own POS equipment / terminal, or you rent it from a company other than HSBC Merchant Services, it should have been reconfigured to remove the key entry functionality.

This includes Purchase with Cashback transactions; if you key enter a Purchase with Cashback transaction you will get a “Declined” response. You should note that all transactions supporting Purchase with Cashback must be processed using a chip and PIN.

→ **Card Not Present (CNP) Transactions Card details – Issue Number**

The issue number is no longer present on Maestro cards and you are no longer required to collect this as part of a CNP transaction.

Features being changed or retained

→ **Floor Limits for UK issued Maestro Transactions**

Floor limits for UK Maestro transactions have been aligned to MasterCard credit card limits and all non-chip transactions (mail order/telephone order and eCommerce transactions) will continue to operate at zero floor limits.

Terminals rented from HSBC Merchant Services already operate on a zero limit. If your POS equipment / terminal is provided by a third party supplier, or you use a Payment Service Provider you should have already contacted them to ensure your UK Maestro floor limit is the same as your MasterCard floor limit.

You are reminded to take action if you have not already done so as there may be a chargeback implication if your POS equipment / terminal is not operating at the correct floor limit.

→ **Cardholder Not Present and Mail Order/Telephone Order Transactions for UK Issued Maestro Cards**

You can still continue to accept UK issued Maestro cards for mail order and telephone order transactions; however this facility remains unavailable for Maestro cards issued outside the UK.

→ **Purchase with Cashback**

If you currently offer Purchase with Cashback to customers paying with a debit card, you can now extend this facility to customers paying with a Maestro card issued outside the UK.

→ **UK issued Maestro BIN range**

Maestro cards issued in the UK will still begin with the BIN range 6759xx, however this range will now form part of the wider Maestro card range.

→ **Maestro SecureCode**

Maestro (MasterCard) SecureCode remains a mandatory requirement for all Maestro ecommerce transactions and the existing rules will continue to apply.

→ **Cardholder Activated Terminals (CAT)**

Maestro cards can continue to be used at CAT terminals – unattended POS equipment, where the cardholder initiates the transaction. However if your CAT terminal does not have the capability to perform authorisations online, then you can no longer accept Maestro cards in this way.

Maestro acceptance is still allowed at CAT terminals which go online for authorisation, but these devices must support both offline PIN and mag-stripe. Any CAT terminals which are not PIN capable will not be able to accept any Maestro cards.

If your CAT terminal does not comply with the above requirement please ensure you contact your terminal supplier to take the appropriate action.

→ **Refunds – A Reminder**

Refund transactions do not require an authorisation request. If a refund is sent online, i.e. an attempt is made to authorise it, the refund will be declined. All POS equipment or terminals provided by a third party should have already been upgraded to comply with this processing requirement. If you are unsure whether your Point Of Sale equipment is compliant or not, you should contact your supplier for further information.

What do these changes mean to me and what action do I need to take?

If you rent a terminal from us, or you use our Secure ePayments service, we have already managed these configuration changes and no further action is required by you.

If your POS equipment or terminal is provided by a third party supplier or you use a Payment Service Provider to accept internet payments, and you have not already done so, you must contact them directly to confirm what action you are required to take.

In addition to these technical changes, please give consideration to your procedures for accepting Maestro cards.

If you have any queries regarding this change, please contact our Helpdesk on **0845 702 3344***.

*Lines are open between 9am and 6pm Monday to Friday excluding public holidays. Communications may be monitored and/or recorded. Any recordings remain our sole property. We also provide a Textphone service on **0845 602 4818**.

“In addition to these technical changes, please give consideration to your procedures for accepting Maestro cards”

Are you turning away good business?

No one likes to turn away good business, but that is what you may be doing if you are not accepting magnetic stripe only cards. This article aims to remind you that all valid cards, properly presented for payments should be honoured.

Although chip and PIN has now become the norm in the UK, in many parts of the world, such as the United States of America, magnetic stripe cards are still predominantly used. Cardholders from these countries have experienced difficulties using their cards in places where chip cards are more commonly used. With the UK expected to outperform global tourism growth by 50% before and after the 2012 Olympics, with predicted revenue from tourists estimated at £2.1 billion, by not accepting these cards you will be turning away good business.

Accepting and Processing Cards

Following the correct card acceptance procedures ensures that any unnecessary refusals, declines or incomplete transactions are minimised, and loss of a sale is prevented.

You are reminded that cards may need to be processed differently depending on the technology of the card and your point of sale device.

You are reminded that you must accept the following card types:

- Magnetic stripe cards that require a signature for verification
- Chip cards that require a Personal Identification Number (PIN) to complete the transaction, or that require a signature, or neither (e.g. in a contactless environment)
- Cards that do not have embossed lettering or are not personalised with the cardholder's name; instead, the card may be smooth, or may contain a generic identifier.

When accepting a card that **does not** have a chip at your Point of Sale (POS) device you must remember to:

- Swipe the magnetic stripe through the machine.
- Request the cardholder to sign the merchant copy of the receipt to complete the transaction.
- Ensure that both the card number and the signature on the card match those on the receipt.

Following the above simple rules not only helps prevent unnecessary loss of business but also ensures that your customer has a positive experience. Remember it pays to swipe the stripe.

For more details on accepting cards without a chip, please consult your copy of our Card Processing Guide, a copy of which can also be found by visiting the Customer Support Section of our website: www.globalpayments.com/uk/customersupport



Compliance



Non Compliant Transactions – are you submitting them?

“Public Keys aid the authentication of the cards you accept”

Whether you rent a terminal from HSBC Merchant Services or you own your own terminal, you must ensure that your Point of Sale (POS) equipment remains compliant, has the latest software installed and is able to perform in a manner which meets all Card Scheme requirements.

One very important aspect of these updates are ‘Public Keys’ which MasterCard and Visa publish and renew from time to time; Public Keys aid the authentication of the cards you accept.

Your terminal uses both Static Data Authentication (SDA) and Dynamic Data Authentication (DDA) to validate the cards you accept. With SDA, the data used to authenticate the card remains the same for each transaction. The data used in DDA varies each time as an algorithm is used, which is more secure due to random (dynamic) selection of data. Both SDA and DDA rely on the latest sets of Public Keys being loaded into terminals and are a requirement of both Card Schemes.

If you rent a terminal from us, we will update these keys as they expire during routine maintenance calls to your terminal and no action is required by you. If you own your own terminal, or it is rented from a third party, you must ensure that you make yourself aware of the expiry dates of the keys and load the new ones onto your terminal as necessary.

We will advise you of changes to Public Keys in the Technical and Functional Specifications we produce and which are communicated to you in our regular Merchant News publications. Not updating the keys will result in your transactions failing the authentication check and may result in a Management Fee being added to your monthly invoice.

We will pass on to you any penalties imposed by the Card Schemes, as a result of you not updating the Public Keys on your POS kit and your transactions continuing to fail the authentication check. This charge will be separate to any ongoing Management Fee that we may continue to apply until you become compliant.

If you are aware that you have any terminals which may be experiencing these types of authentication failures, please take this opportunity to resolve the issue so as to avoid any fees or fines being levied against you.

If you have any questions or require details of the latest Public Keys please call us on **0845 702 3344*** for further guidance.

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“Whether you rent a terminal from HSBC Merchant Services or you own your own terminal, you must ensure that your Point of Sale equipment remains compliant”

Payment card security, internet transactions and our non-compliance fee

The Card Schemes have mandated that merchants trading on the internet must achieve and maintain a minimum standard of security for all card data they process. This standard is known as the Payment Card Industry Data Security Standard (PCI DSS) and we have written about this in several previous editions of Merchant News. You may also have received communication from SecurityMetrics, the Qualified Security Assessor (QSA) supporting us with this, in this regard.

Merchants not complying with this mandate are charged a monthly non-compliance fee by us, but most aren't as they are fully compliant with the mandate. But if you are paying it, you can avoid it by simply achieving and maintaining your compliance.

Achieving and maintaining PCI DSS will expose any potential vulnerabilities in your systems and processes that could otherwise leave you exposed to a data security attack. An attack could lead to theft of card data and subsequent fraudulent use of it. If this were to happen, it would cause you significant inconvenience, possible loss of trade (reputational and/or brand damage) and leave you exposed to significant remedial costs, such as Card Scheme fines. These costs can easily exceed £100,000 but there is NO upper limit and we will pass these costs to you. These fines could be significant enough to cause your business to fail.

Increased monthly non-compliance charge

HSBC Merchant Services reluctantly continues to support non-compliant merchants but only be passing on the fines levied by the Card Schemes as a direct consequence of this support. To cover these increasing costs and, more importantly, to improve compliance rates, we increased the avoidable £20 charge to £50 effective in May 2011.

The charge is determined on the 25th day of each month and applied to your invoice the following month in arrears. For example, the increased charge will be applied to your September 2011 invoice if you were non-compliant on 25 August 2011.

“These costs can easily exceed £100,000 but there is NO upper limit and we will pass these costs to you”

We anticipate this charge will increase further within the next 12 months as Card Scheme fines increase, but ultimately we may be unable to support your card processing facility. If we were to close your account as a result of your non-compliance, you may find it difficult to secure facilities from any other provider.

We appreciate £50 is a significant cost but it is easily avoided. All you have to do is achieve and maintain PCI DSS compliance. This can cost from as little as £11.99 per annum. Based on a £50 monthly non-compliance charge this could equate to an annual cost reduction to you of more than £500.

**“Based on a £50 monthly
non-compliance charge this could
equate to an annual cost reduction to
you of more than £500”**

To help you become compliant, you can enter into an arrangement with SecurityMetrics, the QSA we have been working with or, alternatively, you can select any other QSA of your choice (see link to PCI DSS website below for details of alternative QSA's.). Security Metrics can be contacted on **0844 561 1662*** or via their website at **www.securitymetrics.com**. You must satisfy yourself regarding the contract you enter into with Security Metrics as we are not party to it.

As more and more merchants achieve compliance, those who have vulnerabilities are increasingly exposed to data attack and compromise as the fraudsters seek out the weakest links and the easiest wins. This could be you.

Act now

Further information on PCI DSS is available from **www.pcisecuritystandards.org** which we encourage you to visit.

Or you can call us for further information on PCI DSS and the requirements for internet merchants.

*Lines are open 24 hours a day, 7 days a week. For quality assurances purposes, calls to SecurityMetrics may be monitored or recorded.

CVV2 and Card Not Present (CNP) Transactions

Following on from previous articles in Merchant News, merchants who trade in the CNP environment are reminded of the need to flow CVV2 data with every **telephone order and internet transaction**. The CVV2 is the three digit security code typically found on the reverse of the card, usually on or alongside the signature strip.

This MUST happen on every occasion where the cardholder is connected to you at the time of the transaction (either via telephone or the web) so that you can therefore relay the CVV2 for that specific transaction **and** the authorisation is carried out at the same time (to alleviate the need to store CVV2 as this is in direct breach of the PCI DSS requirements).

You are reminded this is NOT required for mail order transactions and that CVV2 data should NOT be requested on mail order coupons. CVV2 data should also not be recorded on any paper vouchers sent to our Leicester office for processing.

Failure to flow this data could result in transactions being declined by the card issuer or an increase in the number of chargebacks being experienced by the merchant. Furthermore, failure to comply will result in escalating fines being levied on HSBC Merchant Services by the Card Schemes which we will pass on to you.

Please remember, however, that to maintain PCI DSS compliance this data must not be stored by you in any way once authorisation has taken place. It must be destroyed.

The use of CVV2 data should give you increased confidence that your customer is genuine as this data can only be found on the physical card – i.e. your customer must have the card to be able to access this data. However, we should remind you of the need to remain vigilant with these transactions and undertake your normal checks, as CVV2 does not offer any guarantee of payment or removal of liability.

“Failure to flow this data could result in transactions being declined by the card issuer or an increase in the number of chargebacks being experienced by the merchant”



Do you Trade on the Internet?

“Your website must include appropriate terms and conditions that explains to the cardholder your role in this transaction”

MasterCard and Visa impose significant rules upon card processors (such as HSBC Merchant Services) for internet based transactions which you as one of our merchants must follow. Failure to follow these rules could lead to significant fines or penalties being imposed by the Card Schemes.

Areas of particular concern to the Card Schemes, and where the rules are often broken include:

- All transactions you carry out must be legal. The goods or products you sell must comply with all laws that apply where **BOTH** you (the merchant) and your customer (the cardholder) are based. You should take particular care when shipping goods overseas as it is illegal to ship some products to other countries –e.g. tobacco products to the United States. Undertaking illegal activity can result in significant penalties being imposed by the Card Schemes
- The actions you take must not expose the Card Scheme brands (or indeed our brand) to any activity that could diminish or devalue the reputation of that brand
- Your website must clearly display your trading name. It must also show the name that will appear on your customers statement – this should be the same name as your trading name
- If you open a second website using a different merchant or trading name, you **MUST** also open a separate card processing facility with us, to ensure transactions appear with the correct name on cardholder statements
- Your website must include appropriate terms and conditions that explains to the cardholder your role in this transaction – i.e. your responsibility to deliver the products (be they physical or digital) and how the customer can contact you in the event of any difficulties or complaint
- Your contact details must be available on your website, including address, telephone numbers and email addresses
- If you change your core business activity (e.g. what you sell online), you must tell us.

It is vitally important that you comply with these simple rules to avoid significant and unwelcome attention from the Card Schemes. This attention could result in fines or penalties being applied by the Card Schemes which can be significant, against which we will have no redress and which we will pass on to you.



Technology Update / Commercial Opportunities

HSBC Merchant Services is now able to offer its own GPRS mobile terminal solution – the Ocius Vx670 GPRS Mobile Terminal Solution

Operating over the mobile GPRS data network, the Ocius Vx670 GPRS payment terminal enables you to take card payments wherever there is mobile phone coverage in the UK. Today, that means just about everywhere.

Whether you're constantly on the move, maybe a home delivery company, taxi driver or driving instructor, a plumber or electrician, or trading at an event like a music festival or craft fair, our Ocius Vx670 GPRS mobile terminal solution makes card payments simple, fast and convenient for your customers and your business.

“One of the smallest mobile payment devices on the market, the size of the Ocius Vx670 GPRS terminal belies its processing power”

One of the smallest mobile payment devices on the market, the size of the Ocius Vx670 GPRS terminal belies its processing power. User-friendly and robust enough for the most challenging environments, the terminal's long life battery will give up to 9 hours service.

Here are a few of the key features:

- Thermal printer
- Large white backlit LCD screen
- Blue backlit keyboard
- Utilises GPRS for ‘always on’ connectivity
- No end of day required
- Authorisation takes just seconds
- Supervisor Password (not card)
- Long battery life giving up to 9 hours service, or the ability to process up to 120 transactions per full battery charge

The terminal communicates via a GPRS chip, wherever there is mobile phone coverage. A Vodafone SIM card is supplied as standard; Orange SIM cards are available on request.

Terminal maintenance and support are provided via the HSBC Merchant Services Ocius Managed Service Helpdesk, based in the UK.

For new enquiries, please contact us on **0800 731 8921***, selecting option 1 for a card processing quote.

* Lines are open Monday to Friday 9am to 5pm. Calls may be monitored and/or recorded. Any recording remains the sole property of HSBC Merchant Services LLP. We also provide a Textphone service on **0845 602 4818**.

“The terminal communicates via a GPRS chip, wherever there is mobile phone coverage”



Procedural Changes

We have made adjustments to the options available on our helpdesk number **0845 702 3344** following our recent launch of the HSBC Merchant Services Ocius Vx670 GPRS terminal.

Step 1 – call the technical support helpline on **0845 702 3344** and choose option 2.

Step 2 – choose the appropriate help option from the next menu.

- **Option 1*** - for polling queries, such as transactions not transferring from your terminal successfully.
- **Option 2*** - for Sagem/Ingenico or ICT terminals, then press:
 - 1 - if you have a TT42 terminal (this will be clearly displayed on the front of the terminal),
or
 - 2 – for all other Sagem or Ingenico terminals (930S, 930B, ICT)
- **Option 3*** - for MagIC terminals
- **Option 4**** - for Ocius Vx670 terminal
- **Option 5*** - for all other terminal types, including Thales or Hypercom Artema and CardMate 2.

*Lines are open every day except Christmas Day from 8am to 11pm Monday to Saturday, 10am to 5pm on Sundays and 10am to 4pm on public holidays. Closed Christmas Day. Communications may be monitored and/or recorded.

** Lines are open 8am to 8pm Monday to Saturday, 10am to 5pm Sunday and 8am to 8pm on public holidays. Closed Christmas Day. Any recording remains our sole property. We also provide a Textphone service on **0845 602 4818**.

“We have made adjustments to the options available on our helpdesk number 0845 702 3344”

Our Authorisation Service: 0845 770 0600

Please use this number when calling us for an authorisation, or in response to a referral or request to call. Calls to other numbers may result in a failed call that you will be charged for.

The line is open 24 hours, 7 day a week, 365 days a year. Calls to this number may be monitored and/or recorded.

Please ensure you have your merchant number and the card details available before you call.

Recovered Cards

Last year we advised you that we were changing the process for Recovered Cards, implementing this change in early 2011. Please be aware that from 30 September 2011 we will no longer be able to accept reward claims for recovered cards without full details being completed on our Recovered Card Reward Form.

A copy of the latest form can be found on our website at the following address www.globalpaymentsinc.com/uk/customersupport/recoveredcard.html. The form also includes the address where all cards you may recover need to be sent for processing. Using this form enables quicker processing of cards and therefore increases the speed of payment to you for valid claims.

If you do not have access to the internet, please contact our helpdesk in 0845 702 3344* and we will arrange for a form to be sent to you.

*Lines are open between 9am and 6pm Monday to Friday excluding public holidays. Communications may be monitored and/or recorded. Any recordings remain our sole property. We also provide a Textphone service on 0845 602 4818.

Changes to our Terms of Service

Our Terms of Service and Merchant Operating Instructions have recently been updated and copies sent to merchants on a CD-ROM during August 2011. If you have not yet received your copy, please contact us at enquiries.hms@globalpay.com

MERCHANTS signed on or after August 1st will have received the most up to date versions of the documents. These merchants have not been included in the mailing and do not need to take any further action.

The most up to date versions of both documents are dated '062011' and this is printed in the bottom right hand corner of the back page of both documents.

If you require additional copies of the documents or would like a paper copies, please call our helpdesk on **0845 702 3344*** selecting the option for Stationery Orders and we will be happy to assist.

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**“The most up to date
versions of both documents
are dated 062011”**

Variation of Terms

Further to the reissue of our Terms of Service mentioned earlier in this section, we have added the following information (highlighted in bold) to clause 18.4 regarding data shared with American Express Payment Service Limited. This will become effective on 1st December 2011:

18.4 Data Sharing

HMS, Member and Group Companies may use and share relevant information about you, your transactions and your relationships with each other for credit assessment and management, customer service, compliance, audit, administrative purposes and Card Scheme compliance. This may include information provided by you, or someone acting on your behalf.

HMS may exchange any information (including but not limited to information obtained from credit reference agencies described in clause 18.2 above) about Merchant, Merchant's owners, principals, partners, proprietors, officers, shareholders, managing agents and guarantors with any Card Scheme or any of their members, other financial institutions, the UK Cards Association, and any other party deemed reasonably necessary by HMS including but not limited to any party providing a personal guarantee or security on your behalf. *In particular, HMS may share your information with American Express Payment Services Limited who may approach you with a view to entering into a contract with you for the acceptance of American Express branded payment cards and process your data for the purpose of enabling you to accept American Express branded payment cards.* You hereby authorise HMS to disclose information concerning your activity to any Card Scheme, or any of their member financial institutions, or to any other party deemed reasonably necessary by HMS without any liability whatsoever to you.



Get behind Team 2012 and order your POS Kit now!

Visa is proud to be the Presenting Partner of Team 2012, the official support programme for the 1,200 British athletes striving to be selected for Team GB and ParalympicsGB for the London 2012 Olympic and Paralympic Games. Visa's support as Presenting Partner will help to provide funds to facilitate the very best coaches, technology, medical support,

development programmes and training facilities – all of which go toward helping create a legacy of funding for high performance sport.

Athletes across the country are working hard to give themselves the best chance of success in 2012 and Visa is delighted to be able to offer HSBC Merchant



HSBC Merchant Services



Services' Merchants* the chance to get behind the athletes and also add value to their businesses by ordering its complimentary POS kits, featuring the London 2012 Olympic and Paralympic Games logos and images of some of the Team 2012 athletes.

Simply by displaying the kit in your store and submitting a photo of the display you, or one of your staff, could win a pair of tickets to either the London 2012 Olympic or Paralympic Games. This is an opportunity not to be missed.

Call 0845 702 3344**, choose option 1 and order today to make sure you get yours!

Website banners are also available for HSBC Merchant Services' ecommerce merchants*. Please visit www.visa.co.uk/merchants2012 to download your banners. Choose from nine formats to put on your pre-payment or payment confirmation pages, take a screen-grab of your webpage and upload the photo to www.visa.co.uk/merchants2012 to be in with a chance to win.*Some merchants will be excluded due to restrictions. Please see www.visa.co.uk/merchants2012/exclusions for full details.*Lines are open between 8am and 6pm Monday to Friday excluding public holidays. Communications may be monitored and/or recorded. Recordings remain the sole property of HSBC Merchant Services. We also provide a Textphone service on 0845 602 4818. Terms and conditions apply, visit www.visa.co.uk/merchants2012/terms for full details. Entrants must be 18+ an employee of an Eligible Merchant (ie UK and e-commerce businesses processing Visa card transactions with HSBC Merchant Services LLP and e-commerce sites based in non-UK countries but with geotagging capabilities on their websites to position themselves as UK), and have the consent of their employer/senior manager before entering. Starts 01.04.11. Ends 16.11.11. Two draws. One closes 17.07.11 and one closes 16.11.11. Only one entry per merchant ID number. An entrant will only be entered into one of the two prize draws which will be dependent on time of entry.

Show your support for Team 2012 and sign up now



Wobbler



Pyramid



Open/Closed sign



Life flows better with Visa

HSBC Merchant Services LLP

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Registered Office: 51, De Montfort Street, Leicester LE1 7BB.

The members are Global Payments U.K. Limited and Global Payments U.K. 2 Limited.

Service of any documents relating to the business will be effective if served at the Registered Office.
HSBC Merchant Services LLP is authorised by the Financial Services Authority under the Payment Services
Regulations 2009 (504290) for the provision of payment services.