



PCI PED Compliance Program How to Upgrade Your Merchants

October 2009

We've created this document to help you explain the new PCI PED standards to your merchants and to possibly upgrade them to a higher functioning device. July 1, 2010 is the PCI PED deadline to remove all never-approved devices from the market. It's right around the corner, and it's important that you consider your options when helping your merchants become compliant.

Below follows some background information as well as some questions/objections you may hear from your merchants as you talk to them about PCI PED security mandates. We have included responses which you can use to overcome your merchants' objections and answer their questions completely.

Background

There has been much confusion over the impact to a merchant who does not meet the Visa July 1, 2010 deadline for payment security.

To review, there are three different mandates from Visa that must be met by US merchants by July 1, 2010. These are:

- All never-approved payment terminals on which PIN debit transactions are conducted must be removed from service. This includes any terminal that is not either VISA PED or PCI PED.
- All debit card PINs must be encrypted in TDES from the payment terminal
- All applications that "store, process, or transmit cardholder information" must be PA-DSS or PABP compliant.

VeriFone offers a wide selection of PCI PED approved payment devices that are designed to meet any merchant's needs. This guide is designed to help you identify which VeriFone solutions are best for your merchants and equip you with the proper knowledge to educate your merchants.

There are 2 ways for your merchants to reach compliance and meet PCI PED standards.

The Plug-And-Play Option.

By adding on the most popular PIN pad on the market today, the PINpad 1000SE, to any existing payment device, your customers become compliant with a simple addition. Just plug it in to the existing hardware and they're good to go. For more information on which version of the PINpad 1000 is PCI PED compliant, please visit www.verifonezone.com/products/security.

Upgrade to a new VeriFone POS device

By upgrading your merchants to a higher level device, you'll not only make them compliant, but also provide them with greater functionality and the opportunity to future-proof their investment. Nobody offers more PCI PED approved choices than VeriFone; from low-cost countertop devices to Ethernet

and wireless solutions with incredible versatility. It's a win, win. Your customers avoid fines, get better performance and you make more money.

As you work with your merchants to determine the best options for them, ask lots of questions! To learn more about a merchant's business and their terminal needs, ask focused, open-ended questions, then carefully listen to help you gain knowledge quickly. This will enable you to identify their "pain" and upgrade them to new technology that addresses that pain and fits their needs. Below are some example questions that you can ask a merchant to identify the shortcomings of their existing payment solution and some suggested responses:

What type of business are you?

When you understand the type of business your merchant is running, you can highlight the features of the VeriFone device that will fit their specific needs. In retail, it may be an IP upgrade for faster processing or gift cards. With restaurants, you can focus on adding suggested tip lines or being able to offer curbside takeout or delivery. Mobile merchants may be attracted to a handheld device that can easily be taken to the point of service. Understanding their business will help you position yourself and the appropriate VeriFone solution successfully. Other important points to make to your merchants are the benefits of adding PIN debit to their payment offering if they're not already using it. PIN debit is not only popular with consumers because it's just like using cash, but it's also more secure.

How long have you had your credit card terminal?

If it has been many years, you could suggest that technology has changed significantly and that a new machine would be faster, more secure, easier to use, support more features, save them money on some transactions because of compliance with new VISA/MC rules, and provide better reporting. You can feel comfortable moving merchants into the trusted V^x 570. The V^x 570 is one of the most popular countertop IP solutions and best selling terminals in VeriFone history, demonstrating that it is proven technology. The V^x 570 is also built for the future with the ability to support debit, EBT, gift card processing, check processing, multiple value-added applications and it is IP-enabled processing with dial back-up.

And now we also have a second Ethernet offering with the V^x 510 Ethernet. It is a member of the versatile V^x 510 family, offers a compact footprint, enough memory for value-added applications, and the option to either use dial or Ethernet for faster transactions – all at a compact price.

Hypercom T7P debuted in mid 1993 – 16 year old technology

Omni 3200 was introduced in 1999 – 10 year old technology

How many of you have computers that are that old???

What don't you like about your existing terminal?

Responses are varied depending upon merchants answer. Focus on less counter space, quiet and fast thermal printing for less disruption to their business, ability to add gift card or debit, PCI PED security standards as well as the reliability and recognition of the VeriFone brand name.

Does the speed of the terminal keep up with the pace of your business?

Faster transaction speeds help merchants process more transactions and keep the lines moving which makes customers happy. Merchants don't want to upset customers or even lose business due to slow transaction speeds.

Have you ever sent your terminal in for repair?

If yes, how much have you paid for repairs on the life of the equipment? (May not always apply, but chances are if the unit is 10+ years, it's been in one or more times for repair) Maybe it's time to put that money towards a newer, better, more secure device rather than continuing to repair a dated piece of equipment.

Do you ever have to batch out more than once a day?

Our devices have ample memory and can hold hundreds of transactions in one batch. Plenty of space for one day's worth of transactions. Many devices offer multiple memory option to suit your merchants' needs.

How much employee turnover do you have? If a lot, how easy is it to train your clerks on your equipment?

V^x Solutions devices are so easy to use it virtually eliminates training. Designed to operate like an ATM, all V^x Solutions devices run on the same platform and are very intuitive, prompting the operator through the transaction. Additionally, all units have an off-line demo mode that can be enabled to allow new employees to run transactions that won't be added to your batch.

How many times have you called the help desk in the last year? Why did you have to call?

Two key features of VeriFone's solutions are reliability and ease of use. Merchants cannot operate a successful business with a non-functioning credit card terminal. VeriFone prides itself in producing durable devices, with a covered paper path, drop-in loading of paper, and strong keys that withstand considerable wear and tear – all features that reduce the potential need for help desk calls.

How do your terminal, printer and PINpad fit on your countertop? Is it crowded? Too many cords?

V^x devices are sleek and functional "all-in-one" units. With compact dimensions the integrated terminal, printer, PINpad and smart card reader takes up considerably less counter space compared to separate devices. You now need only one machine and one power cord. Want to support additional applications like gift card or prepaid? Most V^x solutions offer multi-application capability allows you to run multiple applications on ONE terminal!

Does your terminal provide all of the reports you need or would like?

V^x Solutions devices support a comprehensive report library including:

- Totals and Detail Report
- Shift Reporting
- Clerk or Server Reports
- IRS Tip Report that allows the entry of cash tips
- Tip Discount Report that allows the merchant to charge servers for the interchange on their charged tips
- Unadjusted Tip Report that provides a list of transactions that have not had their tips adjusted prior.
- Last 7 Batch Settlements – History Report
- Settlement Report

The advanced reporting features are designed to save you time and money and provide you with better information to manage your business.

Have you had many charge backs with your phone order or non-swipe transactions?

All V^x Solutions devices support CVV2/CVC2. When activated, and the card number is entered manually, the terminal will prompt for "card code". In addition to reduced fraud, CVV2/CVC2 will decrease the number of charge backs and cardholder disputes and improve merchant satisfaction through increased security for non-face-to-face transactions.

Have you incurred any additional fees on your statement because of non-swipe transactions?

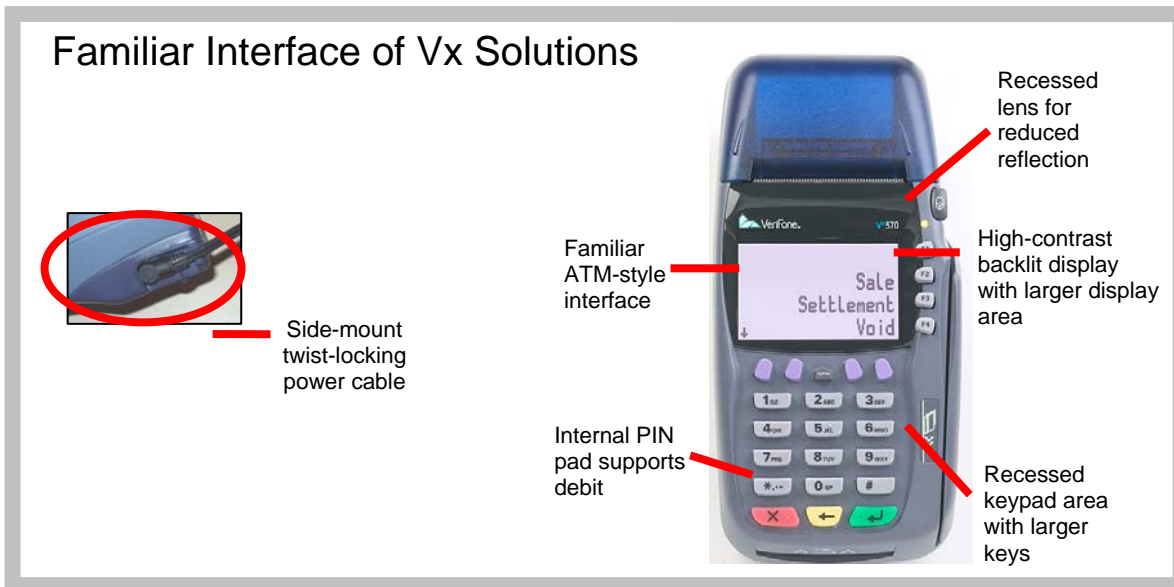
AVS (Address Verification) is supported on all V^x Solutions devices. AVS prompts for zip code entry on manual, card present transactions and zip code and street number for MOTO transactions. Compliant AVS entries will provide a lower interchange rate on these keyed transactions.

Are your receipts readable?

Our printers are thermal which creates crisp, clean receipts. V^x Solutions support 42 and 32-column font sizes – you can choose the size of print that is right for you.

Here are some key features of VeriFone's V^x Solutions product line:

- All run on a PA-DSS accepted and proven SoftPay application
- All devices have the same intuitive and user friendly interface – once you know how to operate one Vx Solutions device, you know them all
- Many different features and price points – we have a solution that's right for your merchants
- Variety of connectivity options (Dial, Ethernet, GPRS, WiFi, CDMA)
- Meet the latest security standards



Determining what VeriFone device is right for my merchant:

You can use this chart when you speak to your merchants about upgrading their device. It lists some of the most popular never-approved devices, the direct replacement, as well as the next upgrade. We've also included a recommendation for the types of merchants which would benefit most from each solution. For a complete listing, visit the PCI PED website or contact your acquirer.

https://www.pcisecuritystandards.org/security_standards/ped/pedapprovallist.html