

Merchant Advisory Group

LIZ GARNER



THE **PUZZLE**
OF PAYMENTS **SECURITY:**

*Fitting the Pieces Together
to Protect the Retail Payments System*

Merchant Perspective on Payment Card Security

- Merchant Brand & Customer
- Fraud Prevention vs. Fraud Mitigation
- PCI & EMVCo vs. Open Standards
- Multi-pronged Approach
- Why Merchants Support PIN-Enabled Products
- Rise of Omni-channel Payments – CNP Solutions are Critical

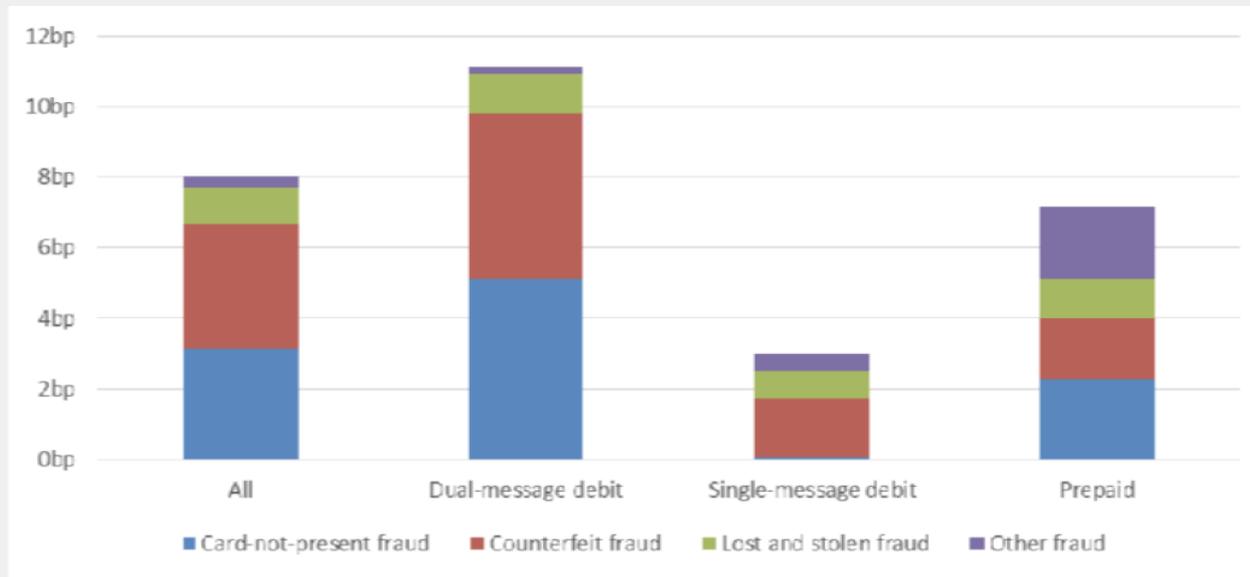


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Why Chip & Choice Needs to be Rethought

Exhibit 14: Level and composition of fraud losses as a share of transaction value in 2013, by transaction category



Source: 2013 Interchange Fee Revenue, Covered Issuer Costs, and Covered Issuer and Merchant Fraud Losses Related to Debit Card Transactions. Federal Reserve Board of Governors. September 2014.

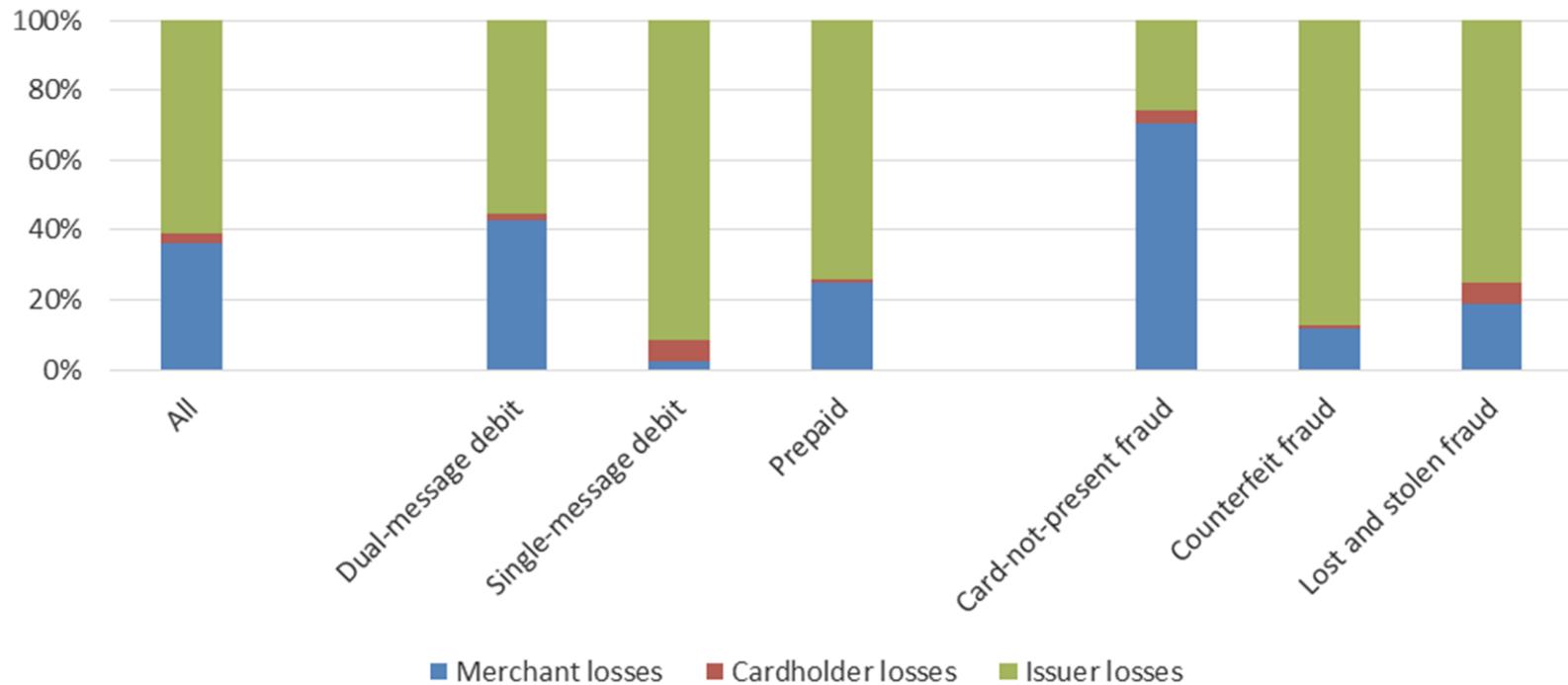


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Why Merchants and Banks Need to Work Together

Exhibit 17: Composition of fraud losses in 2013, by transaction category and fraud type



Source: 2013 Interchange Fee Revenue, Covered Issuer Costs, and Covered Issuer and Merchant Fraud Losses Related to Debit Card Transactions. Federal Reserve Board of Governors. September 2014.