



Press Release

“CHARGE IT BACK ... I DIDN'T DO IT”

First Atlantic Commerce fires up a suite of online risk prevention services to tackle ‘Friendly Fraud’ chargebacks in a high risk credit crisis market

Hamilton, Bermuda, January 27th, 2009. First Atlantic Commerce Ltd. (FAC), a leading international, online multi-currency payment and risk management solutions provider, unveils a comprehensive suite of ‘card-not-present’ consumer pre-authentication and data risk management solutions aimed at reducing or mitigating RC23 and RC83 chargebacks associated with online payment ‘friendly fraud’.

The combined suite of solutions will help bank acquirers, online merchants and IPSPs from increasing abuse of friendly fraud related chargebacks, which are on the rise as a result of the current credit crisis. “Consumers that charged transactions to their credit cards in August and September are now charging them back under the ‘zero liability’ Issuer programmes (chargeback RC23 and 83) simply because they can no longer afford to pay their bills due to job losses or investment/savings losses. We have seen a considerable increase in “Unauthorised Transaction” chargebacks since October, and it reflects the current situation in the credit card markets,” states Andrea Wilson, CEO of FAC.

It’s not just online businesses who are targets of cardholder credit card fraud. Banks, Card Associations, payment processors, Call Centres and any online financial service providers are also prime targets to credit card fraud, whether it’s friendly fraud or from skimming, phishing and identify theft scams. “In this current credit crisis market, the online industry as a whole needs to be far more pro-active in pre-authentication of credit card transactions and/or consumers ahead of a friendly-fraud loss,” says Wilson.

FAC’s cGate® SecureRisk solutions can be tailored to meet the specific requirements of the client’s risk profile, including support of AVS and CVV2/CVC2 match checks without a payment authorisation (\$0 authorisation amount), Call Centre AVS-only solutions, and AVS data matching to IP Geolocation verification requests. These solutions help to identify if the person performing the transaction is in fact in possession of the card or account, but will not prevent a friendly fraud chargeback from occurring. 3-D Secure™ solutions, however, will.

FAC’s multi-region 3-D Secure™ Solutions for Verified by Visa and MasterCard® SecureCode™ are available as a standalone service to acquiring banks and merchants, who wish to shift the financial liability of chargebacks for RC23 and RC83 back to the Issuer and cardholder who performed the original transaction. FAC’s 3-D Secure™-only services can be implemented independently of payment gateway transaction services, providing more flexibility to acquirers and payment processors for payment screening. “In a credit crisis market where consumers have legitimately performed the transaction yet are now charging back claiming they didn’t do it, the only protection a merchant and an acquiring bank has against those chargeback losses is Verified by Visa and MasterCard SecureCode™,” says Wilson.



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Merchants that participate in Verified by Visa have chargeback liability shift protection on **all** transactions that are charged back for RC23 and RC83 if an attempt to authenticate the cardholder is performed and the transaction is authorised. The protection is also available for fully authenticated Verified by Visa transactions. This is on a global basis whether the cardholder or Issuers are enrolled/participating or not.

"If the attempt to authenticate the cardholder is performed, Visa protects the merchant and the acquirer from friendly-fraud chargebacks by shifting the financial liability back to the Issuing bank, even if the issuing bank has zero-liability policies in place for their cardholders. This is vitally important in today's credit crisis as the balance of risk is now fluctuating at dangerous levels for acquiring banks globally," she says.

MasterCard SecureCode™ offers merchant liability shift on attempted SecureCode™ authentications in all regions except the USA. If a merchant is registered with a participating acquirer outside the USA they will have chargeback liability shift on attempted SecureCode™ authentications on payment transactions that are authorised – even from USA cardholders - which are subsequently then charged back for RC23 and RC83.

"What is unique about FAC's cGate®SecureRisk services is that they are available in multiple currencies and countries so merchants and acquiring banks, anywhere in the world, can implement their choice of solutions, and have an immediate benefit with reduction in online transactional fraud," states Wilson. "Being flexible and meeting the risk profile of our clients is the ultimate goal of our programme. Banks and merchants not registered with 3-D Secure™ solutions in today's high-risk consumer credit market are inevitably going to have friendly fraud losses. Be smart about protecting your hard earned sales against friendly fraud losses and chargeback fines. Implement 3-D Secure."

For more information on First Atlantic Commerce's suite of online fraud and data management services, please visit www.firstatlanticcommerce.com or email us at info@fac.bm.

About First Atlantic Commerce

Headquartered in Bermuda, and established in 1998 to create secure card-based payment solutions for ebusinesses, FAC provides powerful technology designed to work with most merchant platforms, including Microsoft®, UNIX, and LINUX platforms. FAC's cGate® technology offers service, flexibility and security to adapt to many business and bank acquirer requirements. Business solutions such as 3-D Secure™ Payer Authentication, IP Geolocation, Virtual Corporations and offshore multi-currency payment solutions are available in various international jurisdictions.