

OPTIONAL SIGNATURE POLICY

MAY 2020

AMERICAN EXPRESS

GENERAL BACKGROUND

American Express announced that it is eliminating the requirement for merchants to collect Card Members' signatures for all American Express® Card transactions at the point of sale in April 2018. The move, applied globally to all American Express- accepting merchants, helps provide a more consistent and simplified checkout experience for merchants and Card Members in regions around the world, helps speed up the process of paying in store and helps reduce merchants' operating expenses associated with retaining signatures. Merchants will still have the option to collect Card Members' signatures at the point of sale if they choose to do so.

GENERAL FAQ

Q1: What is changing about American Express' signature policy?

Since April 2018, American Express does not require merchants to collect signatures from customers for Card-Present, point of sale Card transactions. This change applies globally to all American Express-accepting merchants.

Merchants will still have the option to collect Card Members' signatures at the point of sale if they choose to do so.

Q2: How does this change help me?

Eliminating the need for signatures may help speed up the checkout process at the point of sale and help reduce operational expenses associated with retaining signatures.

Q3: Is there any difference in policy if I have not migrated my point of sale terminals to EMV?

No. The signature requirement has been eliminated for all Card Present, point of sale Card transactions regardless of the point of sale terminal.

Q4: We have significant terms and conditions that need to be approved by the Card Member in writing. Would this mean we cannot make signature optional?

No, you can still make signature optional. However, you should continue with your current policies and procedures to obtain a separate consent of the customer in writing if your current terms cannot be printed on the receipt or clearly shown to the Card Member during checkout.

Q5: Should we obtain a signature on a Card Present keyed Card transaction?

No. The signature requirement is being eliminated for all Card Present point of sale Card transactions regardless of the point of sale terminal or the method of capturing the transaction. However, please note that if you are presented with a Chip Card and manually key in the Transaction, you may be subject to counterfeit, lost/stolen and/or non-received fraud Chargebacks.

Q6: Will you still require a "signature on file" for recurring Transactions?

Our policy will still require you to obtain the Card Member's express consent for them to bill the Card before submitting the first Recurring Billing Charge. This could be in the form of a signature or other electronic means (e.g., email, web site check out process).

Q7: For Card Present Transactions, do I need to obtain a signature at pick-up for goods that are picked up at a later date/time at my location?

A signature will no longer be required for the in-store Transaction. Obtaining a signature at pick-up is not specifically required in policy today. However, a signature and identification check of the person picking up the goods is considered "Compelling Evidence" under our policies for resolving "goods not received" disputes. This helps prove that the Card Member or an authorized 3rd party picked up the goods.

Given the nature of this Transaction, you may consider obtaining the optional signature of the Card Member during the purchase to show that the Card Member is picking up the goods at a later date.

Q8: For Card Present transactions, do I need to obtain a signature for proof of delivery for goods that are delivered to the Card Member after the Transaction date? (e.g., buy in store to be delivered).

A signature will no longer be required for the in-store Transaction. However, you may continue to obtain a signature during the sale as part of a separate agreement with the Card Member such as delivery terms and conditions. In addition, if a Disputed Charge occurs for "goods not received", you would need to provide Proof of Delivery (note: in the U.S. a signature from the Card Member or an authorized signer of the Card is not required).

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Q9: For Card Not Present transactions (e.g., internet, phone order, application initiated), do I need to obtain a signature for goods that are picked up at my location? While this is not specifically required in policy today, a signature and identification check of the person picking up the goods is considered "Compelling Evidence" under our policies for resolving "goods not received" disputes. This helps prove that the Card Member or an authorized 3rd party picked up the goods.

Therefore, we recommend that you obtain a signature of the person picking up the goods in the store.

Q10: What is my fraud Chargeback liability for not capturing a signature?

You will not be liable for fraud Chargebacks if you do not obtain a signature. Please note that you may be liable for other fraud Chargebacks (e.g. EMV). For customer service (non-fraud) Chargebacks, see question 11.

Q11: What is my Customer Service (non-fraud) Chargeback liability for not capturing a signature?

You will continue to be liable for customer service (non-fraud) Chargebacks if you cannot provide the support required to substantiate your response in a Chargeback reversal request or Inquiry. While you will not be asked to specifically provide a signed receipt on any Disputed Charge on a Card Present Transaction, you should decide if obtaining a signature is the best way to manage chargeback liability. For fraud chargebacks, see question 10.

Q12: When I am asked to provide "support" on an Inquiry, does this mean I may need to provide a signature for a Card Present Transaction?

No, you can respond with details of the Transaction such as what was purchased, the terms of the sale, and itemization if applicable. If the Charge is for goods purchased in store and shipped, you should provide proof of delivery to avoid a potential re-dispute. All judgments regarding resolution of disputed charges are at our sole discretion.

Q13: If the receipt is not signed, how will I prove the Card Member agreed to accept the goods/services as provided?

For Card Present point of sale Card transactions, providing a copy of the unsigned receipt with the terms and conditions of the sale printed on the receipt is sufficient to show the Card Member approved the final sale amount and agreed to accept the goods and services "as is". We will also accept evidence that the terms and conditions were displayed prominently in the store. All judgments regarding resolution of disputed charges are at our sole discretion.

Q14: Will I be required to provide a signature if a Card Member raises a dispute for "non-receipt" of goods or services?

No, you can respond with details of the Card transaction such as what was purchased, the terms of the sale, and itemization if applicable. If this is a standard Card Present transactions where goods are taken by the Card Member at the point of sale, then the electronic Card Data is sufficient to show that the Card was electronically read and the Card Member was present to take possession of the goods when the Transaction was completed.

Q15: Are there changes needed to my point of sale systems to allow for no signature?

There may be updates required to your point of sale system. You should work with your terminal service provider or whomever is responsible for terminal programming.