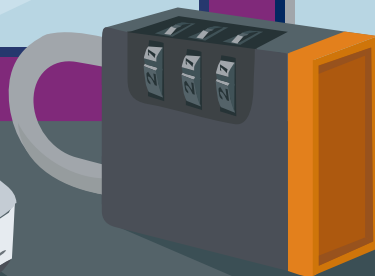AMERICAN EXPRESS

Realise
the
potential™

CLOSED

Protect your business.

Partner with us to **combat fraud** and **safeguard your business**.

In this brochure you will find important information on how to reduce the risk of fraudulent transactions in your business.

Our aim is to:

• help minimise your associated costs; and

• avoid misunderstandings associated with enquiries and chargebacks for you and your customers.

Did you know that the banking industry's gross fraud losses due to South African-issued credit cards was R374,4m and R343,5m for debit cards in 2016, and that counterfeit credit card fraud accounted for 26,4% of the gross fraud losses on credit cards.

(Source: SABRIC Card Fraud Report from 2016)

Did you know …

Important tools
Safeguard your business from fraudulent activity

How to avoid fraudulent transactions

Do not override or **deviate** from instructions on the point-of-sale (POS) device, even if you get your supervisor to override codes. The merchant will be held liable should the transaction be deemed to be fraudulent.

Never accept an authorisation code from a customer. The merchant should call the **American Express Authorisation** desk on **0860 321 555** to obtain a code.

Chip and PIN (dip process) transactions are safer than swipe-only transactions.

If your business does not encounter many foreign card, call us to **enable foreign magstripe blocking**, as most fraudulent cloned cards transact using magstripe. With your consent we can block these card types as they pose a higher risk.

When you are **processing refunds**, take note that the reimbursement must have a corresponding sale transaction. The refund should be made to the **same card** used for the original transactions. The refund can be **equal to or less than the original sale** amount processed on the POS device. If a merchant attempts to process a refund not in line with the above, it may be reversed.

E-commerce transactions should be **SafeKey-enabled**.

AMERICAN EXPRESS SafeKey℠

SafeKey is the American Express 3D secure authentication tool intended to improve the security of online transactions by authenticating the Cardmember.

We recommend that online merchants implement a **CAPTCHA capability** on their website.

The term CAPTCHA stands for Completely Automated Public Turing test to tell Computers and Humans Apart. It protects websites against bots by generating and grading tests that humans can pass but current computer programs cannot. For example, humans can read distorted text as the one shown here, but current computer programs cannot. (Reference: http://www.captcha.net/)

Did you know …

Card-not-present (CNP) crime is one of the largest growing fraud trends in the card payment industry?

CNP fraud is a fraudulent transaction for which neither the Card nor the Cardmember is present when a transaction is made, such as with online purchases. With these transactions merchants are unable to check the Card or the identity of the Cardmember.

The **highest gross fraud losses** related to CNP fraud is linked to the travel industry, ie **airline tickets, vehicle hire** and **hotel accommodation**.

Criminals source data to perpetrate CNP fraud using various techniques, such as phishing, vishing, malware and data breaches (according to SABRIC 2016 Card Fraud Report). If you are an online merchant, enable American Express SafeKey to help you reduce CNP fraud.

What is an authorisation?

- It is a code obtained from the bank that indicates that the account has sufficient credit available and that funds will be held for a time.

- Please note that an authorisation is not a guarantee of payment, but is only a hold of funds for a limited period.

- An authorisation does not verify that the person presenting the Card is the Cardmember. Please ensure the Cardmember is using the Card.

Take note of the following
Preauthorisation: If the total amount exceeds the original authorisation by 15% or more and the total exceeds your floor limit, then an additional authorisation for the amount exceeding the original authorisation must be obtained.

For hotels and car rentals
If the authorised amount is higher than the value of the final bill, it is important that you process an authorisation reversal for the difference between the authorised amount and the value of the Cardmember's final bill.
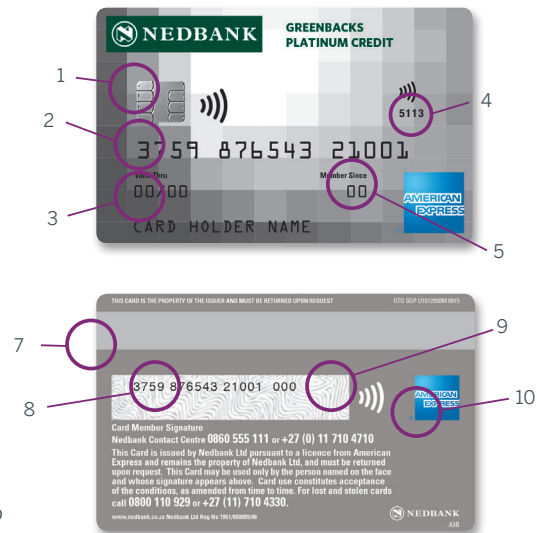
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Tips on fraud

Security features on American Express® Cards

Please familiarise yourself with the security features on American Express Cards
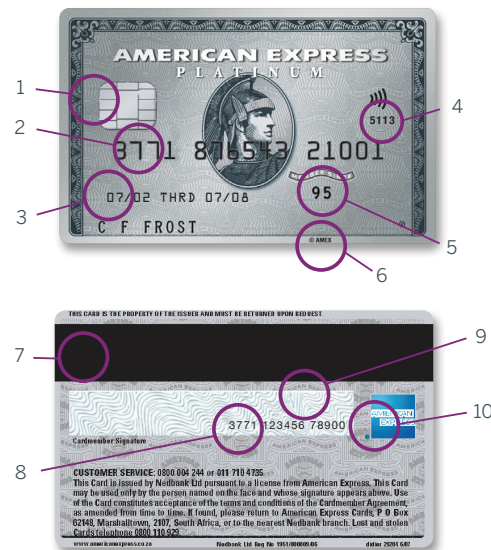
1   Chip

2   Card number

3   Validity period

4   Four-digit batch code (CVV)

5   Member since

6   Microprinting

7   Magnetic stripe

8   Card number

9   Signature panel

10 American Express Cards logo

What is a dispute?

This is when a Cardmember initiates a return of payment instruction through his/her issuing bank to the merchant's acquiring bank, disputing a sale. A dispute leads to a chargeback query to the merchant that provided goods and/or services to the Cardmember.

What is a chargeback?

This is when a transaction is to be returned because it was non-compliant with the association rules and regulations or because it was successfully disputed by a Cardmember.

Reasons for a chargeback

• The merchant didn't provide a copy of the sales slip within the required timeframe.

• The account number on the sales slip didn't match the embossed number on the Card.

• The Cardmember didn't sign the sales slip. Only applicable for non-chip-and-PIN transactions.

• Multiple transactions below the floor limit were processed for a single purchase (split transactions).

• Car rentals – the Cardmember was incorrectly charged for car rental damage, or was charged extraordinary fees related to the damage without the correct consent.

Note: Where a direct chargeback is received, ie there is no voucher request, the amount will be debited under advice stating the reasons.

Notifying you about a dispute or chargeback

Should a Cardmember question a charge, we will try to resolve it at American Express. Failing that, we may contact you for further information.

We will send you a 'request for documentation' letter describing the reason for the dispute and detailing the documents we require from you in respect of the transaction.

Please ensure you respond to this letter by the reply-by date indicated. In certain circumstances we will reverse disputed charges without sending a 'request for documentation' letter.

You will be notified about these chargebacks in the form of an 'advice of chargeback received letter', which will be faxed or emailed, depending on your preferred method of contact.

How to handle a 'request for documentation' letter

Should you receive a 'request for documentation' letter, you can respond either by fax or email.

Please ensure that you send all the documents we requested in the letter before the reply-by date indicated. If you don't reply by that date, American Express will deduct the charge value from your merchant account.

How to avoid disputes and chargebacks
See below for some helpful hints:

• Ensure your trading name appears correctly on Cardmember statements. To check your trading name call our Merchant Help Desk on 011 667 8173 or contact your sales representative.

• Help the Cardmember recognise the transaction by providing as much data as possible, eg itemise the bill by room, restaurant or minibar.

• Advise Cardmembers of your returns policy for damaged and unwanted goods or cancellations of any kind.

• Ensure you always obtain an authorisation code for the full value of the transaction.

- Never split a charge to go over your floor limit threshold or to skip authorisation.

- Ensure that your staff verify the signature on the slip against the one on the Card for signature Cards.

- Check the Card to see that it is not altered, damaged, or expired.

- Ensure you keep all records of sales and charges so any disputes can be resolved easily.

- E-commerce merchants: enable American Express SafeKey through your payment gateway. This will shift liability to the Cardmember for most fraud-related chargebacks.

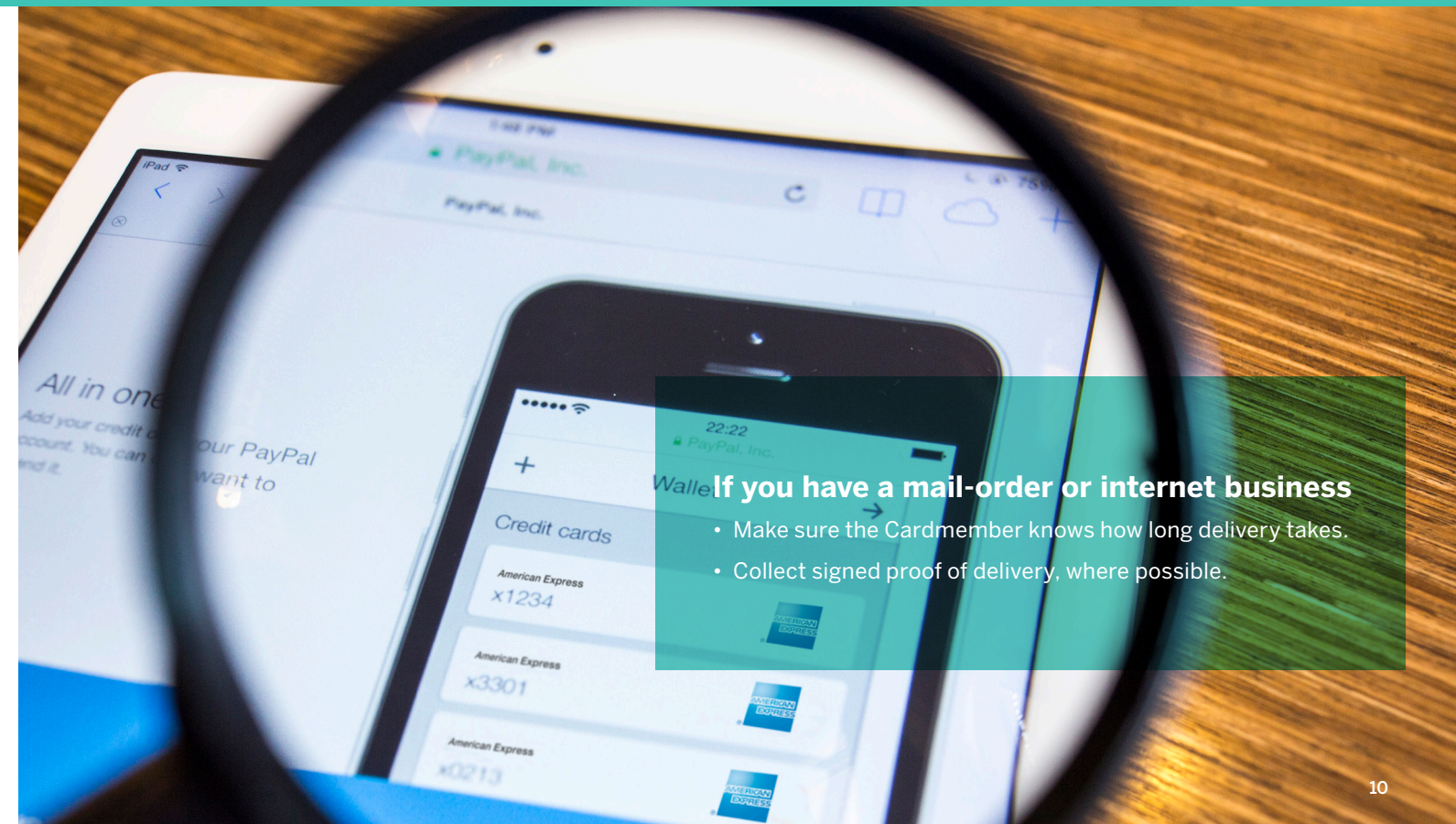**If you are a hotel or restaurant business**

Disputes commonly arise from no-show reservation charges, ie when reservations are made using the American Express Card and Cardmembers fail to show up.

We recommend the following:

- Always give the Cardmember a cancellation number and refer them to your cancellation policy.

- Keep a record of the booking and the cancellation number.

- Indicate a no-show charge on your submission.

- Ensure that the Cardmember has consented to the full amount specified in the charges you submit.

If you have a mail-order or internet business

- Make sure the Cardmember knows how long delivery takes.

- Collect signed proof of delivery, where possible.

Chargeback table

Reason code	Description	Supporting documents
4540	Card not present	Proof that the Cardmember was engaged in the transaction. Proof that the transaction was in fact, part of the exclusions. Proof that the Cardmember agent signed the delivery note and that the credit was passed.
4517	Request for support illegible or not complete	Proof that the required documents were sent out. Proof that the credit was passed and that correct receipts or additional documents as per issuer requirements have been supplied.
4516	Request for support not fulfilled	Proof of credit or proof that the documents have been sent in accordance with the service level agreement.
4527	Missing imprint	Proof that credit was passed. Proof that the Card was present with the signature.
4512	Multiple processing	Proof that the multiple transactions are valid or proof that a credit was passed. When proving the validity of any transactions ensure that all the slips are supplied.
4550	Car rental charge non-qualified or unsubstantiated	Proof that the transaction amount is correct. Proof that the charge is valid. Proof of credit.
4513	Credit report on compliance not present	Proof that the credit was passed. Proof that the credit was processed. Proof that the credit was processed through other means.
4515	Paid through other means	Proof that the Cardmember payment is not related to the disputed transactions. Proof that the credit was processed.
4521	Not valid authorisation	The merchant either failed to obtain a valid authorisation for a transaction that exceeded the floor limit or failed to obtain a single authorisation for the full amount of the transaction, or the merchant submitted the transaction for payment even though the authorisation was declined or reversed, or the authorisation was presented more than seven days after the date of the transaction.

Contact details

American Express Merchant Helpdesk	011 667 8173
Nedbank Contact Centre (NCC)	0860 555 111
Authorisations	
American Express Merchants	0860 321 555
Diners Club International	011 358 8500 or 0860 346 377
Visa/MasterCard	0860 321 222
Fraud	
Tel	011 294 7900
Email	drs@nedbank.co.za
General enquiries	
Tel	011 667 8173
Email	amexacquiringsales@nedbank.co.za

For more information contact the American Express Merchant Helpdesk on 011 667 8173 or
email amexacquiringsales@nedbank.co.za.

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